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**«Approved» by
“Baku Stock Exchange” CJSC
Board of Directors
Protocol № 08
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Chairman of the Board

_____ **F.Azizov**

Dispute Resolution Rules of “Baku Stock Exchange” CJSC

1. General Provisions

- 1.1. These Rules apply to Article 46.1.12 of the Law of the Republic of Azerbaijan on Securities Market (hereinafter - the Law) and normative legal acts adopted by the State Committee on Securities of the Republic of Azerbaijan (hereinafter - the Committee), Prepared in accordance with the charter of “Baku Stock Exchange” CJSC (hereinafter - the Exchange).
- 1.2. These Rules apply to disputes arising between issuers, exchange members, information providers (hereinafter - the Parties) listed on the Exchange during membership, listing, trading and data transfer operations, membership, trade and trade of the Exchange Index, Listing, Membership, Attestation

Commissions and Management Board consideration of complaints against decisions that may affect its operations, determines the rules for interpreting the rules of the Exchange.

2. Basic concepts

2.1. The main concepts used in these Rules are as follows:

2.1.1. **Dispute Settlement Commission** - is a commission, the composition and activity of which is determined by the rules, the mechanism for appealing against the decisions of the Exchange's committees and commissions, interpreting the Exchange's rules, as well as resolving disputes arising at the Exchange.

2.1.2. **Issuer** - a person, state (through a duly authorized state body) or municipality that issues investment securities in accordance with the Law of the Republic of Azerbaijan.

2.1.3. **The supervisory body** is the Committee that carries out state regulation and control of the securities market as defined by law.

2.1.4. **Members** - Exchange members who have the right to trade on the Exchange in accordance with the "Rules of Membership of the Baku Stock Exchange" CJSC.

2.1.5. **Information providers** - organizations that purchase information from the Exchange for commercial purposes in accordance with the terms of the agreement with the Exchange, as well as the "Rules of Disclosure of Information of the Baku Stock Exchange" CJSC.

3. Powers of the Dispute Resolution Commission

3.1. The Dispute Resolution Commission has the following powers:

3.1.1. Consideration of disputes between the Parties within the framework of these Rules and issuance of decisions (opinions) that do not have binding legal force;

3.1.2. Consideration of appeals against decisions of the Exchange's Index, Listing, Membership Commission, Attestation Commission and Management Board;

- 3.1.3. Commenting on the rules adopted by the Exchange;
- 3.1.4. Providing recommendations and instructions on exchange rules.
- 3.2. The case shall be considered on the merits by the Dispute Resolution Commission.
- 3.3. The Dispute Settlement Commission shall not consider appeals and inquiries that do not fall within its competence.

4. Members of the Dispute Resolution Commission

- 4.1. The Dispute Resolution Commission is elected by the Exchange's Supervisory Board for a period of 3 (three) years.
- 4.2. The number of the Dispute Settlement Commission shall not be less than 5 (five) people with the following composition:
 - 4.2.1. At least three people representing the stock exchange;
 - 4.2.2. At least one independent member with legal or economic knowledge.
- 4.3. A person representing the Association of Capital Market Participants and authorized persons representing the Committee may be elected to the Dispute Settlement Commission.
- 4.4. At least one of the members of the Dispute Settlement Commission must have a degree in law and at least 2 (two) years of work experience in the specialty.
- 4.5. Members of the Dispute Settlement Commission have the right to be re-elected at the end of their term.
- 4.6. One of the members of the Dispute Resolution Commission representing the Exchange shall be appointed by the Exchange's Supervisory Board as the Chairman of the Dispute Resolution Commission.
- 4.7. The Supervisory Board of the Exchange may terminate the powers of the members of the Dispute Resolution Commission in the following cases:
 - 4.7.1. when a member resigns,
 - 4.7.2. when he dies,
 - 4.7.3. when defects in activity are detected.

- 4.8. The Statute of the Dispute Resolution Commission shall be approved by the Supervisory Board.
- 4.9. The members of the Dispute Settlement Commission shall be independent and impartial in making decisions. The members of the commission may not represent any of the parties to the dispute. If there are reasonable doubts about the neutral position of a member of the Commission, the members of the Commission shall be excluded from the dispute process at their own request or at the request (protest) of one of the parties.
- 4.10. With the exception of the supervisory body, only the management of the Exchange and the members of the Dispute Settlement Commission shall have access to the documents and information received during the dispute resolution process before the Dispute Settlement Commission makes decisions.
- 4.11. Members of the Dispute Settlement Commission (including other persons who have access to documents and information received in the course of resolving the dispute) shall keep confidential all information obtained in the course of resolving the dispute, unless otherwise provided by the parties to the dispute.
- 4.12. A meeting is valid if more than half of the members of the Dispute Resolution Commission are present.

5. Settlement of disputes between the parties

- 5.1. In the event of a dispute between the Parties, one of the Parties may file a complaint to the Exchange's Dispute Settlement Commission.
- 5.2. In the event of a complaint on a dispute between the parties, the procedure for consideration of the case shall be regulated by paragraphs 5 to 8 of these Rules.
- 5.3. In the event of a dispute over a dispute between the Parties, both Parties shall be invited to a meeting of the Dispute Settlement Commission.
- 5.4. The decision of the Dispute Settlement Commission on disputes between the Parties shall enter into force on the day of its adoption.

5.5. The Dispute Settlement Commission's decision on disputes between the Parties shall be of a recommendatory nature.

6. Request for dispute resolution

6.1. If any Party has a dispute with the other Party regarding the application or interpretation of the Exchange's rules and procedures, one of the Parties shall apply in writing to the Dispute Settlement Commission by providing the following information:

- 6.1.1. name and address of the plaintiff and defendant in the dispute;
- 6.1.2. information on the disputing issue;
- 6.1.3. all documents that can be used as evidence and are relevant to the case;
- 6.1.4. information on the claim (request);
- 6.1.5. other information relevant to the case.

6.2. Within 3 (three) working days after receipt of the application referred to in paragraph 6.1 of these Rules, the Exchange shall send a notice on the application to other members of the Dispute Resolution Commission and information on the time of the preparatory meeting.

6.3. The time of the preparatory meeting of the Dispute Resolution Commission shall be determined by the Chairman of the Dispute Resolution Commission.

6.4. The preparatory meeting of the Dispute Settlement Commission shall be held within 10 (ten) working days after the receipt of the appeal specified in paragraph 6.1 of these Rules.

6.5. At the preparatory meeting of the Dispute Resolution Commission, the appeal is checked for compliance with paragraph 6.1 of these Rules and the completeness of the documents.

6.6. If the application is in accordance with paragraph 6.1 of these Rules, a copy of the claim (request) shall be sent by the Dispute Settlement Commission to the defendant within 3 (three) working days.

6.7. The respondent must notify the Dispute Settlement Commission of its position on the claim within 5 (five) working days.

- 6.8. The following information must be reflected in the reply letter submitted by the respondent:
 - 6.8.1. the position of the defendant on the nature and circumstances of the dispute;
 - 6.8.2. documents to be used as a response and evidence to the bidder's application;
 - 6.8.3. other information on the subject of the dispute;
 - 6.8.4. mutual claim (if any).
- 6.9. When a counterclaim is filed by the defendant, the counterclaim is sent to the plaintiff by the Dispute Settlement Commission.
- 6.10. Within 5 (five) working days, the bidder shall send a response letter on the counterclaim to the Dispute Settlement Commission.
- 6.11. A written request of a Party, an application and the documents attached thereto shall be considered if they comply with these Rules. If the application does not comply with these Rules, as well as if the documents attached to it are incomplete, the relevant application shall be returned to the requesting Party.
- 6.12. Once the deficiencies in the appeal have been remedied, the Party may re-apply to the Dispute Settlement Commission.
- 6.13. In order to ensure impartiality, the Party may object to the consideration of the case by a member of the Dispute Settlement Commission. When a reasoned appeal is lodged, that member of the Dispute Settlement Commission shall not be present at the hearing.
- 6.14. If the submitted applications and documents comply with these Rules, the date of the meeting of the Dispute Resolution Commission shall be determined by the Dispute Resolution Commission at the preparatory meeting for consideration of the case. The hearing shall be held within 15 (fifteen) working days after the preparatory meeting.
- 6.15. The Parties shall be invited to a meeting by the Dispute Settlement Commission. In this case, the Parties shall be notified of the place and time of the meeting at least 3 (three) working days prior to the meeting.

7. Organization of the work of the Dispute Resolution Commission

- 7.1. Meetings and hearings of the Dispute Resolution Commission are held behind closed doors. Only invited parties and their legal representatives may attend the meeting, all other persons may attend only with the consent and invitation of the Commission. Each party can be represented by a maximum of 2 (two) people.
- 7.2. The meeting of the Dispute Resolution Commission shall be chaired by its chairman. The chairman appoints the secretary of the meeting.
- 7.3. The chairman of the meeting shall chair the meeting of the Dispute Settlement Commission, ensuring full, comprehensive and objective clarification of all cases of the case, the rights and obligations of the parties, and exclude issues related to the case from consideration at the meeting.
- 7.4. The secretary of the meeting shall report to the Dispute Settlement Commission on who came, who did not come and the reasons.
- 7.5. The chairman identifies the participants of the meeting, checks the powers of officials and representatives.
- 7.6. The Chairperson announces the composition of the Dispute Settlement Commission, who is present as an expert and secretary of the meeting.
- 7.7. The chairman discusses the situation with the case and the dispute with the parties, clarifies whether they have submitted all the evidence and whether they are familiar with the case materials.
- 7.8. The Parties involved in the case shall be obliged to state the reason or impossibility of non-attendance at the meeting and to provide evidence that these reasons are justified.
- 7.9. If the Parties to the case have been duly notified of the time and place of the meeting, the Dispute Settlement Commission shall adjourn the hearing if the reasons for non-appearance are justified.
- 7.10. The Dispute Settlement Commission shall have the right to consider the case if the parties have been duly notified of the time and place of the hearing, but they have not returned to the meeting.

- 7.11. Consideration of the case begins with the report of the chairman. The presiding judge shall then clarify the views of the parties and third parties on the claims made.
- 7.12. After the presentation of the case, the chairman shall hear the plaintiff and the third-party present at his side, the defendant and the third-party present at his side, as well as other persons participating in the case (if present). Persons involved in the case have the right to ask each other questions with the permission of the chairman.
- 7.13. Written explanations of the persons involved in the case and the evidence presented shall be announced by the presiding judge.
- 7.14. Where necessary, the Dispute Settlement Commission may engage a specialist to provide advice, comment and direct technical assistance when examining written or material evidence and taking steps to ensure it.
- 7.15. After all the evidence has been examined, the presiding judge asks the persons involved in the case and their representatives whether they wish to complete the submitted materials. In the absence of such motions, the presiding judge shall announce the completion of the investigation of the case and proceed to the speeches.
- 7.16. Speeches at the meeting of the Dispute Resolution Commission shall consist of speeches of the authorized persons participating in the case.
- 7.17. First the plaintiff, then the defendant.
- 7.18. After their speeches, the minutes of the meeting of the Dispute Resolution Commission shall be compiled. The minutes of the meeting shall be signed by the chairman of the Dispute Resolution Commission and the person who drew up the minutes.
- 7.19. The Dispute Settlement Commission shall be obliged to directly examine the evidence in the case, obtain explanations from the parties and third parties, review the written evidence and take other actions related to the consideration of the case.
- 7.20. If necessary, the Dispute Settlement Commission shall listen to the expert's advice and comments during the examination of the evidence in the case

8. Decision of the Dispute Resolution Commission

- 8.1. After the meeting of the Dispute Resolution Commission, the commission shall make a decision on the case within 15 (fifteen) days (including the day of the meeting). In special cases, this period may be extended to 20 (twenty) days if several hearings and additional supporting documents are required for the decision to be made. The reasons for the extension must be stated in the final decision.
- 8.2. The decision of the Dispute Settlement Commission shall be taken by a simple majority of votes among the members of the Commission.
- 8.3. The decision of the Dispute Settlement Commission must be lawful and reasonable. The decision must be based on the facts of the case. The decision is based only on the evidence examined at the meeting of the Dispute Settlement Commission.
- 8.4. The Dispute Settlement Commission shall make a decision on the claims submitted by the persons involved in the case.
- 8.5. The decision should be made using comprehensible expressions.
- 8.6. The decision consists of introductory, descriptive, substantiating and concluding parts.
- 8.7. The introductory part of the decision shall indicate the time and place of its issuance, the names of the members of the Dispute Settlement Commission, the patronymic, the secretary of the meeting, the parties, other persons and representatives involved in the case, the subject of the dispute or the claim.
- 8.8. The descriptive part of the decision must contain the claim of the plaintiff, the objections or opinions of the defendant and the explanations of other persons involved in the case.
- 8.9. The reasoning part of the decision shall indicate the circumstances of the case determined by the Dispute Settlement Commission, the evidence substantiated by the Dispute Settlement Commission and the arguments of the participants to reject the legal acts referred to by the meeting, as well as laws and regulations.

- 8.10. The final part of the decision shall indicate the conclusion reached by the Dispute Settlement Commission.
- 8.11. The decision of the Dispute Resolution Commission shall be signed by the Chairman of the Commission, members of the commission and the secretary of the meeting.
- 8.12. In case of payments for the Dispute Resolution Service according to the Exchange's tariff schedule, the amount of the service fee to be paid shall be specified in the decision of the Commission.
- 8.13. The decision of the Dispute Settlement Commission shall be made in 3 (three) copies in the Azerbaijani language, one copy shall remain with the Secretary of the Commission and the other copies shall be sent to the relevant party within 3 (three) working days after full payment of the service fee.
- 8.14. Either party may appeal the decision of the Dispute Settlement Commission to the relevant court of the Azerbaijan Republic for the purpose of protection of rights.

**9. Consideration of appeals against decisions of the Exchange's Index,
Listing Committee, Membership Commission, Attestation
Commission and Management Board**

- 9.1. A Party may appeal to the Dispute Settlement Commission against decisions made by the Exchange's Index Committee, Listing Committee, Membership Commission and which may affect the Board's membership, trading and trading operations.
- 9.2. In case of a complaint, the Exchange acts as a responsible party.
- 9.3. In case of appeal to the Dispute Resolution Commission against the decisions of the Index Committee, Listing Committee, Membership Commission and the Management Board of the Exchange, the procedure for consideration of the case shall be regulated by paragraphs 6-8 of these Rules.
- 9.4. The decision of the Dispute Settlement Commission shall annul all previous decisions made by the Exchange.

9.5 The Dispute Settlement Committees and the Management Board shall enter into force on the date of their adoption, and the Commission's decision on appeals against the Exchange's commissions and decisions shall be binding.

10. Commenting on the rules adopted by the Exchange

10.1. The Parties may apply to the Dispute Settlement Commission to interpret the rules adopted by the Exchange.

10.2. The application must contain the following:

10.2.1. name and address of the applicant;

10.2.2. the reason that provides the basis for information or comment on the problem;

10.2.3. other relevant information on the case.

10.3. Within 10 (ten) working days after receipt of all relevant documents on the application, the Secretary shall determine the time of the meeting of the Dispute Settlement Commission.

10.4. No hearing shall be held when requested for interpretation of the rules and the applicant may not request a hearing.

10.5. The meeting is held behind closed doors, the applicant does not attend the meeting and is not represented

10.6. The minutes of the meeting shall be signed by the Chairman and the Secretary of the Dispute Resolution Commission.

10.7. The final decision is signed by the members of the Dispute Resolution Commission.

10.8. The decision of the Dispute Settlement Commission shall include the following:

10.8.1. justification;

10.8.2. names of applicants;

10.8.3. names and positions of the participating Commission members;

10.8.4. date and place of decision.

10.9. The decision of the Dispute Settlement Commission on the interpretation of the rules shall be sent and announced to the requesting Party within 3 (three) working days.

11. Providing recommendations and instructions on exchange rules

11.1. The Dispute Settlement Commission may issue recommendations or instructions on the interpretation or application of the relevant Exchange rules at the request of the Parties or at its discretion.

11.2. Recommendations and guidelines should be in writing and addressed to relevant market participants. Recommendations and instructions should be published on the Exchange's website if they are intended for several market participants.

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12. Other provisions

12.1. Disputes must be resolved in the Azerbaijani language.

12.2. The Dispute Resolution Commission shall apply the requirements of the relevant legislation of the Republic of Azerbaijan when considering the issue of dispute settlement.

12.3. Disputes are considered in Baku, in the building of the Baku Stock Exchange.

12.4. Dispute resolution fees are set in the Exchange's tariff schedule.

12.5. Disputes between the parties are resolved through negotiations. In the absence of agreement, the disputes shall be considered by the Dispute Settlement Commission. In accordance with the legislation of the Republic of Azerbaijan, the parties shall apply to the court after the dispute has been considered by the Dispute Settlement Commission.

- 12.6. The Parties shall appeal to the Court in accordance with the legislation of the Republic of Azerbaijan on appeals against decisions of the Exchange's Index, Listing Committee, Membership Commission, Attestation Commission and Management Board, which may affect membership, trade and trade operations.
- 12.7. Unless otherwise provided by the Parties, notes, notices, decisions and opinions shall be communicated to the Parties by fax or e-mail. Original or certified copies of these documents must be submitted in person or sent by regular mail.