

Annex to order no. 2208-19 of the minister of economy and finance dated 29th Shawwal 1440 (3rd July 2019) approving the general rules of the Stock Exchange

The general rules of the Stock Exchange

TITLE ONE - GENERAL PROVISIONS

Article 1.1.1

In accordance with the provisions of law no. 19-14 on the Stock Exchange, brokerage firms and financial investment advisors, enacted by the Dahir no. 1-16-151 of 21st Dhu al-Qidah 1437 (25th August 2016), these general rules shall set:

1. The rules relating to the admission of financial instruments to listing, their listing period and delisting;
2. The rules and procedures relating to the functioning of the main market and the alternative market;
3. The rules relating to the creation, modification and deletion of sub-funds by the managing company;
4. The rules and procedures relating to block trading;
5. The terms and conditions for transferring financial instruments between sub-funds of the same market or between markets;
6. The terms and conditions for listing financial instruments issued by organizations or legal persons not having their registered office in Morocco;
7. The transactions that may be qualified as contributions of securities and the terms and conditions for their registration in the Stock Exchange;
8. The rules applicable to the trading and settlement of transactions carried out by brokerage firms;
9. The rules on trading services for financial instruments not listed on the Stock Exchange;
10. The rules relating to the terms of application and enforcement of the guarantee as well as the arrangements for the constitution, management and use of the guarantee deposits provided for in article 29 of the aforementioned law no. 19-14;
11. The list of documents that brokerage firms are required to communicate to the managing company;
12. The list of documents that may be requested by the managing company from issuers of financial instruments;
13. The procedures for executing the judicial sale of financial instruments admitted to trading on the Stock Exchange.

Article 1.1.2

For the purposes of these general rules, the following definitions shall apply:

1. Managing company: the concessionary company managing the Stock Exchange provided for in article 4 of the aforementioned law no. 19-14;

- 2. Stock Exchange:** the regulated market referred to in article 2 of the aforementioned law no. 19-14;
- 3. Financial instruments:** the financial instruments referred to in article 1(1) of the aforementioned law no. 19-14;
- 4. Equity security:** any security giving or that may give access, directly or indirectly, to the capital or to voting rights;
- 5. Debt security:** any security representing a debt claim on the legal person issuing it, excluding commercial bills and certificates of deposit;
- 6. OPC securities:** units or shares of collective investment undertakings as defined by the legislation in force;
- 7. Issuer:** any legal person or collective investment undertaking as defined by the legislation in force that issues one or more financial instruments;
- 8. Trading day:** the working day on which the Stock Exchange is open for trading;
- 9. Rules:** the general rules of the Stock Exchange;
- 10. Notice:** a document by which the managing firm disseminates any general information of use to the market and the public or announces the application of the rules set out in these rules or in the instructions;
- 11. Instruction:** a document issued by the managing company for the implementation of these rules in accordance with the legislation and regulations in force;
- 12. Liquidity provider:** any legal person that ensures the liquidity of a listed financial instrument, under a liquidity agreement or a liquidity provider agreement;
- 13. Qualified investors:** investors as defined in article 3 of law no 44-12 on public offering and the information required from legal entities and organizations making public offerings, enacted by Dahir no. 1-12-55 of 14th Safar 1434 (28th December 2012), as amended and completed;
- 14. Applicant:** an issuer who files an application for the listing of financial instruments or any other person authorized by the issuer for that purpose;
- 15. Investment syndicate:** a group of financial intermediaries selected by the originator of a financial transaction to place securities issued as part of this transaction;
- 16. Net asset value of OPC securities:** the value of an OPC calculated according to a specified periodicity and used for the subscription and repurchase operations of OPC securities made with its managing company or its management institution, as the case may be;
- 17. Indicative net asset value of OPC securities:** an estimate of the value of an OPC at a particular time based on the composition of the fund;
- 18. Direct transfers:** direct transfers as defined in article 1 (5) of the aforementioned law no. 19-14;
- 19. Contribution of securities:** the contribution of securities as defined in article 1 (13) of the aforementioned law no. 19-14.

Article 1.1.3

The instructions and notices issued by the managing company are published on its website.

TITLE II.- THE RULES RELATING TO THE ADMISSION OF FINANCIAL INSTRUMENTS TO LISTING, THEIR LISTING PERIOD AND THEIR RADIATION

Chapter I. - The Stock Exchange markets

Article 2.1.1

The Stock Exchange includes a main market and an alternative market.

Article 2.1.2

The main market comprises five sub-funds: "Principal A", "Principal B", "Principal C", "Principal D" and "Principal E".

The "Principal A" and "Principal B" sub-funds are intended for the trading of equity securities, depending on their capitalization.

The "Principal C" sub-fund is intended for the trading of OPC securities.

The "Principal D" sub-fund is intended for the trading of debt securities.

The "Principal E" sub-fund is intended for the trading of:

- Equity securities by qualified investors and by any investor holding part of the issuer's capital prior to the listing of these financial instruments;
- OPC securities and debt securities by qualified investors.

Article 2.1.3

The alternative market comprises three sub-funds: "Alternative A", "Alternative B" and "Alternative C".

The "Alternative A" sub-fund is intended for trading in equity securities issued by small or medium-sized companies.

The "Alternative B" sub-fund is intended for the trading of debt securities issued by small and medium-sized companies.

The "Alternative C" sub-fund is intended for the trading of:

- equity securities issued by small or medium-sized companies, qualified investors and any investor holding a part of the issuer's capital before the admission of these financial instruments to listing;
- debt securities issued by small and medium-sized companies, by qualified investors.

Article 2.1.4

The managing company may create additional sub-funds or modify existing ones after approval by the AMMC.

In addition to the elements provided for in article 3 of the aforementioned law no.19-14, the managing company shall create or modify the aforementioned sub-funds, in particular with regard to one or more of the following criteria:

- the capitalization of financial instruments;
- the category of financial instruments;

- the investor category;
- the issuer's own equity;
- the issuer's turnover;
- the number of certified financial years;
- the minimum number of financial instruments disseminated to the public;
- the minimum amount of financial instruments publicly disclosed;
- the sector of activity and/or geographical location of the issuer.

Any creation or modification of sub-funds by the managing company, approved in advance by the AMMC, and, where applicable, the allocation of financial instruments that may result therefrom, shall be notified to the AMMC and the issuers concerned at least twenty (20) trading days before its effective execution. They shall also be made public by notice within five (5) trading days from the date of such notification and before its effective implementation.

The managing company may delete a specific sub-fund when the following conditions are met:

- the objectives having motivated its creation have not been achieved;
- obtaining the agreement of the AMMC.

The cancellation of the sub-fund and, where applicable, the reallocation of the financial instruments traded in it, shall be notified to the AMMC and the issuers concerned at least twenty (20) trading days before they are actually put into effect. They shall also be made public by notice within five (5) trading days from the date of such notification and before their effective implementation.

Chapter 2 - Conditions for the admission of financial instruments to listing

Section One - General provisions

Article 2.2.1

Unless an exemption is granted by the managing company after consulting the AMMC, financial instruments giving or likely to give access to the capital of an issuer may only be admitted to listing on the Stock Exchange if the equity securities to which they refer are themselves listed on the Stock Exchange.

Section 2 - Admission to the main market

Subsection One. Admission to the "Principal A" and "Principal B" sub-funds

Article 2.2.2

Only marketable equity securities issued by legal persons meeting the following conditions may be admitted to listing on the Stock Exchange in the "Principal A" and "Principal B" sub-funds:

- having a fully paid-up share capital;
- offering to the public equity securities representing at least:
 - 25% of the share capital if the capitalization is less than 5 billion dirhams;
 - 20% of the share capital if the capitalization is equal to or greater than 5 billion dirhams and less than 10 billion dirhams;
 - 15% of the share capital if the capitalization is equal to or greater than 10 billion dirhams and less than 40 billion dirhams;

- 10% of the share capital if the capitalization is equal to or greater than 40 billion dirhams.
- offering to the public equity securities representing a minimum amount of:
- 1.25 billion dirhams if the capitalization is equal to or greater than 5 billion dirhams and less than 10 billion dirhams;
 - 2 billion dirhams if the capitalization is equal to or greater than 10 billion dirhams and less than 40 billion dirhams;
 - 6 billion dirhams if the capitalization is equal to or greater than 40 billion dirhams.
- having prepared and certified the summary financial statements for the last three financial years preceding the date the application for admission to trading was submitted. In addition, legal persons that control other companies within the meaning of article 144 of law no. 17-95 on public limited companies, enacted by Dahir no. 1-96-124 of 14th Rabii II 1417 (30th August 1996), as amended and completed, must submit consolidated and certified annual accounts in accordance with the legislation in force or, failing that, in accordance with the international accounting standards (IAS/IFRS).

If the foreseeable admission date is more than nine (9) months after the end of the last financial year, the issuer must also prepare the aforementioned summary financial statements for the first half of the current financial year. These financial statements must undergo a limited review by one or more statutory auditors.

Where the issuer does not have its registered office in Morocco, the aforementioned financial statements must be drawn up and certified in accordance with the standards considered by the AMMC to be equivalent at least to those in force in Morocco.

Equity securities are admitted to the "Principal A" or "Principal B" sub-fund depending on capitalization. The distribution of equity securities between these two sub-funds is carried out in accordance with the thresholds set by instruction after consulting the AMMC.

For the purposes of this article, capitalization is calculated based on the initial public offering price on the Stock Exchange.

Subsection 2. Admission to the "Principal C " sub-fund

Article 2.2.3

Only marketable securities issued by OPCs may be admitted to listing on the Stock Exchange in the "Principal C" sub-fund.

The managing company may require, by instruction and after consulting the AMMC, that the admission of a type of securities issued by the OPCs be accompanied, during the listing period of the securities, with:

- the liquidity provider agreement, concluded between the managing company and a liquidity provider, to ensure the liquidity of the listed financial instrument; or
- the liquidity agreement intended to guarantee the liquidity of the listed financial instrument, concluded between the issuer of the said instrument and a liquidity provider.

Subsection 3. Admission to the "Principal D " sub-fund

Article 2.2.4

Only marketable debt securities issued by legal persons meeting the following conditions may be admitted to listing on the Stock Exchange, in the "Principal D" sub-fund:

- having a fully paid-up share capital;
- having prepared and certified the summary financial statements for the last two financial years preceding the date of submission of the application for admission to trading. In addition, legal persons controlling other companies within the meaning of article 144 of the aforementioned law no.17-95 must submit consolidated and certified annual accounts, in accordance with the legislation in force or, failing that, in accordance with the international accounting standards (IAS/IFRS).

If the foreseeable admission date falls more than nine (9) months after the end of the last financial year, the issuer must also prepare the aforementioned financial statements for the first half of the current financial year. These statements must undergo a limited review by one or more auditors.

When the registered office of the issuer is not located in Morocco, the issuer must draw up the financial statements and have them certified in accordance with standards considered by the AMMC to be at least equivalent to those in force in Morocco.

- issuing debt securities representing at least a total amount of 100 million dirhams, including at least 20 million dirhams for each tranche of the issue admitted to listing on the Stock Exchange;
- issuing debt securities with a minimum maturity of two years.

Subsection 4. Admission to the "Principal E" sub-fund

Article 2.2.5

Only equity securities and marketable debt securities issued by legal persons meeting the following conditions may be admitted to listing on the Stock Exchange in the "Principal E" sub-fund:

- having a fully paid-up share capital;
- having drawn up and certified the summary financial statements for the last financial year preceding the date of submission of the said application for admission to listing. In addition, legal persons controlling other companies within the meaning of article 144 of the aforementioned law no.17-95 must submit consolidated and certified annual accounts, in accordance with the legislation in force or, failing that, in accordance with the international accounting standards (IAS/IFRS).

However, the conditions provided for in the second indent above do not apply to the public institutions, enterprises and companies referred to in article 1 of law no. 69-0 on the State's financial control over public enterprises and other bodies, enacted by Dahir no. 1-03-195 of 16th Ramadan 1424 (11th November 2003), as amended and completed, which have acquired the legal personality since less than one year on the date of admission of their securities for listing.

When the issuer does not have its registered office in Morocco, it must draw up the aforementioned summary financial statements and have them certified in accordance with standards considered by the AMMC to be at least equivalent to those in force in Morocco.

For debt securities, the aforementioned legal entities must, in addition to the conditions set out above, issue securities with a minimum maturity of two years.

Marketable securities issued by OPCs may also be admitted to listing on the Stock Exchange in the "Principal E" sub-fund.

Section 3 - Admission to the alternative market

Subsection 1. General provisions

Article 2.2.6

In addition to the conditions set out in articles 2.2.7 to 2.2.9 of these rules, only equity securities and marketable debt securities issued by small or medium-sized enterprises meeting one of the following conditions may be admitted to listing on the Stock Exchange in one of the sub-funds of the alternative market:

- having employed, during the last six (6) months, employees whose average number is less than 300 persons;
- having a balance sheet total not exceeding 200 million dirhams for the last financial year preceding the filing date of the application for admission of its securities;
- have a turnover not exceeding 500 million dirhams for the last financial year preceding the filing date of the application for admission of its securities.

Where a small or medium-sized enterprise has subsidiaries within the meaning of article 143 of the aforementioned law no. 17-95, each condition provided for above shall be assessed, on a group or consolidated basis, for the parent company and its subsidiaries.

Subsection 2. Admission to the "Alternative A" sub-fund

Article 2.2.7

Only marketable equity securities issued by small or medium-sized enterprises that meet, in addition to the conditions set out in article 2.2.6 above, the following conditions may be admitted to listing on the Stock Exchange in the "Alternative A" sub-fund:

- having a fully paid-up share capital;
- offering to the public equity securities representing at least 5 million dirhams;
- having prepared and certified the summary financial statements for the last financial year preceding the date of filing of the application for admission to listing. In addition, legal entities that control other companies within the meaning of article 144 of the aforementioned law no. 17-95 must submit consolidated and certified annual accounts, in accordance with the legislation in force or, otherwise, in accordance with the international accounting standards (IAS/IFRS).

If the foreseeable admission date occurs more than nine (9) months after the end of the last financial year, the issuer must also establish the aforementioned summary financial statements for the first half-year of the current financial year. These statements must undergo a limited review by one or more statutory auditors.

When the issuer does not have its registered office in Morocco, it must draw up the summary financial statements and have them certified in accordance with standards considered by the AMMC to be at least equivalent to those in force in Morocco.

- having entered into an assistance agreement with a brokerage firm or a financial investment advisor, in accordance with the terms and conditions set out in an instruction issued after consulting the AMMC,

the purpose of which is to advise and assist the issuer in the process of admission to listing and for a minimum consecutive period of two years;

– having concluded for a minimum period of two years the liquidity agreement referred to in article 2.2.3 of these rules.

In addition, shareholders who jointly hold a majority of the share capital and/or of voting rights of the issuer of the equity securities at the time of its admission to listing on the Stock Exchange, must undertake to retain such majority for a period of two years from the date of admission to listing. The equity securities concerned must be recorded in a blocked account for the same period with an account keeper to be designated by the said issuer.

Subsection 3. Admission to the "Alternative B" sub-fund

Article 2.2.8

Only marketable debt securities issued by small or medium-sized enterprises that, in addition to the conditions set out in article 2.2.6 above, meet the following conditions, may be admitted to listing on the Stock Exchange in the "Alternative B" sub-fund:

- having a fully paid-up share capital;
- issuing debt securities representing at least a total amount of 20 million dirhams, including at least 10 million dirhams per tranche of the issue listed on the Stock Exchange;
- having drawn up and certified the summary financial statements for the last two financial years preceding the date of filing of the application for admission to listing. In addition, legal entities that control other companies within the meaning of article 144 of the aforementioned law no. 17-95 must submit consolidated and certified annual accounts, in accordance with the legislation in force or, otherwise, in accordance with the international accounting standards (IAS/IFRS).

If the foreseeable admission date occurs more than nine (9) months after the end of the last financial year, the issuer must also draw up the aforementioned summary financial statements for the first half-year of the current financial year. These statements must undergo a limited review by one or more statutory auditors.

When the issuer does not have its registered office in Morocco, it must draw up the summary financial statements and have them certified in accordance with standards considered by the AMMC to be at least equivalent to those in force in Morocco.

- issuing debt securities with a minimum maturity of two years.

Subsection 4. Admission to the "Alternative C" sub-fund

Article 2.2.9

Only equity securities and marketable debt securities issued by small or medium-sized companies that meet, in addition to the conditions set out in article 2.2.6 above, the following conditions, may be admitted to listing on the Stock Exchange, in the "Alternative C" sub-fund:

- having a fully paid-up share capital;
- having established and certified the summary financial statements:
 - of the last financial year preceding the date of filing of the application for admission of equity securities to listing;
 - for the last two financial years preceding the date of filing of the application for admission of debt securities to listing.

In addition, legal entities that control other companies within the meaning of article 144 of the aforementioned law no. 17-95 must submit consolidated and certified annual accounts, in accordance with the legislation in force or, otherwise, in accordance with the international accounting standards (IAS/IFRS).

However, the conditions provided for in the second indent above do not apply to the public institutions, enterprises and companies referred to in article 1 of the aforementioned law no. 69- 00, which have acquired the legal personality since less than one year on the date of admission of their securities to listing.

When the issuer does not have its registered office in Morocco, it must draw up the summary financial statements and have them certified in accordance with standards considered by the AMMC to be at least equivalent to those in force in Morocco.

For debt securities, the aforementioned small and medium-sized enterprises must, in addition to the conditions set out above, issue securities with a minimum maturity of two years.

Section 4 - Conditions for the admission of securities denominated in foreign currencies

Article 2.2.10

The admission of securities denominated in foreign currencies to one of the sub-funds of the main market or the alternative market is subject to the same conditions for the admission of securities issued in dirhams as provided for respectively by the provisions of sections 2 and 3 of this chapter. To meet the above conditions, amounts denominated in foreign currencies must be equivalent to the amounts in Moroccan dirhams laid down in the provisions of the aforementioned sections.

Chapter 3 - Procedures for the admission of financial instruments to listing

Article 2.3.1

The admission of financial instruments to listing is the subject of an application addressed to the managing company by the applicant or by their authorized representative(s).

The managing company and the applicant shall jointly determine a timetable for the admission of the instruments concerned to listing.

Article 2.3.2

The application for admission referred to in article 2.3.1 of these rules must be accompanied by a file containing the following documents:

- the minutes of the legislative bodies of the issuer containing the decision to admit its financial instruments and setting the terms and conditions for its implementation;
- the draft information document provided for in article 5 of the aforementioned law no. 44-12;
- the draft agreement to be concluded between the issuer and the investment syndicate members, where applicable;
- the draft timetable for the admission of financial instruments;
- the certificate of admission of financial instruments to the operations of the Central Depositary;
- a certified copy of the articles of association or management regulations, as the case may be;
- the list of shareholders or unit holders or partners as well as the distribution of the share capital and voting rights or assets of the entities concerned;
- the certificate of registration of the issuer in the trade register;

- the letter of appointment of the agent(s) by the issuer, where applicable.

Article 2.3.3

In addition to the documents provided for in article 2.3.2 of these rules, the application for admission of equity securities to the "Principal A" or "Principal B" sub-funds must be accompanied by the following documents:

- the summary financial statements for the three financial years preceding the date of filing of the application for admission, accompanied by the reports of the statutory auditor(s) on the certification of the said financial statements;
- the consolidated summary financial statements for the three financial years preceding the date of filing of the application for admission, accompanied by the reports of the auditor(s) relating to the certification of the said statements, where the issuer controls other companies within the meaning of article 144 of the above-mentioned law no. 17-95;
- the summary financial statements for the first half year of the current financial year, accompanied by the certificate of limited review by the statutory auditor(s), where the foreseeable admission date occurs more than nine (9) months after the end of the last financial year;
- the management reports for the last three financial years.

Article 2.3.4

In addition to the documents provided for in article 2.3.2 of these rules, the application for admission of equity securities to the "Alternative A" sub-fund must be accompanied by the following documents:

- the summary financial statements for the last financial year preceding the filing date of the application for admission, accompanied by the report of the statutory auditor(s) on the certification of the said financial statements;
- the consolidated summary financial statements for the last financial year preceding the filing date of the application for admission, accompanied by the report of the statutory auditor(s) on the certification of the said statements, where the issuer controls other companies within the meaning of article 144 of the above-mentioned law no. 17-95;
- the summary financial statements for the first half year of the current financial year, accompanied by the certificate of limited review by the statutory auditor(s), where the foreseeable admission date occurs more than nine (9) months after the end of the last financial year;
- a certificate issued by a public body specifying the average number of employees employed by the issuer during the last six (6) months preceding the filing date of the application for admission to listing;
- a copy of the assistance agreement provided for in article 2.2.7 of these rules;
- the commitment of shareholders, jointly holding a majority of the share capital and/or of voting rights of the securities issuer at the time of admission of its securities, to retain such majority for a period of two years from the date of admission to listing;
- certificate of blocking of securities of the shareholders mentioned in the 6th indent of this article;
- a copy of the liquidity agreement provided for in article 2.2.7 of these rules.

Article 2.3.5

In addition to the documents provided for in article 2.3.2 of these rules, the application for admission of equity securities to the "Principal E" or "Alternative C" sub-funds must be accompanied by the following documents:

- the summary financial statements for the last financial year preceding the filing date of the application for admission, accompanied by the report of the statutory auditor(s) on the certification of the said financial statements;
- the consolidated summary financial statements for the last financial year preceding the filing date of the application for admission, accompanied by the report of the statutory auditor(s) on the certification of the said statements, where the issuer controls other companies within the meaning of article 144 of the above-mentioned law no. 17-95;
- the management report for the last financial year.

However, the filing of the above-mentioned documents is not required of the public institutions, enterprises and companies referred to in article 1 of the aforementioned law no. 69-00.

The application for admission of equity securities to the "Alternative C" sub-fund must also be accompanied by a certificate issued by a public body specifying the average number of employees employed by the issuer during the six (6) months preceding the filing date of the application for admission to listing.

Article 2.3.6

In addition to the documents provided for in article 2.3.2 of these rules, the application for admission of debt securities to the "Principal D" sub-fund must be accompanied by the following documents:

- the summary financial statements for the two financial years preceding the filing date of the application for admission, accompanied by the reports of the statutory auditor(s) on the certification of the said financial statements;
- the consolidated summary financial statements for the two financial years preceding the date of filing of the application for admission, accompanied by the reports of the auditor(s) on the certification of the said statements, where the issuer controls other companies within the meaning of article 144 of the aforementioned law no. 17-95;
- the summary financial statements for the first half year of the current financial year, accompanied by the certificate of limited review by the statutory auditor(s), where the foreseeable admission date occurs more than nine (9) months after the end of the last financial year.

Article 2.3.7

In addition to the documents provided for in article 2.3.2 of these rules, the application for admission of debt securities to the "Alternative B" sub-fund must be accompanied by the following documents:

- the summary financial statements for the two financial years preceding the filing date of the application for admission, accompanied by the reports of the statutory auditor(s) on the certification of the said financial statements;
- the consolidated summary financial statements for the two financial years preceding the filing date of the application for admission, accompanied by the reports of the auditor(s) on the certification of the said statements, where the issuer controls other companies within the meaning of article 144 of the aforementioned law no. 17-95;

- the summary financial statements for the first half year of the current financial year, accompanied by the certificate of limited review by the statutory auditor(s), where the foreseeable admission date occurs more than nine (9) months after the end of the last financial year;
- a certificate delivered by a public body specifying the average number of employees employed by the issuer during the six (6) months preceding the filing date of the application for listing.

Article 2.3.8

In addition to the documents provided for in article 2.3.2 of these rules, the application for admission of debt securities to the "Principal E" or "Alternative C" sub-funds must be accompanied, where applicable, by the following documents:

- the summary financial statements for the last financial year preceding the filing date of the application for admission, accompanied by the report of the statutory auditor(s) on the certification of the said financial statements;
- the consolidated summary financial statements for the last financial year preceding the filing date of the application for admission, accompanied by the report of the statutory auditor(s) on the certification of the said statements, where the issuer controls other companies within the meaning of article 144 of law no. 17-95 aforementioned.

The application for admission of debt securities to the "Alternative C" sub-fund must also be accompanied by a certificate issued by a public body specifying the average number of employees employed by the issuer during the six (6) months preceding the filing date of the application for admission to the listing.

Article 2.3.9

In addition to the documents provided for in article 2.3.2 of these rules, the application for admission of OPCs' securities to the "Principal C" or "Principal E" sub-funds must be accompanied by the following documents:

- the summary financial statements of the OPC for the last financial year preceding the date of submission of the application for admission, accompanied by the report of the statutory auditor(s) on the certification of the said financial statements, if applicable;
- the summary financial statements of the consolidated OPC, if applicable, for the financial year preceding the date of submission of the application for admission, accompanied by the report of the statutory auditor(s) on the certification of such financial statements, if applicable;
- a copy of the authorization decision of the OPC concerned;
- a copy of the liquidity or liquidity provider agreement, where applicable.

Article 2.3.10

In the context of the investigation of the application for admission, the managing company may request the applicant to submit any additional documents or information within the time limits it sets.

Article 2.3.11

Upon receipt of the file of the application for admission, the managing company ensures that it includes all the documents and information referred to respectively in articles 2.3.1 to 2.3.9 of these rules, as the case may be, and decides on the admissibility of the said application.

Upon receipt of the complete file, the managing company examines the file to ensure that the issuer complies with the conditions laid down in these rules, and decides on the application for admission within ten (10) trading days from the date of receipt of the file of the above-mentioned application.

However, this period shall be suspended where the managing company requests the applicant to provide it with the documents and information referred to in article 2.3.10 of these rules, until the date of receipt of the abovementioned documents and information.

Article 2.3.12

If the issuer fulfils the admission conditions, the managing company examines the timetable for the operation and the procedures for the distribution of the financial instruments proposed by the applicant, in particular in the light of the legislative and regulatory provisions in force.

Article 2.3.13

If the application for admission is accepted by the managing company, the latter shall notify the applicant of its decision in writing permitting proof of receipt. However, this decision only becomes final after obtaining the approval of the information document.

Article 2.3.14

The managing company declares, by notice, the admission of financial instruments to one of the sub-funds of the Stock Exchange. This notice specifies in particular the characteristics of the financial instruments, the procedures for their distribution and the timetable for the operation.

Article 2.3.15

In the event of rejection of the application for admission, the managing company notifies its decision to the applicant in writing permitting proof of receipt and informs the AMMC by any appropriate means.

Any rejection must be justified.

Article 2.3.16

The issuer whose equity securities are already admitted to listing is required to apply for the admission of new equity securities resulting from capital increases by:

1. capitalisation of reserves and/or of the share premium;
2. repayment or conversion of bonds into shares.

The admission of the aforementioned securities is pronounced ex officio by the managing company.

The procedure referred to in articles 2.3.2 to 2.3.10 of these rules is not necessary for the admission of the new securities referred to in the first paragraph of this article.

Article 2.3.17

The managing company informs the applicant in writing of the fees and charges it applies to operations concerning them and the conditions for their payment.

Chapter 4 - The procedures for the dissemination of financial instruments to the public

Article 2.4.1

The admission of financial instruments to listing is carried out through their distribution to the public where applicable and the organization of their first listing.

Section One - Dissemination of financial instruments to the public

Article 2.4.2

The public dissemination of financial instruments must be carried out at the latest at the time of the first listing.

Article 2.4.3

Where the issuer chooses to disseminate to the public part of their financial instruments in the context of a first listing procedure and the other part in the context of a placement prior to the first listing, the managing company assesses the adequacy of the procedures for the said dissemination to the characteristics of the operation envisaged, taking into account the provisions of these rules.

The price set for the first listing procedure may not exceed the one practised during the placement.

A detailed statement relating to the main elements of the result of the prior placement shall be communicated by the applicant to the managing company, which shall publish it by notice.

Article 2.4.4

The public distribution is carried out when the issued securities are held by a minimum number of subscribers set out in the information document relating to the operation of admission of the said securities to listing.

Section 2.- First listing procedures

Subsection one. The firm price offer (FPO), the minimum price offer (MOP) and the open price offer (OPO)

Article 2.4.5

The firm price offer consists in providing the public with a number of securities by setting a firm price. The orders issued by subscribers must be stipulated at this price.

Article 2.4.6

The minimum price offer consists in providing the public with a number of securities by setting a minimum selling price. The orders issued by subscribers must be stipulated at this price or at a higher price.

Article 2.4.7

The open price offer consists in providing the public with a number of securities by setting a price range. The orders issued by the subscribers must be stipulated at a price within the price range, including limits.

Article 2.4.8

The managing company publishes a notice within a period of at least five (5) trading days before the starting date of subscriptions. This notice, which announces the admission of a financial instrument under one of the three procedures provided for in articles 2.4.5, 2.4.6 and 2.4.7 of these rules, specifies the number of securities disseminated to the public by the issuer and the proposed sale price for these securities (firm price, minimum price or price range).

Article 2.4.9

The issuer may, with the agreement of the managing company, reserve the right to amend the firm price, or the minimum price or price range, initially stipulated, provided that this possibility has been provided for in the information document approved by the AMMC and that the firm price, minimum price or price range finally adopted is published within a period of at least three (3) trading days before the closing date for subscriptions.

The managing company publishes this amendment by notice, specifying the conditions under which the buy orders previously issued must be confirmed or amended.

Article 2.4.10

The managing company centralizes the buy orders transmitted by members of the investment syndicate on the day set in the timetable of the first listing operation.

The managing company only retains buy orders stipulated at the offer price in the case of a firm price offer, or at a price greater than or equal to the minimum price in the case of a minimum price offer, or at a price within the price range in the case of an open price offer.

In the case of a minimum price offer, the managing company may eliminate orders with a limit exceeding a given margin in terms of the minimum price, determined in consultation with the applicant.

Article 2.4.11

In the case of a firm price offer and when the offer is satisfied, the price of the first listing is that of the offer price.

In the case of a minimum price or open price offer, the price results from balancing supply and demand while taking into account the demand expressed in the context of the placement.

Article 2.4.12

The issuer may, with the agreement of the managing company, provide that buy orders issued in response to the offer are divided into categories differentiated according to certain criteria, in particular, the number of securities requested and the category of ordering parties.

The managing company sets the procedures for transmitting orders by members of the investment syndicate and the information concerning each category of orders and informs the said members thereof.

The managing company determines the status of buy orders and distributes the securities covered by the offer between the ordering parties in accordance with the terms and conditions laid down by the issuer and validated by it. These terms and conditions may either provide for a uniform dissemination of securities between ordering parties or reserve special treatment for certain categories of orders.

Subsection 2. Direct listing

Article 2.4.13

Direct listing consists in directly admitting financial instruments to listing, according to the trading methods habitually applied on the Stock Exchange based on the admission price set out in the information document or note.

For equity securities, this procedure may only be used if the shares are disseminated to the public in the light of the dissemination criteria laid down, as the case may be, by articles 2.2.2, 2.2.7, and 2.4.4 of these rules.

Article 2.4.14

Subject to the agreement of the managing company on the admission conditions and the operation timetable, direct listing may also consist in placing on the market a number of securities intended to be transferred on the first trading day.

Article 2.4.15

The managing company publishes a notice at least five (5) trading days before the date of the first listing. This notice, which announces the admission of the financial instrument under the direct listing procedure, specifies in particular the admission price, the reference used on the first trading day and the listing method for the said instrument.

Section 3 - Common provisions of first listing procedures

Article 2.4.16

The first listing of financial instruments admitted to the listing is carried out according to one of the following four procedures: the firm price offer, the minimum price offer, the open price offer and direct listing, as set out respectively in articles 2.4.5, 2.4.6, 2.4.7 and 2.4.13 of these rules.

Article 2.4.17

The managing company publishes by notice the characteristics of the first listing operation of financial instruments, in particular:

the identity of the issuer, its agent(s) and, where applicable, its advisors in terms of the admission operation;

- the number, nature and characteristics of the financial instruments;
- the price or price range of the financial instrument;
- the timetable of the operation and the procedure adopted for the first listing as well as all the information necessary to inform the public.

Article 2.4.18

Where the managing company considers that the implementation of the first listing procedure adopted would lead, in the light of the applications received, either to the listing of financial instruments at a price exceeding a margin, determined in consultation with the applicant, in relation to the offer price, or to an excessive reduction in the buy orders retained, it may decide, after consulting the AMMC and the issuer, to postpone the admission of the aforementioned instruments to a later date.

The managing company publishes by notice the new admission date and, where applicable, the new first listing procedure adopted as well as the new procedures laid down for the completion of the admission to the listing. All buy orders received are cancelled.

Article 2.4.19

The managing company immediately records the transactions involving the financial instruments listed following the first listing. The issuer shall provide the said company with the name(s) of the brokerage firm(s) that they have designated to carry out the steps necessary to this end.

Article 2.4.20

The managing company shall publish by notice the results of the first listing. The said notice shall include, in particular:

- the operation characteristics;
- overall synthesis of the results;
- the allocation of securities by type of subscribers.

Chapter 5 - The obligations of issuers during the listing period of their financial instruments and the procedures for their transfer and delisting

Section One - The obligations of issuers during the listing period of their financial instruments

Article 2.5.1

The issuer whose equity securities or debt securities are admitted to listing must, immediately, send to the managing company the following documents drawn up as from the date of admission of the said securities:

- minutes of ordinary and extraordinary general meetings;
- the updated articles of association;
- minutes of the meetings of the Board of Directors prior to general meetings;
- the updated list of the issuer's shareholders and the fraction of the capital held by each of them;
- the semi-annual accounts provided for by the legislation and regulations in force;
- quarterly business and financial indicators, where applicable;
- the summary financial statements for the past financial year, certified and published, accompanied by the report of the statutory auditor(s);
- the accounts for the past financial year, consolidated where applicable, and published. The said accounts must be certified in accordance with the legislation in force or, failing that, with the international accounting standards (IAS/IFRS) and accompanied by the report of the statutory auditor(s);
- the press releases and publications as well as any economic or financial information document distributed or published by the issuer.

Article 2.5.2

The issuer of securities of an OPC admitted to listing must submit, without delay, to the managing company the following documents drawn up as from the date of admission of the said securities:

- the updated articles of association or management regulations, as the case may be;
- the updated document or information note, as the case may be;
- the summary financial statements of the OPC for the past financial year, certified and published, accompanied by the statutory auditor's report on the said summary financial statements;
- the consolidated summary financial statements of the OPC, if applicable, for the past financial year, certified and published, accompanied by the statutory auditor's report;

- press releases and publications and any other information of economic or financial nature issued or published by the issuer.

In addition, the above-mentioned issuer must disclose to the managing company the periodic net asset value and, if applicable, the indicative net asset value of the security of the OPC upon a frequency set in consultation with the said company.

Article 2.5.3

Any issuer of listed financial instruments is required to monitor the liquidity of such instruments and take measures to improve it. To that end, it may in particular carry out or make carry out any financial operation and/or conclude an assistance agreement and /or a liquidity contract.

The criteria for assessing the liquidity of financial instruments for each sub-fund are set by instruction following an opinion from the AMMC.

The managing company may make a special mention of non-liquid financial instruments in accordance with the above criteria.

Section 2.- The terms and conditions to transfer financial instruments between sub-funds of the same market or from one market to another

Article 2.5.4

The managing company shall verify annually that the market capitalization requirement laid down in article 2.2.2 of these rules is fulfilled for equity securities admitted to the "Principal A" or "Principal B" sub-funds. Where the aforementioned requirement is no longer fulfilled, the said company shall, on its own initiative, transfer the equity securities concerned between the aforementioned sub-funds, inform the issuers concerned and publish a notice at least five (5) trading days before the date of the actual transfer.

The market capitalization referred to in the first paragraph above, which takes into account for each issuer all equity securities admitted to trading on the principal market, is calculated on the basis of the closing prices average recorded for the last ninety (90) trading days preceding the annual audit.

Article 2.5.5

Any issuer may request the transfer of their financial instruments to another sub-fund, on the main market or on the alternative market, where the admission requirements of such instruments to the destination sub-fund applicable to it are met, as appropriate.

The managing company shall decide on the transfer request in accordance with the applicable conditions of the destination sub-fund and shall transfer the financial instruments in accordance with the terms and conditions laid down by instruction after consulting the AMMC.

In the event of a transfer of financial instruments from the main market to the alternative market, the issuer shall remain subject to the same disclosure obligations as it was subject to in the main market until the end of the financial year following the financial year in which the transfer was made.

Section 3.- Delisting of financial instruments

Article 2.5.6

The delisting of a financial instrument from the Stock Exchange is decided by the managing company on its own initiative, upon the request of the AMMC, or upon the request of the issuer concerned, in accordance with the provisions of articles 19 and 20 of the aforementioned law no. 19-14.

Article 2.5.7

The managing company may decide, on its own initiative, to delist a financial instrument from the list following an annual review carried out in the light of the provisions of article 19 of the aforementioned law no. 19-14.

The managing company shall establish a file for each financial instrument likely to be written off. It shall inform the issuer concerned of the possibility of a delisting decision and shall invite it to submit its written comments thereon within a period to be set by it.

The managing company may decide to keep the above-mentioned instrument listed provided that the issuer undertakes to take the necessary measures to regularize its position within a period to be set by it, its situation with regard to the elements provided for in the aforementioned article 19.

Article 2.5.8

In the event of delisting of a financial instrument, at the initiative of the managing company, the delisting decision is taken after having previously informed the AMMC.

Article 2.5.9

The decision to delist a financial instrument shall be published by the managing company in a legal announcement publication, at least forty-five (45) trading days before its effective date.

Article 2.5.10

Delisting of equity securities entails the delisting of all secondary lines attached to it, as defined in article 4.3.34 of these rules.

Article 2.5.11

Any financial instrument delisted from the Stock Exchange may be listed on the trading services system for financial instruments not listed, as provided for in article 5.1.2. of these rules, after agreement of the issuer.

TITLE III.- PUBLIC OFFERINGS ON THE STOCK MARKET

Chapter 1.- Definition

Article 3.1.1

Within the meaning of law no. 26-03 relating to public offerings on the stock market enacted by Dahir no. 1-04-21 of 1st Rabi I 1425 (21st April 2004), as amended and completed, are considered as public offerings on the stock market:

- the public offering for purchase as defined in article 3 of the aforementioned law no. 26-03;
- the public offering for exchange as defined in article 4 of the aforementioned law no. 26-03;
- the public tender offer as defined in article 6 of the aforementioned law no. 26-03;

- the public offering for sale as defined in article 7 of the aforementioned law no. 26-03.

In accordance with the provisions of article 5 of the aforementioned law no. 26-03, where the public offering is mixed, i.e. involving partial settlement in securities with cash payments, the applicable rules are determined according to the main character given to the offer by its initiator, subject to the approval by the AMMC.

Article 3.1.2

In accordance with the provisions of the 3rd paragraph of article 11 of the aforementioned law no. 26-03, the duration of a public offering is defined as the period between the opening date and the closing date of the public offering.

Article 3.1.3

In accordance with the provisions of article 12 of the aforementioned law no. 26-03, the period of a public offer is defined as the period between the date of publication of the notice of filing the draft of the offer and the publication date of the notice relating to the result of the offer.

Chapter 2.- Public offers to purchase, exchange and withdraw

Article 3.2.1

During the period of the public offering, the securities of the target company are not admitted to trading on the block order book.

Article 3.2.2

In accordance with the provisions of the first paragraph of article 51 of the aforementioned law no. 26-03, if, during the duration of a public offering for purchase, the initiator purchases on the market securities of the target company at a price higher than the offer price, this automatically increases the price of the public offering for purchase to the level of the initiator's intervention price on the market. In such case, the managing company shall publish by notice the new price and, where appropriate, the new timetable.

Article 3.2.3

Brokerage firms must, after the closing of the public offering for purchase and until the publication of the results, ensure that the buy orders for the securities of the target company, transmitted by the initiator, are made at prices lower than or equal to the offer price.

Article 3.2.4

If the initiator waives its public offering, under the conditions set out in article 50 of the aforementioned law no. 26-03, it must immediately inform the managing company of its waiver decision. The managing company shall publish this decision, without delay, by notice.

Article 3.2.5

In the event of a competing public offering or an overbid, the managing company publishes, by notice, the new conditions and the new deadlines fixed by the said offer as communicated to it by the AMMC.

Article 3.2.6

In the case of a competing public offering, orders already submitted in response to the initial public offering must be renewed by the ordering party from the date on which the competing public offering is opened.

Article 3.2.7

In the event of an outbidding, the orders already transmitted in response to the public offering remain valid.

Article 3.2.8

The securities submitted in response to the public offering must be blocked in the account by the account keepers.

Article 3.2.9

The managing company shall ensure the allocation of the securities and record the transactions resulting from the public offering on the date provided for in the calendar.

Article 3.2.10

Delivery of the securities and/or cash settlement shall take place on the date specified in the calendar and in accordance with the terms and conditions specified in the notice provided for in article 3.4.4 of these rules.

Chapter 3.- Public offerings for sale

Article 3.3.1

The initiator may provide that orders issued in response to the public offering for sale may be divided into different categories, which may be determined on the basis of the number of securities requested and the quality of the ordering party.

The managing company shall set the terms and conditions for centralizing orders and statements concerning each category and shall inform the members of the investment syndicate.

The initiator shall submit to the managing company for consideration the terms and conditions under which it shall determine the status of buy orders and distribute the securities covered by the offer among the ordering parties, either by a uniform percentage or by reserving a special treatment for certain categories of orders.

The managing company shall specify, in the notice provided for in article 3.4.4 of these rules, the information relating to the types of orders which must be communicated to it by the investment syndicate members, taking into account the terms and conditions set in accordance with the previous paragraph.

Article 3.3.2

The managing company ensures the allocation of securities and records transactions on the date specified in the calendar.

Article 3.3.3

Delivery of the securities and cash settlement shall be made in accordance with the terms and conditions specified in the notice provided for in article 3.4.4 of these rules on the date specified in the calendar.

Chapter 4.- Common provisions

Article 3.4.1

According to the provisions of article 30 of the aforementioned law no. 26-03, the managing company suspends, at the request of the AMMC, the listing of securities of the company targeted by a proposed public offering as from its deposit. The suspension shall be published by notice without delay.

Article 3.4.2

In accordance with the provisions of the 3rd paragraph of article 34 of the aforementioned law no. 26-03, at the request of the AMMC and after notification of the admissibility notice of the draft public offering issued by the latter, the managing company shall resume the listing of the securities concerned by the public offering. The resumption of listing and the main provisions of the public offering shall be published by notice without delay.

If the terms of the public offering do not allow the listing of the securities concerned in view of their reference price, the managing company may proceed with the clearing of the order books and the adjustment of the said reference prices.

Article 3.4.3

The managing company examines the draft timetable of the public offering transmitted to it by the initiator or its agent as soon as the AMMC publishes the notice of admissibility. This examination is carried out in the light of the characteristics of the operation and the time limits for its completion.

The managing company shall communicate to the initiator its approval opinion on the draft timetable for the transaction and the terms and conditions for its completion, prior to obtaining the approval of the information document referred to in article 35 of the aforementioned law no. 26-03.

Article 3.4.4

Upon receipt of the information document referred to by the AMMC, the managing company shall publish a notice specifying the timetable and characteristics of the public offering as well as the practical terms and conditions for centralizing orders, allocation and settlement of transactions.

Article 3.4.5

The individuals who wish to participate in the public offering shall transmit their orders until the closing date of the public offering. These orders may be withdrawn at any time up to the day of closing of the public offering.

Article 3.4.6

In accordance with the provisions of the 2nd paragraph of article 39 of the aforementioned law no. 26-03, the managing company centralizes the orders to buy, sell or exchange transmitted by brokerage firms.

In order to ensure this centralization, the managing company sets the transmission media for orders, receives and controls subscriptions and ensures the allocation of securities.

The managing company shall transmit to the AMMC the summary statement of the centralized orders on the date provided for in the calendar.

Article 3.4.7

In the event of a voluntary public offering with a waiver threshold, the managing company shall immediately publish a notice as soon as the AMMC informs it that the offer has been declared without action.

Article 3.4.8

In order to maintain the proper functioning of the market, the managing company may publish, by notice, the terms and conditions for transmitting and trading orders during the period of the public offering on the securities covered by the offer.

TITLE IV.- RULES ON THE MARKET OPERATION

Chapter 1.- General provisions

Article 4.1.1

Trading in the financial instruments listed on the Stock Exchange is organized by the managing company in accordance with the laws and regulations applicable to them.

Article 4.1.2

The managing company shall publish by notice, before the end of each year, non-working days for the following year.

Article 4.1.3

The managing company ensures the publication of transactions through the listing bulletin. To this end, it shall adopt the contents of the said bulletin and the nomenclature of its chapters.

The listing bulletin shall specify in particular the nature of transactions by order book, the first and last price, the reference price, the highest and lowest price of the prices traded on each financial instrument traded on the market via the central order book and the price offered and charged at the close of the market.

Corrections may only be made in the listing bulletin, after its publication on the managing company's website and by any means available, for possible omissions or errors.

Article 4.1.4

Financial instruments admitted to listing on the Stock Exchange shall be traded via central and block trades in accordance with the terms and conditions set out in Sections 2 and 3 of Chapter 3 of the present title and the instructions issued to that effect by the managing company.

The central order book allows the trading of financial instruments either by continuous matching of buy and sell orders or by matching orders after a period of accumulation without execution.

The block order book allows trading of financial instruments either by direct agreement or by continuous matching of purchase and sell orders.

Article 4.1.5

Transactions executed through central and block order books are automatically recorded as of their execution on the quotation system.

Transactions, other than those provided for in the preceding paragraph, shall be declared and recorded in accordance with the procedures laid down in chapters 4 and 5 of this title and in the instructions issued for that purpose by the managing company.

Article 4.1.6

To guarantee the security of the market and its regular functioning, the managing company may, in particular, proceed with:

- temporary suspension of the intervention of brokerage firms on the Stock Exchange, in particular in the cases provided for in article 6.1.23 of these rules;
- suspension of the trading session for a fixed term for technical reasons;
- cancellation of transaction(s) carried out on the market in accordance with the provisions of article 16 of the aforementioned law no. 19-14.

Brokerage firms shall be required to remind their clients, in writing, of the provisions of this article.

Article 4.1.7

The technical terms for intervention on the market for the execution of liquidity contracts are set by instruction.

With regard to the evolution of the liquidity of the financial instrument that is the subject of the original liquidity contract, the managing company may request the issuer to conclude a new liquidity contract within three (3) months after the expiry of the term of the said contract. The said issuer has two (2) months from the date of receipt of the request from the managing company to conclude the said contract.

Article 4.1.8

The managing company may, on its own initiative or upon the request of a liquidity provider, conclude a liquidity-providing contract in respect of a given financial instrument.

The liquidity provider is required to ensure a minimum presence on the market of the financial instrument, by placing simultaneously buy and sell orders and respecting a minimum volume and a maximum price range, in accordance with the terms of the liquidity-providing contract.

The managing company determines, in consultation with the liquidity provider concerned, the terms of execution of each liquidity-providing contract, bring them to the attention of the AMMC and publish them by notice.

Article 4.1.9

Within the meaning of title IV of these rules, a securities transaction, hereinafter referred to as an OST, is an action by an issuer or by a third party in relation to that issuer in respect of those securities. In particular, the following transactions are considered as OSTs:

- the detachment of a pre-emptive subscription right;
- the detachment of an allocation right;
- the dividend payment;

- the coupon detachment;
- the share consolidation;
- the capital reduction;
- the cancellation of a financial instrument listed on the Stock Exchange;
- the division of nominal value;
- the increase in the nominal value;
- the assimilation of two listing lines.

Article 4.1.10

The issuer or the account keeper responsible for centralizing an OST shall send to the managing company, no later than ten (10) trading days before the effective date of the transaction, a file regarding the transaction the content of which is set by the managing company. This time limit shall be increased to twenty-five (25) trading days for an OST that gives rise to exchange transactions with fractional shares.

As of the receipt of the file referred to in the first paragraph above, the managing company consult with the Central Depository in order to ensure the concordance of information received by the two institutions and to coordinate their respective processing of the transaction.

In the event of a delay transferring the file referred to in the first paragraph above, the managing company and the central Depository may agree with the issuer on a new calendar for the completion of the OST.

The managing company announces the characteristics and procedures for processing the OST by notice at least five (5) trading days prior to the effective date of the transaction.

Except derogation decided by the managing company and approved by the AMMC, a pre-emptive subscription or attribution right shall be granted three (3) trading days before the start date of the subscription or attribution periods.

Article 4.1.11

When the issuer plans a closing date for allocation and exchange transactions in order to avoid that rights or securities forming fractional shares remain unexercised, the managing company shall specify the date of delisting in the notice relating to the transaction and proceed with the delisting of quotation lines as of the period of validity of rights or exchange of securities ends.

Article 4.1.12

The issuer wishing to implement a shares buyback program, in accordance with the provisions of article 281 of the above-mentioned law no 17-95, must inform the managing company of the procedures of the said program and of the brokerage firm designated to carry out it at least five (5) trading days before it begins.

The managing company shall publish, by notice, the procedures of the buyback program.

Article 4.1.13

Any amendment to the procedures of the buyback program must be communicated by the issuer to the managing company without delay.

Article 4.1.14

the orders transmitted under a buyback program must be entered into the quotation system pursuant to a reference fixed by instruction.

Chapter 2.- Brokerage firms

Section one.- Access to the listing system

Article 4.2.1

Before access to the listing system, any approved brokerage firm must communicate to the managing company the following documents:

- a copy of its articles of association;
- a copy of the minutes of its constituent general meeting, if applicable;
- a copy of the minutes of the meeting of its corporate bodies containing their resolution on the appointment of corporate officers and specifying their powers;
- a document specifying the amount and distribution of its share capital;
- the list of its employees authorized by the AMMC to exercise the function of financial instruments trader;
- the references of the bank accounts opened in its name with Bank Al-Maghrib;
- the certificate of its membership in the Professional Association of brokerage firms;
- its structure chart;
- a copy of the decision approving its authorization;
- the certificate of payment of the initial contribution referred to in article 6.1.16 of these rules;
- a copy of its letter to the Central Depository authorizing the managing company to initiate the settlement of delivery transactions in the context of the repurchase or resale procedure;
- a document specifying the date requested for access to the listing system.

The brokerage firm undertakes to inform the managing company immediately of any amendment of the information communicated before access to the listing system.

Article 4.2.2

The managing company makes available to brokerage firms a listing system allowing trading of financial instruments.

The brokerage firm's access to the listing system is subject to an agreement between the two parties. It defines the conditions for the use of the services provided by the managing company in accordance with the laws and regulations in force.

Article 4.2.3

The connection of the order transmission system of a brokerage firm to the listing system and the use of the said system shall be carried out under the responsibility of the said company pursuant to the conditions set in these rules and the agreement referred to in article 4.2.2 above.

Article 4.2.4

Any brokerage firm using the listing system must implement the appropriate means to prevent any disturbance of the normal operation of the market with regard to the provisions of these rules and the provisions of the agreement referred to in article 4.2.2 above.

Article 4.2.5

Subject to the provisions of article 4.2.6 below, the transmission of orders to the listing system may only be carried out by financial instrument traders acting on behalf of the brokerage firm, authorized by the AMMC.

Article 4.2.6

Any brokerage firm may, under its responsibility and with the prior agreement of the managing company, allow its clients to transmit their orders directly, through the transmission system of orders of the said brokerage firm, to the listing system under the conditions and according to the terms fixed in an agreement established for this purpose between the managing company and the brokerage firm.

Article 4.2.7

The managing company may temporarily suspend the means of remote access of any brokerage firm to the listing system when the said access is not carried out under the provisions of these rules and the provisions of the agreement referred to in article 4.2.2 above until the date of regularisation of the situation.

Pursuant to article 15 of the aforementioned law no. 19-14, when the actions of a brokerage firm are liable to seriously damage the security or integrity of the market, the managing company may temporarily suspend its intervention on that market. It shall forthwith inform the AMMC and the Professional Association of brokerage firms thereof.

The AMMC shall decide to keep or terminate the suspension referred to in the 2nd paragraph above within two (2) trading days from the date of publication of the notice of suspension by the managing company.

Article 4.2.8

When a brokerage firm has no longer access to the listing system for technical reasons beyond its control, it may use the back-up trading stations to the extent of its availability which the managing company makes available on its premises.

In the event of several brokerage firms with no access to the listing system, for the technical reasons referred to in the first paragraph above, the managing company may exceptionally suspend the trading session or change the listing times in the interest of the market. It shall immediately inform the brokerage firms and the AMMC thereof.

Section 2.- Control of trading activities and settlement of transactions

Article 4.2.9

Pursuant to the provisions of article 11 of the abovementioned law no. 19-14, the managing company shall ensure that trading activities and settlement of transactions are carried out by the brokerage firms in compliance with the laws and regulations applicable to them.

For this purpose, the managing company shall, as of the receipt of orders until the settlement of transactions, control in particular:

- orders sincerity;
- orders timestamping;
- non-aggregation of orders, except in cases allowed by the legislation in force;

- transmission of orders with diligence;
- compliance with the rules for the introduction of orders into the listing system provided for in article 4.3.4 of these rules;
- compliance with the rules of good conduct of brokerage firms during the trading session;
- compliance with the rules for using the listing system;
- positions taken by brokerage firms;
- securities delivery and cash settlement process.

The managing company may request the brokerage firms to provide it with any documents or information necessary enabling it to monitor the abovementioned elements, and in particular to assess the risks inherent in the positions taken in order to make adjustments to funds necessary to guarantee proper completion of the transactions referred to in article 28 of the abovementioned law no. 19-14.

In accordance with the provisions of the 3rd paragraph of article 11 of the above-mentioned law no. 19-14, the managing company must report to the AMMC without delay any infringement or irregularity that it has identified in carrying out its duty.

Article 4.2.10

The managing company may ask the brokerage firms at any time for explanations and justifications on the orders entered in the listing system.

Article 4.2.11

To assess the risks of the unsecured positions held by the brokerage firms, the latter must send the following documents to the managing company:

- the summary financial statements for the previous financial year with the report of the statutory auditor on the certification of those statements;
- a copy of the updated articles of association, with, where applicable, any minutes of the general meeting which deliberated the amendment of the articles of association.

The managing company may request the brokerage firms to provide the following documents and information:

- the amount of the share capital and the part of each shareholder;
- the organization chart of the brokerage firm concerned;
- the description of the technical and organizational means dedicated to ensuring the successful completion of transactions;
- the organization set up in particular in the areas of internal control and the back office;
- any information on the status of its general and financial risks.

The procedures for transmitting the above-mentioned documents shall be laid down by instruction.

Moreover, the managing company may request from the AMMC information on prudential rules transmitted by the brokerage firms to the AMMC. The said request must be justified.

Chapter 2 - Trading rules

Section one.- General provisions

Subsection one. Stock Exchange orders

Article 4.3.1

A Stock Exchange order, hereinafter referred to as an "order", is an instruction for buying or selling a financial instrument given by a client to a brokerage firm to be executed on the stock market.

Article 4.3.2

In accordance with the provisions of article 23 of the above-mentioned law no. 19-14, clients may send orders by any means allowing the determination of their originator, authenticity and traceability and, in general, by any means recognized as probative by the legislation and regulations in force.

These orders must be voice-recorded by brokerage firms if they are received by phone.

Article 4.3.3

The order introduced into the listing system by a brokerage firm is supported in the form of a time-stamped acknowledgement message. Once the said message is issued, the managing company becomes responsible for the execution of said order.

The system assigns a unique alphanumeric serial number to each order entered.

Article 4.3.4

Prior to the introduction of orders into the listing system, brokerage firms must carry out price and volume controls, instrument by instrument, in order to check that there are no inconsistencies or errors and to ensure that the orders transmitted do not undermine the proper functioning of the listing system and the integrity of the market.

As far as price controls are concerned, they are carried out in order to detect orders whose price stipulation is very far from the prevailing market prices, or, clearly, intended to cause an exaggerated price lag, or even to cause a reservation.

In addition, brokerage firms must ensure that the ordering parties of financial instruments admitted to the "Principal E" and "alternative C" segments are qualified investors or investors holding a share of the issuer's capital prior to the admission of such financial instruments to listing.

Article 4.3.5

Orders appearing in the order book may be changed or cancelled by brokerage firms.

Article 4.3.6

Orders appearing in the central order book may be adjusted by the managing company for certain OSTs. For this purpose, the managing company publishes, at least five (5) trading days before the effective date of the OST, a notice relating to this operation and adjusts the prices and quantities of the orders at the beginning of the session corresponding to that date.

The managing company sets by instruction the aforementioned adjustment procedures.

Article 4.3.7

The order transmitted to the listing system must be denominated according to one of the following types of order:

- limit order;
- market order;
- market to limit;
- trigger order, in the following forms:
 - stop order;
 - stop limit order;
 - market if touched order;
 - trailing stop order;
 - trailing stop limit order.

Article 4.3.8

A limit order is an order via which the buyer sets the maximum price they are willing to pay and the seller the minimum price for which they agree to sell their securities.

Article 4.3.9

The market order is not accompanied by any price indication. It is intended to be executed at different prices on the order book until exhaustion of its quantity. It has priority over the limit order. In the event of non-execution or partial execution, the order, or its remainder, is eliminated.

Article 4.3.10

There is no price indication for the limit to market order. It is intended to be executed at different prices on the order book until exhaustion of its quantity. It has the same priority as market order. However, in the event of non-execution or partial execution, the order, or its remainder, is converted into a limit order at the price of the last transaction or, failing that, at the reference price.

Article 4.3.11

The stop order allows the ordering party to buy or sell at a specified price, called trigger threshold.

The purchase stop order is triggered as soon as the last price processed or the best purchase price, depending on the settings opted for by the managing company, is greater than or equal to the trigger threshold.

The sale stop order is triggered as soon as the last price processed or the best selling price, depending on the setting opted for by the managing company, is less than or equal to the stop order.

In the event of a trigger, the stop order is transformed into a market order.

Article 4.3.12

The stop limit order allows the ordering party to be a buyer or seller based on a specified price, called the trigger threshold, with a maximum price not to be exceeded at the time of purchase or a minimum price below which the order is not executed for sale.

The purchase stop limit order is triggered as soon as the last price processed or the best purchase price, depending on the settings opted for by the managing company, is greater than or equal to the trigger threshold.

The sale stop limit order is triggered as soon as the last price processed or the best selling price, depending on the setting opted for by the managing company, is less than or equal to the trigger threshold.

In the event of a trigger, the stop limit order is transformed into a limit order.

Article 4.3.13

The market if touched order allows the ordering party to buy or sell at a specified price, called trigger threshold.

The purchase market if touched order is triggered as soon as the last price processed or the best purchase price, depending on the settings opted for by the managing company, is less than or equal to the trigger threshold.

The sale market if touched order is triggered as soon as the last price processed or the best selling price, depending on the settings opted for by the managing company, is greater than or equal to the trigger threshold.

In the event of a trigger, the market if touched order is transformed into a market order.

Article 4.3.14

The trailing stop order is an order where the trigger threshold follows, depending on the settings opted for by the managing company, the last price processed or the best price in the event of a favourable evolution.

For the purchase trailing stop order, the trigger threshold decreases if, depending on the setting opted for by the managing company, the last price processed or the best purchase price decreases.

For the sale trailing stop order, the trigger threshold increases if, depending on the setting opted for by the managing company, the last price processed or the best selling price increases.

Article 4.3.15

The trailing stop limit order is an order whose trigger threshold and price follow, depending on the setting chosen by the managing company, the last price processed or the best price in the event of a favourable evolution.

For the purchase trailing stop limit order, the trigger threshold and the price decrease if, depending on the setting opted for by the managing company, the last price processed or the best purchase price decreases.

For the sale trailing stop limit order, the trigger threshold and the price increase if, depending on the setting opted for by the managing company, the last price processed or the best selling price increases.

Article 4.3.16

The managing company sets by instruction the settings relating to the trigger threshold for trigger orders.

The trigger order shall not be taken into account for the calculation of the theoretical fixing price.

Article 4.3.17

The managing company sets by instruction the processing procedures for the different types of orders.

Subsection 2. Validity periods of orders

Article 4.3.18

The managing company sets by instruction the maximum validity period of an order.

Article 4.3.19

Orders transmitted to the listing system may have the following validity periods:

- Day: the order is valid for the trading session during which it is transmitted;
- Time (GTT): the order is valid until the time indicated therein;
- Date (GTD): the order is valid until the date indicated therein;
- Revocation (GTC): the order is valid for a specified period of time by instruction;
- Executed and eliminated (IOC): the order is executed for the maximum possible and its balance, if any, is eliminated;
- Executed or eliminated (FOK): the order must be fully executed or eliminated at the time of its introduction;
- At the opening (OPG): the order is intended to participate only in the opening fixing of the session during which it is transmitted;
- At closing (ATC): the order is intended to participate only in the closing fixing of the session during which it is transmitted;
- At fixing (GFA): the order is intended to participate in a fixing or in all fixings, depending on the settings opted for by the managing company;
- Trading at the closing price (CPX): the order is intended to participate only in the trading at the closing price.

The application procedures of this article are set by instruction.

Article 4.3.20

At the end of its validity period, the order is automatically eliminated from the listing system.

Article 4.3.21

The managing company may proceed with the elimination of the orders contained in the order book of the instrument concerned before the expiry of their validity period where this is justified by certain OSTs or public offerings. To this end, the managing company publishes a notice at least five (5) trading days before the effective date of the operation and shall effect this elimination at the beginning of the session corresponding to the said effective date.

Article 4.3.22

For technical reasons, the managing company may proceed with the elimination of orders for one or more instruments. In this case, it informs the brokerage firms by specifying the reasons for the elimination.

Article 4.3.23

In the event of suspension of the listing of a financial instrument at the request of the AMMC in accordance with the legislation in force, the managing company prohibits the introduction of orders on that instrument in the listing system and informs the brokerage firms accordingly. In addition, the AMMC may request the managing company to eliminate the orders included in the order book of the instrument concerned.

In the event of elimination of orders, the managing company informs the brokerage firms accordingly.

Subsection 3. Conditions relating to the execution of stock market orders

Article 4.3.24

Orders transmitted to the listing system may include the following execution conditions:

- disclosed quantity (Iceberg order);
- minimum quantity (minimum fill).

Article 4.3.25

The disclosed quantity is the quantity of financial instruments initially set by the brokerage firm to be visible on the market. The disclosed quantity of an order must be less than or equal to the total quantity of the order. However, it may not be less than a minimum quantity set per instruction and expressed as a number of instruments or as a percentage of the total quantity of the order or both.

When the order is executed for the whole of its disclosed quantity, the latter is renewed, if the remainder so allows, for a quantity equal to the disclosed quantity or, depending on the settings opted for by the managing company, for a random quantity generated by the listing system.

Article 4.3.26

The minimum quantity order is accompanied by a minimum execution quantity.

At the time of the introduction of the order into the listing system, if the specified minimum quantity is immediately and fully executed, the remainder of the order, if applicable, remains on the market. If the minimum quantity is not executed, the entire order is eliminated.

Article 4.3.27

The managing company sets by instruction the procedures for executing disclosed quantity orders and minimum quantity orders.

Subsection 4. Reference prices

Article 4.3.28

The reference price of a financial instrument corresponds to the closing price for the same instrument, at the previous trading session, adjusted in the case of OSTs or public offerings.

The closing price of a financial instrument may correspond to the:

- price of the closing fixing;
- weighted average price calculated by taking into account a specified period;
- weighted average price calculated by taking into account a specified number of transactions;

- price equivalent to the midpoint of the last price range, for purchase and for sale, displayed on the central order book;
- last price processed.

The managing company shall specify by instruction the calculation method chosen for each instrument or group of instruments.

However, the reference prices for secondary lines, debt securities and OPC securities are determined by the managing company in accordance with the following procedures:

- for secondary lines, the reference price of each line is calculated based on a reference instrument determined by the said company, generally the main line. However, for pre-emptive subscription rights, the calculation of their reference price on the basis of the reference instrument is carried out only once, on the day of their admission and exceptionally, during their listing period in order to allow their trading;
- for debt securities, if their liquidity situation justifies it, the reference price for each security is calculated in particular based on the reference yield curve of treasury bills published by Bank Al-Maghrib;
- for OPC securities, the reference price of each security may be calculated based on its net asset value or its indicative net asset value.

The managing company sets by instruction the calculation procedures of the reference prices referred to in the 1st and 2nd indents of the 3rd paragraph of this article.

Subsection 5. Transactions

Article 4.3.29

For each transaction carried out, the brokerage firm concerned receives an execution message indicating the quantity of securities executed and the execution price. In case of partial execution, the remaining quantity of the order is indicated in the execution message.

Article 4.3.30

The managing company may only cancel transactions in the cases provided for in article 16 of the aforementioned law no 19-14.

In the event of a technical incident or an error by the managing company in the listing parameters of one or more financial instruments, it may cancel all or part of the transactions concerned. It organizes, where applicable, a new trading session for the instrument or instruments concerned and decides on the time of resumption of their listing.

When the request for cancellation of a transaction comes from a brokerage firm, the said request does not automatically lead to the cancellation of the said transaction as long as the trading security mechanisms allow avoiding errors in the transmission of orders. However, in the event of an error leading to the listing of an out-of-line price, or relating to an instrument traded in accordance with the fixing trading round, the managing company may cancel the transactions emanating therefrom.

Article 4.3.31

The managing company informs the AMMC, without delay, about transactions cancelled and specifies the reasons for the cancellation.

Article 4.3.32

The managing company sets by instruction the practical procedures for cancelling transactions.

Subsection 6. Secondary lines

Article 4.3.33

Any security forming a secondary line is derived from a main listing line that constitutes the reference instrument.

Article 4.3.34

The managing company sets by instruction the list of securities that may be listed on secondary lines. This list includes in particular the following securities:

- The preferential subscription rights;
- The allocation rights;
- The investment certificates;
- The new shares with different dividend rights;
- The priority dividend shares without voting rights.

Article 4.3.35

In the absence of a traded price for the main line during a trading session, the managing company suspends the execution of transactions relating to the secondary lines, whose reference prices are attached to those of the said main line, except for the preferential subscription rights.

Subsection 7. Debt Securities

Article 4.3.36

Debt securities are listed as a percentage of their nominal value at the coupon footer, in monetary units or rates, at the decision of the managing company. This decision is published by a notice.

The methods for calculating the accrued coupon are set by instruction.

Article 4.3.37

Trading of debt securities on the Stock Exchange begins three (3) trading days before their dividend entitlement date and ends three (3) trading days before their maturity date.

Section 2.- The rules specific to the central order book

Article 4.3.38

To be admissible, a stock market order must include the following details:

- the financial instrument subject of the order;
- the number of securities;
- the direction of the order;
- the price;
- the trigger price, if it is a trigger order;
- the validity period;
- the account type (for client/non-client account...).

Article 4.3.39

The managing company may set, by instruction, other mandatory indications at its own initiative or upon the AMMC's request. These new indications shall be published at least five (5) trading days before their entry into force.

Article 4.3.40

All types of orders provided for in article 4.3.7 above may be used on the central order book. The managing company may decide to suspend or limit the use of certain types of orders for groups of financial instruments or during trading phases. This decision is published by instruction.

Article 4.3.41

The validity periods provided for in article 4.3.19 above may be used on the central order book. The managing company may decide to suspend or limit the use of certain periods of validity for groups of financial instruments. This decision is published by instruction.

Article 4.3.42

All the conditions relating to the execution of orders provided for in article 4.3.24 above may be used on the central order book. The managing company may decide to suspend or limit the use of certain order execution conditions for groups of financial instruments or during trading phases. This decision is published by instruction.

Article 4.3.43

Financial instruments shall be traded on the market via the central order book either by continuous matching of opposite orders, according to the continuous trading cycle, or by matching orders after a period of accumulation without execution, according to the fixing trading cycle.

For the purposes of the above paragraph, the following definitions shall apply:

- continuous trading cycle: the trading according to this cycle results in the matching of all orders as they are taken over by the listing system and, where applicable, by the determination of an instant price for each instrument;
- fixing trading cycle: the trading according to this cycle results in the matching of all orders previously entered by brokerage firms in the listing system and, where applicable, in the determination of a single price for each instrument.

Article 4.3.44

The continuous trading cycle may include the following phases:

- opening auction call;
- regular trading;
- intraday auction call;
- closing auction call;
- closing price publication;
- closing price cross.

Article 4.3.45

The fixing trading cycle may include the following phases:

- opening auction call;
- closing auction call;
- intraday auction call;
- closing price publication;
- closing price cross.

Article 4.3.46

Financial instruments are classified by groups of instruments according to the selected trading cycle and their characteristics. The assignment of securities to the different groups of instruments is published by notice.

Article 4.3.47

The operating procedures for the continuous and fixing trading cycles are set by instruction.

Article 4.3.48

The managing company sets by instruction the trading hours for different groups of instruments.

The managing company may, if necessary, amend the current schedules and inform the AMMC and the brokerage firms accordingly.

Article 4.3.49

When a financial instrument is admitted, the managing company sets its trading cycle according to the characteristics of the admission transaction.

The distribution of financial instruments already admitted between each trading cycle shall be made according to one or more of the following liquidity criteria:

- number of transactions;
- volume of transactions;
- number of securities processed;
- number of sessions during which the instrument was processed.

The managing company may set other liquidity criteria by instruction.

The distribution of financial instruments between each trading cycle shall be reviewed at least once every six months and published by notice.

The managing company sets, by instruction, the procedures for calculating liquidity.

Article 4.3.50

During the fixing phases, a theoretical fixing price is automatically calculated by the listing system based on the orders in the order book and adjusted following the introduction, amendment or cancellation of an order.

Article 4.3.51

The theoretical fixing price is calculated according to the following procedures:

1. if there is at least one limited price order in the central market, the theoretical price is calculated according to the following four steps:

- step 1: the calculated price is the one that maximizes the number of securities that will be processed;
- step 2: if two or more prices are determined according to the first criterion, the retained price is the one that minimizes the number of securities that will not be processed;
- step 3: if the previous process produces several fixing prices, the direction of the balance is taken into account to determine the fixing price:
 - the fixing price is set at the highest of these prices if the direction of the balance is on the buyer side for all levels of the said prices (excess demand);
 - the fixing price is set at the lowest of these prices if the direction of the balance is on the seller's side for all levels of the said prices (excess supply);
 - in the presence of buy and sell orders that minimize the number of securities that will not be processed, the highest of the buying prices and the lowest of the selling prices are taken into account in step 4 of the theoretical price calculation;
 - in the absence of securities that will not be processed, the step 4 of the theoretical price calculation is used.
- step 4: if two or more prices are used in the previous step, the price closest to the last processed price, or, in the absence thereof, the reference price, is used as the fixing price.

If two prices are close to the last processed price, or, in the absence, of the reference price, the higher of the two is used as the fixing price;

2. if there are no price limit orders in the central market (only market orders in both directions), the last processed price, or, in the absence of such a price, the reference price is used as the fixing price.

The calculation of the fixing theoretical price takes into account disclosed and hidden quantities.

Article 4.3.52

In addition to the procedures for calculating the fixing theoretical price provided for in Article 4.3.51 above, the managing company may apply, during the closing fixing phase, the following rules for calculating the closing fixing theoretical price:

- buy orders lower than the low static threshold and sell orders higher than the high static threshold are not included in the calculation and are not executed;
- buy orders higher than the high static threshold are considered, for the calculation of the fixing price, as orders denominated at this threshold and are executed according to their initial price (price priority);
- sell orders lower than the low static threshold are considered, for the calculation of the fixing price, as orders denominated at this threshold and are executed according to their initial price (price priority).

Article 4.3.53

The orders are classified in the central order book according to one of the two following priority determination methods:

- price-time;
- price-account-time.

For the "price-time" priority determination mode, buy orders with the highest price and sell orders with the lowest price are prioritized.

For the order book whose orders are reversed, buy orders with the lowest price and sell orders with the highest price are prioritized.

Market orders and market limit orders are prioritized compared to limit price orders. At the same price, the orders transmitted first are prioritized.

For the “price-account-time” priority determination mode, buy orders with the highest price and sell orders with the lowest price are prioritized.

For the order book whose orders are reversed, buy orders with the lowest price and sell orders with the highest price are prioritized.

Market orders and market limit orders are prioritized compared to limit price orders. At the same price, client orders are prioritized compared to orders on behalf of the brokerage firm. With identical prices and origin, the orders transmitted first are prioritized.

The managing company sets, by instruction, the mode of determining priority by financial instrument or group of financial instruments.

Article 4.3.54

The orders are executed via the central order book in one of the following three allocation modes:

- allocation according to the priority determination mode applied for the instrument concerned: orders are executed according to their priority on the order book, determined according to the priority mode chosen (time price or price-account-time);
- pro-rata allocation: the incoming order is executed against all orders in the book in proportion to their quantity, without taking into account the time priority.
- pro-rata allocation is only used when the disclosed quantities or hidden quantities of orders, at a price level, are not fully executed;
- pro rata allocation with priority to the order that has created the best price: the incoming order is executed against all orders in the order book in proportion to their quantity without taking into account the time priority, with priority to the order that has created the best price.

The order with the best price is the one that was introduced first at that price with a quantity at least equal to the minimum quantity required for such an order. If the order loses priority due to amendment, it loses its attributes. In this case, no other order, among the existing orders on the order book at the same price level, will be chosen as an order that has created the best price.

Article 4.3.55

For each instrument or group of instruments, the managing company may apply one or more allocation methods provided for in article 4.3.54 above depending on the following elements:

- the continuous listing and closing fixing phases;
- the other fixings;
- the hidden quantities of disclosed quantity orders.

The practical procedures of allocation by instrument or group of instruments are set by instruction.

Article 4.3.56

The orders are executed according to the following terms and conditions:

- if the total quantity of an incoming order, or the remainder, is greater than or equal to the aggregate of the quantities, including hidden quantities, of orders in the opposite direction, with the same price level, the disclosed quantities and hidden quantities are executed separately on the basis of order priority;
- if the total quantity of an incoming order, or the remainder, is greater than or equal to the sum of the quantities of opposite orders disclosed, having the same price level, but lower than the sum of the hidden quantities having the same price level, the quantities disclosed are executed on the basis of the priority of the orders, and the remainder of the incoming order is executed against the hidden quantities on the basis of the hidden quantity execution method used for the financial instrument concerned;
- an order with a disclosed quantity on the order book is, first, executed for its disclosed quantity and then for its hidden quantity.

The above steps are repeated until:

- the total execution of the incoming order;
- the total execution of opposite orders having the same price level.

In the event of total non-execution, the remainder of the incoming order is added to the order book or eliminated depending on the type of the order and the conditions associated with it.

Article 4.3.57

The allocation and execution procedures provided for in articles 4.3.54 and 4.3.56 above apply during the continuous fixing and trading phases.

At the time of fixing, in the event of an imbalance between offer and demand:

- buy orders are considered as incoming orders, if the balance of the securities that will not be processed is on the sale side;
- sell orders are considered as incoming orders, if the balance of the securities that will not be processed is on the purchase side.

In the event of a balance between the offer and the demand, buy orders are considered as incoming orders.

Article 4.3.58

Limited price orders must comply with the maximum variation set by instruction. This variation is defined as a percentage compared to the reference price.

Orders not complying with the maximum variation are automatically rejected when transmitted.

The managing company may decide by instruction to proceed, at the beginning of each trading session, with the control of orders and the elimination of those that, due to the change in the reference price, exceed the maximum variation set.

Article 4.3.59

With the exception of the pre-emptive subscription rights, the prices traded may not, at the time of the comparison of orders during the same trading session, show an upward or downward variation, compared to the reference prices, exceeding the maximum thresholds set by the AMMC, limits not included, in accordance with the provisions of article 13 of the above-mentioned law no. 19-14.

Article 4.3.60

In accordance with the provisions of article 13 of the aforementioned law no. 19-14, the managing company may set, within the variation thresholds set by the AMMC, intermediate interruption threshold levels, known as reservation thresholds, which are set depending on the liquidity of the instruments, their nature and the trading phase. The said reservation thresholds are determined either in relation to the reference price (static thresholds) or in relation to the prices of the last transaction (dynamic thresholds).

The managing company sets the said reservation thresholds by instruction and informs the AMMC accordingly.

Article 4.3.61

The managing company reserves the trading of a financial instrument as soon as, when matching orders, the execution price is likely to cross the static or dynamic reservation thresholds, limits not included.

The reservation procedures of financial instruments are determined by instruction.

Section 3 - Rules specific to the block order book**Article 4.3.62**

To be admissible, a Stock Exchange order must include the following information in particular:

- the financial instrument subject of the order;
- the number of securities;
- the direction of the order;
- the price;
- the brokerage firm code, counterpart;
- the account type (for client/non-client account...).

Article 4.3.63

Only the "limit price" order type can be used on the block order book.

Article 4.3.64

The validity periods "day", "time", "date" and "revocation" can be used on the block order book. The managing company may decide to limit their use for one or more instruments. This decision is published by instruction.

Article 4.3.65

No execution conditions can be associated with a block order.

Article 4.3.66

A financial instrument is traded via the block order book either by direct agreement or by continuous matching of opposite orders.

Article 4.3.67

When the financial instrument is traded by direct agreement, the orders are not visible on the block order book. The incoming order is executed against the order of the counterpart brokerage firm having the same quantity, the same price and the code agreed between the two brokerage firms.

Article 4.3.68

When the financial instrument is traded by continuous matching opposite orders, the orders are ranked on the block order book according to the priority determination mode applied for the central order book. The incoming order is executed against any opposite order with the same quantity and the best priority, based on the "price-time" priority determination mode.

Article 4.3.69

A block order must cover a quantity or amount at least equal to the minimum block size of the financial instrument concerned.

Article 4.3.70

The minimum block size can be expressed according to one or more of the following parameters:

- percentage of the number of securities representing the company's capital;
- number of securities;
- amount.

If the minimum block size is expressed according to several parameters, the order of blocks must satisfy at least one of these parameters to be accepted.

The terms and conditions for determining the minimum block size, by financial instrument or by group of financial instruments, are set by instruction.

Article 4.3.71

Each of the underlying orders of a single order presented by a brokerage firm on behalf of several clients, under a management mandate, must respect the minimum size of the block.

Article 4.3.72

Block orders must be denominated at prices within a range, limits included, determined based on the last price traded, or the closing price of the financial instrument at the previous trading session, adjusted in the case of OSTs or public offerings, decreased or increased by a maximum variation margin.

The following are determined by instruction:

- the price used in the calculation of the range and the maximum variation margin per instrument or group of instruments;
- the procedures for calculating the price range.

Article 4.3.73

A block transaction involving at least 5% of the shares making up the share capital of a company, or a quantity representing at least 10 times the minimum size of the block, without this quantity being less than 2.5% of the shares making up its share capital, may be carried out at the last price traded, or at the closing price of the financial instrument during the previous trading session, adjusted in the case of OSTs or public offerings, reduced or increased by a maximum variation margin set by instruction after consultation with the AMMC.

The same treatment may be applied, after agreement of the AMMC, on a set of transactions jointly comprising a single transaction, even if the said operations individually involve a number of securities that do not meet the quantity conditions provided for in the first paragraph of this article.

By way of derogation from the provisions of the first paragraph of this article, the operation may, after agreement of the AMMC, be concluded at different price conditions, provided that it concerns at least 5% of the securities making up the share capital and is of a strategic nature.

Article 4.3.74

Block transactions are prohibited:

- when the financial instrument is suspended;
- during the offer period, in the event of a purchase, exchange or withdrawal public offer involving the financial instrument concerned;
- for financial instruments newly listed in the absence of a first price traded on the central order book;
- when the financial instrument is reserved on the central order book.

Article 4.3.75

The trading of financial instruments on the block order book is carried out continuously according to schedules determined by the managing company and published by instruction.

The managing company may, if necessary, amend the schedules in force. It informs the AMMC and brokerage firms accordingly.

Article 4.3.76

The practical procedures for trading via the block order book are set by instruction.

Chapter 4 - Procedures for reporting and recording transactions not executed on the central order book or the block order book

Section One - Direct Transfers

Article 4.4.1

Without prejudice to the reporting obligations for crossing thresholds, direct transfers involving financial instruments listed on the Stock Exchange must be reported, by any means demonstrating receipt, to the affiliated institution concerned or to the brokerage firm, as the case may be, by the donor and/or by the transferee within a period of sixty (60) days following the date of preparation of the ownership transfer document.

Article 4.4.2

In accordance with the provisions of the 4th paragraph of article 27 of the aforementioned law no. 19-14, brokerage firms are required to report direct transfers to the managing company within a period of (5) five working days as of the date the transfer declaration referred to in article 4.4.1 above has been carried out.

Article 4.4.3

Pursuant to the provisions of the 6th paragraph of article 27 of the aforementioned law no. 19-14, the price used to calculate the registration fee for direct transfers between spouses, direct ascendants and descendants of the first and second degrees, corresponds to the reference price of the instrument concerned on the day the said transfer is made.

Section 2 - Contribution of Securities

Article 4.4.4

The following are particularly considered as securities contribution operation:

- contribution of securities listed on the Stock Exchange as part of subscription operations of OPC securities;
- contribution of securities listed on the Stock Exchange in the context of restructuring, intra-group, operations concerning companies controlled by a parent company and/or the latter, not entailing a change in the share directly or indirectly held by the parent company in the capital of the company issuing the securities abovementioned;
- contribution of securities listed on the Stock Exchange as part of merger by acquisition operations.

The final list of operations that may be qualified as contributions of securities is set by instruction.

Article 4.4.5

The securities contribution operations must be reported to the managing company, for their registration, through a brokerage firm at the latest five (5) trading days as from the completion of the said operations by the account keeper.

The procedures for reporting and recording securities contribution operations are set by instruction.

Article 4.4.6

The valuation of the securities subject to the contribution operation must be carried out in accordance with the price conditions set by instruction after consulting the AMMC.

However, in the event of special legislative or regulatory provisions, the valuation of the securities covered by the said contribution operation shall be carried out in accordance with the said provisions.

Section 3 - Definitive transfers of ownership in the context of securities lending operations

Article 4.4.7

In accordance with the provisions of article 24 of law no. 45-12 on securities lending, enacted by Dahir no. 1-12-56 of 14th Safar 1434 (28th December 2012), in the event of termination of a securities lending operation, and when the securities lent and/or given as a guarantee are listed on the Stock Exchange, the transfer of ownership shall become definitive and the provisions of article 22 of the above-mentioned law no. 19-14 shall apply.

Article 4.4.8

In the event of termination of a securities lending operation, the parties must declare, within a period of five (5) trading days as of the date of such termination, the definitive transfer to the managing company, through the brokerage firms designated by the said parties, for the purpose of its registration.

The declaration and registration procedures as well as the price conditions under which the final transfer must be made shall be set by instruction.

Chapter 5 - The terms and conditions for the execution of judicial sales

Section 1 - General provisions

Article 4.5.1

Pursuant to the provisions of the first paragraph of article 121 of the aforementioned law no. 19-14, when the financial instruments listed for trading on the Stock Exchange undergo a judicial sale, this sale may only be carried out on the Stock Exchange and through one or more brokerage firms.

Article 4.5.2

The executing agent must inform the managing company at least eight (08) trading days before the date scheduled for the sale of the financial instruments and provide it with a copy of the execution judicial decision as well as the blocking certificate delivered by the account keeper or keepers of the financial instruments subject to the sale.

Article 4.5.3

The executing agent shall inform, in writing, the managing company of the name of the brokerage firm(s) designated for the execution of the sale of the financial instruments.

Article 4.5.4

The judicial sale of financial instruments is made, taking into account the quantity of financial instruments to be sold, either via the central order book and/or blocks, or via a specific order book after consulting the AMMC.

Article 4.5.5

The sale of financial instruments via the central order book and/or the block order book is made in accordance with the rules and procedures provided for in these rules.

Section 2. Auctions via a specific order book

Article 4.5.6

When the sale will be made via a specific order book, the managing company publishes a notice, at least three (3) trading days before the date of the sale, specifying the quantity of the financial instruments to be sold, nature and specificity of the said instruments, the minimum selling price, as well as the terms and conditions for the auction and allocation of the aforementioned instruments.

Article 4.5.7

Only "limit orders" and / or "market orders" are used on the specific order book.

Article 4.5.8

Only the "revocation" validity period can be used on the specific order book.

Article 4.5.9

Financial instruments subject to judicial sale are traded with fixing. The auction can be carried out in one or more fixings and in one or more trading sessions.

Article 4.5.10

The allocation of financial instruments is carried out based on the method of determining the "price-time" priority or on a pro rata basis.

Article 4.5.11

The execution price of each order, at the time of fixing, may be determined according to one of the following three methods:

Method 1: The price is that of the order of sale. All orders are executed at this price.

Method 2: Each order is executed at the price requested.

Method 3: Orders with a price equal to or greater than the weighted average price are executed at this average price and the other orders are executed at the prices requested.

Article 4.5.12

The terms of clearance of registered transactions are set by instruction.

TITLE V. THE TRADING SERVICES OF FINANCIAL INSTRUMENTS NOT LISTED IN THE STOCK EXCHANGE

Chapter one. – Listing and delisting of financial instruments

Article 5.1.1

Pursuant to the provisions of the 4th paragraph of article 11 of law no. 19-14 aforementioned, the managing company may offer trading services for financial instruments not listed on the Stock Exchange, according to the conditions and terms set in this title.

Article 5.1.2

Any issuer wishing to benefit from the trading services provided for in article 5.1.1 above, must send to the managing company an application for the listing of its financial instruments in the trading services system (SSN) for unlisted financial instruments set up for this purpose by the said company.

The application must be accompanied by a file containing the following documents:

- a true copy of the articles of association or the management regulations, as the case may be;
- the list of shareholders or unitholders and the distribution of the share capital and voting rights or the assets of the entities concerned;
- the financial statements for the financial year preceding the listing application date, where applicable;
- the certificate of registration of the company in the trade register where the issuer is incorporated as a company.

The managing company may require that the issuer provide any other document or information that it deems useful for processing the application.

Article 5.1.3

The managing company shall decide on the application for registration and notify its decision to the issuer within a period not exceeding ten (10) trading days on the date of receipt of the complete file.

Article 5.1.4

The delisting of SSN's financial instruments is decided by the managing company in the event of liquidation of the issuer concerned.

It may also be decided by the managing company, in particular when actions of the issuer or incidents taking place are likely to affect the proper functioning of the SSN or trading services.

In addition, the delisting may be required from the managing company by the issuer concerned.

The managing company shall inform the issuer of the delisting of its financial instruments from the SSN.

Article 5.1.5

The provisions of articles 5.1.2 (2nd and 3rd paragraphs), 5.1.3 and 5.1.4 (1st and 2nd paragraphs) of these rules shall not apply when the issuer is the State or a territorial community.

Chapter 2 - Trading rules

Article 5.2.1

Financial instruments registered with the SSN may be traded either by direct agreement or by matching opposite direction orders through the following methods:

- trading via an order book with automatic matching;
- trading via an order book without automatic matching;
- bilateral trading with automatic matching;
- all-or-none trading with automatic matching.

Transactions carried out through the method of trading via the order book without automatic matching are reported to the managing company by the financial intermediary concerned, referred to in article 5.2.2 below.

Trading procedures are laid down by instruction.

Article 5.2.2

Only financial intermediaries, as defined in article 2 of the aforementioned law no. 44-12, and the OPC managing companies may be authorized to access the SSN. This authorization may cover one or more types of financial instruments.

Article 5.2.3

The connection of the order transmission system of a financial intermediary or an OPC managing company to the SSN shall be carried out under the conditions laid down in an agreement concluded for that purpose with the managing company.

Article 5.2.4

The managing company may suspend the means of remote access to the SSN of any financial intermediary or OPC managing company, as the case may be, where such access is not carried out in accordance with the provisions of the agreement referred to in article 5.2.3 above and this, until the date their situation is regularised.

Article 5.2.5

The transactions carried out through the SSN give rise to the payment, by buyers and sellers, of the commission charged for this purpose by the managing company.

The managing company shall determine by instruction the commission it applies to transactions carried out through the SSN and the procedures for its payment.

Article 5.2.6

The managing company shall determine by instruction the methods of settling transactions carried out through the SSN.

TITLE VI - THE PERFORMANCE GUARANTEE SYSTEM FOR OPERATIONS AND GUARANTEE FUNDS

Chapter One - The performance guarantee system for operations

Section One - General principles of securities delivery and cash settlement

Article 6.1.1

Transactions carried out through the central order book are subject to delivery of securities and cash settlement. This delivery and settlement are correlative and simultaneous on the day of settlement of the transactions in accordance with the provisions of article 29 of the aforementioned law no. 19-14.

However, in the event of impossibility of total or partial delivery of securities, within the limit provided for in article 6.1.24 of these rules, attributable to the defaulting brokerage firm, the said delivery may be resolved by monetary compensation after consultation between the managing company and the counterpart brokerage firm in accordance with the procedures set by instruction.

Article 6.1.2

The cash settlement and the delivery of securities between brokerage firms shall take place within three (3) trading days from the date the transaction is completed. This deadline may be amended by instruction, depending, in particular, on the nature of the instrument concerned.

Article 6.1.3

Brokerage firms must implement all the steps necessary for the fulfilment of their settlement and delivery obligations arising from the transactions carried out through them.

Brokerage firms remain liable to their counterparties for the securities and cash until the effective settlement of the transactions carried out through them.

Article 6.1.4

As soon as a transaction is recorded by the managing company, it is deemed to be irrevocable.

Article 6.1.5

The issuer shall inform the managing company of the implementation date of an OST. This date applies to all securities whether registered or bearer.

Article 6.1.6

Brokerage companies authorized to maintain securities accounts in accordance with the provisions of article 24 of the aforementioned law no.35-96, must open separate current accounts for their own assets and those of their clients.

Article 6.1.7

The buyer becomes liable for the cash and the seller for the securities as soon as the order is executed on the central order book or the block order book.

Article 6.1.8

An ordering party may directly place an order to buy or sell with a brokerage firm that does not ensure the safekeeping of its securities and cash. In this case, the ordering party must inform the brokerage

firm of the account keeper of the securities and cash and provide a settlement-delivery instruction under the conditions laid down in article 6.1.13 of these rules.

Article 6.1.9

An intermediation agreement, signed between the brokerage firm and the ordering party, specifies, in particular, the respective rights and obligations of the parties and the characteristics of the orders.

Section 2 - Settlements and deliveries among brokerage firms

Article 6.1.10

The managing company interposes itself between brokerage firms in order to guarantee the proper completion of the transactions carried out, through the central order book, by the said companies.

Article 6.1.11

The managing company transmits to the Central Depository instructions for the cash settlement and the delivery of securities following transactions carried out between brokerage firms on a financial instrument admitted to listing on the Stock Exchange in accordance with the laws and regulations in force.

Article 6.1.12

Any transaction that has not resulted in the cash settlement or to the delivery of the securities within the time period provided for in article 6.1.2 of these rules is deemed a pending transaction.

Article 6.1.13

Brokerage firms must have, within the time limits provided for in article 6.1.2 of these rules, the securities and cash corresponding to their commitments arising from the trading, so that the Central Depository can proceed with the settlement of the transactions transmitted by the managing company.

To this end, the brokerage firms shall ensure, as the case may be, the following:

- either that the ordering party makes available to them the securities or cash necessary to settle the transaction. In this case, the trading order is equivalent to a settlement-delivery instruction;
- or that the settlement-delivery instruction is transmitted, when the said brokerage firms are not account keepers of the client, by the ordering party directly to the account keeper or indirectly through a brokerage firm under the conditions agreed upon between the three parties. These conditions may be as follows:
 - the ordering party indicates in the duly signed order their settlement-delivery instruction;
 - the ordering party transmits to the brokerage firm the duly signed settlement-delivery instruction;
 - the ordering party transmits a standing settlement-delivery instruction to the account keeper.

Section 3 - The guarantee system

Article 6.1.14

Brokerage firms must adhere to the system of performance guarantee of transactions as determined in this section. As such, they are required to comply with the relevant procedures laid down by instruction.

Any brokerage firm adhering to the guarantee system benefits from the guarantee for the proper completion of transactions provided for in articles 28 and 29 of the aforementioned law no. 19-14.

Article 6.1.15

The managing company guarantees to brokerage firms the cash settlement and the delivery of securities due to them as a result of their transactions.

To this end, brokerage companies constitute guarantee deposits with it, as provided for in article 29 of the aforementioned law no. 19-14, intended to cover the positions they hold and not yet settled in respect of transactions carried out through the central order book. These deposits include:

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

Article 6.1.16

The initial contribution due from the brokerage firm already registered in the guarantee system must cover in particular the average daily activity of the brokerage firm.

In the case of membership of a new brokerage firm, the initial contribution is equal to the lowest contribution of the brokerage firms in exercise.

The amounts of the initial contribution are revised semi-annually to determine any additional payments to be made by brokerage firms or the repayments of the excess amount due of the contribution to such companies. However, the managing company may, at any time, adjust the amount of the initial contribution of a brokerage firm in the case of a considerable change in its activity.

The procedures for calculation, payment and adjustment of the initial contribution are laid down by instruction.

Article 6.1.17

The initial contribution is placed by the managing company in assets that are liquid and without risk on the capital. The net proceeds of the placement of the initial contribution are paid to the brokerage firm concerned.

Article 6.1.18

Brokerage firms that definitively cease their activities following the withdrawal of their authorization may recover the amounts of their initial contributions to the guarantee system after all their positions have been settled, in accordance with the procedures laid down by the managing company.

Article 6.1.19

The regular contribution is determined based on the risks incurred by each brokerage firm in respect of unsettled transactions.

The calculation of the regular contribution is based on:

- the net position, by financial instrument, for transactions not settled within the time limit provided for in article 6.1.2 of these rules;
- pending transactions.

The aforementioned contribution is subject to a daily adjustment, upwards or downwards, on the basis of a reference price calculated each trading day, and according to the risks incurred by the brokerage firm. The amount resulting from the said adjustment to be paid to the managing company or returned to the brokerage firm, as the case may be, is communicated to the latter before the opening of each trading session.

The procedures for calculating, paying and adjusting regular contributions are set by instruction in accordance with the provisions of this chapter.

Article 6.1.20

When the upward adjustment referred to in article 6.1.19 above has not been made, the managing company may automatically liquidate, partially or totally, the positions not yet settled in the name of the defaulting brokerage firm and at the latter's expense. It shall inform the AMMC without delay.

The terms and conditions for the liquidation of positions not yet settled are set by instruction.

Article 6.1.21

The managing company may request an exceptional contribution from all brokerage firms when the intervention of a defaulting brokerage firm on the stock market is temporarily suspended in accordance with the provisions of article 6.1.22 of these rules.

The procedures for calculating and payment the exceptional contribution are set by instruction.

Article 6.1.22

To guarantee the security of the market and its proper functioning, the managing company may temporarily suspend the intervention on the said market of a brokerage firm in the event of non-payment:

- the initial and regular contributions provided for in article 6.1.15 of these rules;
- the repurchase or resale price differentials provided for in articles 6.1.30 and 6.1.39 respectively of these rules;
- the amounts provided for in articles 6.1.32 and 6.1.14 of these rules.

The managing company informs the AMMC.

Section 4 - Resolution of securities or cash defaults

Subsection 1 - Resolution of securities defaults

Article 6.1.23

Upon receipt from the Central Depository of details of the transactions that could not be delivered within the time limit set out in article 6.1.2 of these rules, the managing company shall immediately give formal notice to the defaulting brokerage firm in order to regularise its situation and inform the AMMC.

Article 6.1.24

Upon notification to the defaulting brokerage firm of the notice provided for in article 6.1.23 of these rules, the latter shall be required to settle its outstanding position no later than the sixth (6) trading day following the settlement date as set in accordance with article 6.1.2 of these rules. If it manages to do so, it shall immediately inform the managing company.

When the securities default is not resolved on the sixth (6) trading day, the managing company informs the AMMC and all brokerage firms that it will initiate on behalf of the defaulting brokerage firm, buy orders for securities at a price equal to the last reference price plus the maximum rate of change in force.

However, the managing company may initiate the redemption session before the expiry of the period provided for in the 2nd paragraph above, either automatically in the event of delisting of a financial instrument or when the market security and its proper functioning justify so, or upon a request of a defaulting brokerage firm when it justifies that the securities cannot be acquired within the abovementioned period.

Article 6.1.25

The managing company makes available to brokerage firms a system allowing the management of repurchase sessions.

Article 6.1.26

Brokerage firms wishing to participate in the repurchase session transmit to the managing company the sell orders under the conditions and within the time limits it sets. Only orders at the price indicated by the managing company are accepted on a "first-in-first served" basis.

Article 6.1.27

Where the default of securities is partial, the managing company shall repurchase the missing securities to allow the outstanding position to be closed out in accordance with the procedures set out in instruction.

Article 6.1.28

If, at the end of the first repurchase session, all missing securities have not been repurchased, and provided that all brokerage firms are informed, the managing company organizes a second repurchase session the following day at a price equal to the last reference price plus twice the maximum rate of change in force.

The second repurchase session is carried out under the same conditions and according to the same procedures as those of the first session as provided for in article 6.1.26 of these rules.

Article 6.1.29

During the second repurchase session and when it has not been possible to repurchase all missing securities, the managing company may, in consultation with the counterpart brokerage firm, decide:

- the partial allocation of the repurchased securities;
- that the rest of missing securities is resolved by monetary compensation in favour of the aforementioned brokerage firm as mentioned in the 2nd paragraph of article 6.1.1 of these rules.

The managing company informs the AMMC thereof.

Article 6.1.30

In the event that a repurchase procedure is implemented, the difference between the repurchase amount and the purchase amount corresponding to the outstanding securities calculated on the basis of

the initial trading price, is borne by the defaulting brokerage firm when the balance is negative. The aforementioned difference is returned to them when the balance is positive.

Article 6.1.31

Any pending position shall give rise to a late payment penalty calculated in accordance with articles 6.1.32 and 6.1.33 of these rules.

Article 6.1.32

Except in the event of recourse to the financial compensation referred to in article 6.1.1 above, the defaulting brokerage firm must pay its counterparty (s) an amount calculated on the basis of twice the rate of the advance from Bank Al Maghrib at seven (7) days applied to the quantity of outstanding securities valued at the closing price on the day of the initial trading. This amount, which may not be less than one hundred (100) dirhams, is calculated on a pro rata temporis basis of the delay recorded.

The amount provided for in the first paragraph above shall be repaid by the counterpart brokerage firm (s) to their clients.

Article 6.1.33

The defaulting brokerage firm pays the managing company a late payment penalty equivalent to the amount of the administrative costs incurred from the position of the outstanding securities. The amount of the said penalty is obtained by applying a rate of 0.2% to the quantity of outstanding securities valued at the closing price on the day of the initial trading. However, the amount of the penalty may not be less than two thousand (2000) dirhams excluding taxes or exceed ten thousand (10,000) dirhams excluding taxes, per outstanding instrument and per trading day.

Article 6.1.34

When it is proven that the defaulting selling brokerage firm is unable to pay the amounts provided for in articles 6.1.30 and 6.1.32 of these rules, following receipt of the notice of settlement sent to it by the managing company, the latter may deduct the aforementioned amounts from the security deposits, provided for in article 6.1.15 of these rules, constituted by the said brokerage firm. The managing company shall inform the AMMC accordingly.

Subsection 2. Resolution of cash defaults

Article 6.1.35

Upon receipt by the Central Depositary of details of the transactions that could not be settled within the time limit set by article 6.1.2 of these rules, the managing company shall immediately give formal notice to the defaulting brokerage firm in order to settle its situation and inform the AMMC thereof.

Article 6.1.36

As soon as the defaulting brokerage firm is notified of the formal notice provided for in article 6.1.35 of these rules, it is required to settle its outstanding position at the latest on the third (3) trading day following the settlement date as set in accordance with article 6.1.2 of these rules. If it manages to do so, it shall immediately inform the managing company.

When the cash default is not resolved on the third (3) trading day, the managing company informs all brokerage firms that it will initiate, on behalf of the defaulting brokerage firm, orders to sell securities at a price equal to the last reference price minus the maximum variation rate in force.

However, when the selling brokerage firm no longer has, within the period provided for in the first paragraph above, the securities subject to resale, the resale session will not take place.

Article 6.1.37

The managing company makes available to brokerage firms a system allowing the management of resale sessions.

Article 6.1.38

The brokerage firms wishing to participate in the resale session transmit to the managing company the buy orders under the conditions and within the deadlines set by it. Only orders at the price indicated by the managing company are accepted on a "first-in first-served" basis.

Article 6.1.39

If, at the end of the first resale session, it has not been possible to resell all securities, and provided that all brokerage firms are informed, the managing company organizes a second resale session the following day at a price equal to the last reference price minus twice the maximum rate of change in force.

The second resale session is held under the same conditions and according to the same procedures as those of the first session as provided for in article 6.1.38 of these rules.

Article 6.1.40

In the event that a resale procedure is implemented, the difference between the amount of the resale and the amount of the pending transaction, is borne by the defaulting brokerage firm when the balance is negative and returned to it when the balance is positive.

Article 6.1.41

If the securities could not be resold at the end of the second resale session, the managing company implements the security deposits set up by the defaulting brokerage firm to settle the outstanding positions and informs the AMMC accordingly.

Article 6.1.42

Except in the case provided for in article 6.1.41 of these rules, the defaulting brokerage firm must pay its counterparty (s) an amount calculated on the basis of twice the rate of the Bank Al Maghrib seven (7) day advance applied to the cash amount of the pending transaction. This amount, which may not be less than one hundred (100) dirhams, is calculated on a pro rata temporis basis of the delay recorded.

The amount provided for in the first paragraph above must be paid by the counterpart brokerage firm(s) to their clients.

Article 6.1.43

The defaulting brokerage firm pays the managing company a late payment penalty equivalent to the amount of the administrative costs incurred from the outstanding cash position. The amount of the said penalty is obtained by applying a rate of 0.2% to the amount of the pending transaction.

However, the amount of the penalty may not be less than two thousand (2000) dirhams excluding taxes or exceed ten thousand (10,000) dirhams excluding taxes, per outstanding instrument and per trading day.

Article 6.1.44

When it is proven that the defaulting buying brokerage firm is unable to pay the amounts provided for in articles 6.1.40 and 6.1.42 of these rules, following receipt of the notice of settlement sent to it by the managing company, the latter may deduct the aforementioned amounts from the security deposits, provided for in article 6.1.15 of these rules, constituted by the said brokerage firm. The managing company shall inform the AMMC accordingly.

Chapter 2. The guarantee fund for compensating the brokerage firms clients to be wound up

Article 6.2.1

In accordance with the provisions of article 86 of the aforementioned law no.19-14, a guarantee fund is set up to compensate the clients of brokerage firms to be wound up.

This compensation is limited to two hundred thousand (200,000) dirhams per client, natural or legal person.

However, the total amount of interventions by the guarantee fund, incurred due to the failure of a brokerage firm, may not exceed thirty (30) million dirhams.

Where the fund's resources are insufficient to compensate clients based on the amount set in the second paragraph of this article, the said amount shall be reduced proportionately.

Article 6.2.2

In accordance with the provisions of article 87 of the aforementioned law no. 19-14, the commitments covered by the guarantee concern the return of securities and cash deposited with brokerage firms to carry out Stock Exchange transactions or due by them to their clients following Stock Exchange transactions, as well as securities entrusted to brokerage companies on deposit.

Article 6.2.3

In accordance with the provisions of article 89 of the aforementioned law no. 19-14, the intervention of the guarantee fund is subject to the acknowledgement of the AMMC that a brokerage firm has been liquidated, regardless of its origin.

This intervention is the subject of a notice published by the managing company in a newspaper of legal announcements, inviting the clients of the brokerage firm put into liquidation to exercise their rights with the guarantee fund with regard to the securities registered in their account and/or their cash claims.

Claims for compensation shall be submitted within three (3) months as of the date of publication of the above-mentioned notice.

Article 6.2.4

Without prejudice to the provisions of article 50 of the aforementioned law no. 19-14, as soon as the AMMC has established that a brokerage firm has been put into liquidation, an inventory of the assets held by the brokerage firm in securities and/or cash accounts shall be made, in accordance with the legislation in force.

Article 6.2.5

In accordance with the provisions of the last paragraph of article 89 of law no. 19-14 aforementioned, the intervention of the guarantee fund entails the subrogation of the latter in the rights of the holders of

the claims benefiting from the guarantee on the brokerage firm put into liquidation, in proportion to the rights actually covered by the guarantee.