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«Approved»
“Baku Stock Exchange” CJSC
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Chairman of the Supervisory Board
_____ **Y.Mammadov**

**RULES OF LISTING, DELISTING
AND ORGANIZING TRADING OF SECURITIES ON
BAKU STOCK EXCHANGE**

PART I. GENERAL PROVISIONS

1. Purpose and scope of the rules

- 1.1. These Rules have been prepared in accordance with the Civil Code of the Republic of Azerbaijan, the Law “On Securities Market”, normative acts adopted by the Central Bank of the Republic of Azerbaijan (hereinafter - the Central Bank).
- 1.2. These Rules determine the rules of listing, keeping, delisting, admission to trading, suspension of trading, delisting of securities in the Baku Stock Exchange Closed Joint-Stock Company (hereinafter - the Exchange) and issues of fulfillment of obligations of their issuers under these rules.

2. Basic Concepts

- 2.1. The basic concepts used in these Rules have the following meanings:
 - 2.1.1. **Listing** - is a procedure of the issuance of securities that can be traded on the Exchange in one of the markets organized by the Exchange by including them in the market segment of the Exchange.
 - 2.1.2. **Delisting** - is a procedure of delisting of securities listed on the Exchange;
 - 2.1.3. **Exchange Market** - A market in which the same type of listed and non-listed securities are traded on the Exchange. The stock markets are classified according to the type of securities and the characteristics of operations in this market;
 - 2.1.4. **Market segment** - is a classification of markets organized by the Exchange according to the requirements of the Rules. The exchange has premium and standard market segments;

- 2.1.5. **Conditional listing** - is the listing of securities in accordance with the Rules, provided that the issuer fully meets the listing requirements established by the Rules within the period specified by the Listing Committee;
- 2.1.6. **International Financial Reporting Standards (IFRSs)** is the International Accounting Standard adopted by an international organization specializing in this field in accordance with the legislation of the Republic of Azerbaijan and the interpretations of those international organizations on these standards;
- 2.1.7. **Issue prospectus** - is a document prepared by the issuer or the person offering investment securities for the purpose of trading securities in the regulated market, the content of which reflects the financial condition of the issuer and the rights established by investment securities and approved by the Central Bank;
- 2.1.8. **Information memorandum** - is a document drawn up instead of the issue prospectus and approved by the Central Bank, if the public offer of investment securities is not accompanied by the issue prospectus in cases specified by law;
- 2.1.9. **Relevant Person** - a person so defined by the Civil Code of the Republic of Azerbaijan;
- 2.1.10. **Transaction with a related person** - any transaction, agreement or set of related transactions concluded between a person related to a legal entity and that legal entity is considered a transaction with the relevant person;
- 2.1.11. **Listing list** - is a list of securities traded on the Exchange by listing;
- 2.1.12. **Non-listing list** - is a list of securities traded on the Exchange without listing;
- 2.1.13. **Securities that can be traded on the Exchange** – are the investment securities that can be traded on the Exchange on the listing and non-listing list, securities issued by the Central Bank, state and municipal securities of the Azerbaijan Republic, shares of mutual investment fund, as well as other securities;
- 2.1.14. **Volume of free-float** - is the volume of shares representing the issuer's authorized capital, excluding shares owned by related parties. The volume of free circulation is calculated by the Exchange on the basis of information provided by the issuer. The volume of free

circulation is expressed as a percentage of the authorized capital and the calculation procedure is determined by the Exchange;

- 2.1.15. **Technical default** - the existence of solid evidence that the issuer is unable to meet the financial obligations of the issuer to creditors and third parties, or that these obligations will not be fulfilled;
- 2.1.16. **Listing price (initial trading price)** - is the price at which the listed securities are traded on the Exchange in accordance with the Rules. The listing price (initial trading price) is determined as follows:
 - 2.1.16.1. the price at which the securities are offered publicly, unless otherwise provided by the legislation and the Exchange rules;
 - 2.1.16.2. when securities are listed on another regulated market, the price at which they are traded in that market;
 - 2.1.16.3. If it is not possible to determine the initial trading price of securities in accordance with sub-items 2.1.16.1 or 2.1.16.2 of the Rules, this price shall be determined in accordance with the Exchange's trading rules.
- 2.1.17. **Electronic Data Disclosure System (hereinafter referred to as “EDDS”)** - is a single information resource created and managed by the Central Bank for the receipt, centralized storage and disclosure of information to be disclosed by issuers whose securities are publicly offered and traded on a regulated market;

PART II TERMS AND CONDITIONS OF LISTING OF SECURITIES

3. General requirements for listing of securities

- 3.1. Securities included in one issue are not allowed to be included in the partial listing. If the issuer has ordinary and preferred shares, only ordinary or only preferred shares may not be included in the listing. All issues of shares of the issuer must be listed in the same market segment.
- 3.2. Pursuant to these Rules, decisions on listing on the Exchange are made by the Listing Committee.

- 3.3. In order for securities to be included in the listing, their storage, registration of property rights, organization and conduct of clearing and settlements on them must be provided in accordance with the legislation.
- 3.4. There should be no restrictions on the circulation of securities for inclusion in the listing.
- 3.5. If the issuer of securities is engaged in a type of activity that requires a license in the manner prescribed by law, the relevant licenses issued by the competent authority for the performance of this activity must be valid.
- 3.6. A listing agreement must be signed with the issuer of the listed securities.
- 3.7. The issuer must pay a fee for the listing of securities in accordance with the tariff schedule established by the Exchange.
- 3.8. Documents required by the Exchange for inclusion and storage of securities of the issuer in the listing must be submitted in electronic form or on paper in accordance with the legislation of the Republic of Azerbaijan.
- 3.9. Information required to be disclosed by the Issuer in accordance with these Rules shall be disclosed on the EDDS platform, on the website of the Exchange and the issuer in accordance with the legislation of the Republic of Azerbaijan.

4. Requirements for the listing of shares

- 4.1. The requirements for the inclusion of shares in the **premium market segment** are as follows:
 - 4.1.1. the issuer must be an open joint stock company;
 - 4.1.2. the issue of shares must be carried out by way of public offering or admitted to public trading;
 - 4.1.3. the bankruptcy proceedings must not be initiated or the financial stability of the issuer must not be compromised within 1 (one) year prior to the submission of this application;
 - 4.1.4. the term of activity of the issuer must be at least 3 (three) years and must operate with a net profit of at least 1 (one) year for the last 3 (three) financial years;
 - 4.1.5. the issuer's authorized capital must be at least 2,500,000 (two million five hundred thousand);

- 4.1.6. at least 10% of the issuer's listed shares, and in case of non-payment of this condition, the volume of free-float in the equivalent of at least 500,000 (five hundred thousand) AZN shall be provided;
 - 4.1.7. the free-float volume must be distributed among at least 50 (fifty) shareholders. In this case, each shareholder must not have a share of more than 5 (five) percent of the free circulation;
 - 4.1.8. the issuer shall prepare financial statements in accordance with IFRS requirements. Annual financial statements audited by an external (independent) auditor for the last 3 (three) fiscal years and semi-annual financial statements for the first half of the year if the application for listing is in the second half of the year must be unconditionally positive);
 - 4.1.9. if the issuer applying for listing is the parent company, the issuer must prepare a consolidated annual report prepared in accordance with IFRS;
 - 4.1.10. there should be no significant changes in the issuer's governing bodies (supervisory board or board) within 3 (three) months prior to the date of submission of the application for listing. Changes in the governing bodies of the issuer are considered significant if at least half of the members of its supervisory board or board have been replaced;
 - 4.1.11. the issuer must have at least 3 (three) members in the board of directors (supervisory board);
 - 4.1.12. the issuer must have a website that is regularly updated and covers important areas of its activities;
 - 4.1.13. the issuer must publish the charter on its website.
- 4.2. The requirements for the inclusion of shares in the **standard market segment** are as follows:
 - 4.2.1. the issuer must be an open joint stock company.;
 - 4.2.2. the issue of shares must be carried out by way of public offering or accepted for public trading;
 - 4.2.3. the term of validity of the issuer must be at least 1 (one) year;
 - 4.2.4. the authorized capital of the issuer must be at least 200,000 (two hundred thousand) AZN;
 - 4.2.5. The issuer's financial statements shall be prepared in accordance with IFRS requirements. Annual financial statements for the last financial year must be audited by an external (independent) auditor;
 - 4.2.6. the issuer must have a website that is regularly updated and covers important areas of its activities.
 - 4.3. Shares of issuers that meet the listing requirements of the premium market segment cannot be included in the standard market segment.

- 4.4. Exceptions may be made by the Listing Committee for joint-stock companies in which the state has a significant share in the authorized capital on the volume of free circulation, duration of activity and profitability. Unless otherwise provided by law, it is considered an important share if the state's share is 10% or more. Exceptions are announced by the Exchange.
- 4.5. If the issuer meets other listing requirements, but does not meet the requirements specified in paragraphs 4.1.5, 4.1.6, 4.1.7 for the main market segment or 4.2.4 and 4.2.6 for the standard market segment, the Listing Committee shall issue a statement to the issuer may decide to conditionally list the shares. In this case, the issuer is granted a grace period for the fulfillment of requirements, not later than 6 (six) months. At the end of the grace period, if the issuer of conditionally listed shares does not fully meet the conditions set by the Listing Committee in accordance with these Rules, those shares are transferred or delisted to the market segment with lower listing requirements in accordance with paragraphs 12 and 13 of the Rules.

5. Requirements for inclusion of bonds in the listing

- 5.1. The requirements for **inclusion of bonds in the main market segment** are as follows:
- 5.1.1. The bonds must be issued by public offering or accepted for public trading;
- 5.1.2. the bankruptcy proceedings against the issuer against whom the listing application has been submitted shall not be initiated within 1 (one) year prior to the date of submission of this application, or the financial stability shall not be affected;
- 5.1.3. the period of activity prior to the issuer's application must be at least 3 (three) years and operate for at least 1 (one) year of the last 3 (three) financial years with net profit;
- 5.1.4. the value of the issuer's net assets must be at least 2,000,000 (two million) AZN;
- 5.1.5. the issuer shall prepare financial statements in accordance with IFRS requirements. Annual financial statements audited by an external (independent) auditor for the last financial year and if the application for listing is in the second half of the year, must submit semi-annual financial statements for the first half of that year (audit opinion for the last financial year must be unconditionally positive);
- 5.1.6. if the issuer applying for listing is the parent company, the issuer must prepare a consolidated annual report prepared in accordance with IFRS;
- 5.1.7. there should be no significant changes in the issuer's governing bodies (supervisory board or board) within 3 (three) months prior to the date of submission of the application for

- listing. Changes in the governing bodies of the issuer are considered significant if at least half of the members of its supervisory board or board have been replaced;
- 5.1.8. the issuer must publish the charter on its website;
 - 5.1.9. The issuer must be registered in the Republic of Azerbaijan and have an international rating of at least "B-" (according to the classification of Standard & Poor's and Fitch rating agencies or the equivalent of this rating of other rating agencies) or the designation of a market maker on the Exchange must be provided by the issuer. In this case, the market-maker activity must be provided during the entire circulation period of the bonds;
 - 5.1.10. the issuer must have a website that is regularly updated and covers important areas of its activities;
 - 5.1.11. The issuer must meet its obligations on borrowed funds, including loans and bonds, in a timely manner and must not face payment problems from time to time.
- 5.2. The requirements for **inclusion of bonds in the standard market segment** are as follows:
 - 5.2.1. The bonds must be issued by public offering or accepted for public trading;
 - 5.2.2. the period of activity prior to the issuer's application must be at least 1 (one) year;
 - 5.2.3. the value of the issuer's net assets must be at least 200,000 (two hundred thousand) AZN;
 - 5.2.4. The issuer's financial statements shall be prepared in accordance with IFRS requirements. Annual financial statements for the last financial year must be audited by an external (independent) auditor;
 - 5.2.5. the issuer must meet its obligations on borrowed funds, including loans and bonds issued in a timely manner and not face payment problems from time to time;
 - 5.3. Bonds of issuers that meet the listing requirements of the main market segment cannot be included in the standard market.
 - 5.4. The provisions of paragraph 5.1 of these Rules shall apply to securities issued by the Central Bank, securities issued by the Ministry of Finance of the Republic of Azerbaijan, as well as bonds deemed to be zero risk or risk-free in accordance with the Basel 3 Principles recommended by the Basel Committee on Banking Supervision. is not done.
 - 5.5. Paragraphs 5.2.3, 5.2.4 and 5.3 of these Rules do not apply to securities issued by the Azerbaijan Mortgage and Credit Guarantee Fund, bonds issued by municipalities and other government agencies.

- 5.6. Exceptions may be made by the Listing Committee on the requirements specified in paragraphs 5.1 and 5.2 of these Rules for bonds issued by state institutions, legal entities in which the state has a significant share in the authorized capital. Unless otherwise provided by law, it is considered an important share if the state's share is 10% or more. Exceptions are made public by the Exchange.
- 5.7. The Listing Committee may, on the basis of the issuer's statement, decide to conditionally list its bonds. In this case, the issuer is given a grace period not later than 6 (six) months to fulfill the requirements. If the issuer of conditionally listed bonds at the end of the grace period does not fully meet the conditions set by the Listing Committee in accordance with these Rules, the bonds are transferred or delisted to the market segment with lower listing requirements in accordance with paragraphs 12 and 13 of these Rules.

6. Requirements for listing of bonds issued by international organizations of which the Republic of Azerbaijan is a member

- 6.1. Bonds issued by international organizations of which the Republic of Azerbaijan is a member are included in the main market segment.
- 6.2. Bonds issued by international organizations of which the Republic of Azerbaijan is a member are exempt from the requirements specified in paragraph 5.1 of the Rules.

7. Requirements for inclusions of securities of foreign issuers in the listing

- 7.1. The foreign issuer and the securities applied for listing must be registered in accordance with the legislation of the country of registration.
- 7.2. Securities of a foreign issuer must be issued in the Republic of Azerbaijan in accordance with the legislation of the Republic of Azerbaijan.
- 7.3. When placing securities of foreign issuers on the Exchange by way of public offering, the requirements provided for local issuers under these Rules shall also apply to foreign issuers.

8. Requirements for listing of other securities

- 8.1. Other securities not specified in paragraphs 4 and 5 of these Rules, including shares of the investment fund shall be listed on the Exchange on the basis of a reasoned decision of the Listing Committee.
- 8.2. In the cases provided for in paragraph 8.1 of the Rules, the decision of the Listing Committee shall be based on an analysis of the issuers and the securities issued by the issuer and the possibility of listing and trading on the Exchange, taking into account the requirements specified in paragraphs 4 and 5 of these Rules.
- 8.3. When other securities are not specified in paragraphs 4 and 5, they are included in the listing and the relevant requirements and obligations against the issuer shall be reflected in the listing agreement or disclosed to the public through the media or in the website within 3 (three) working days.

9. Documents to be submitted to the Exchange for the listing of issuers' securities

- 9.1. The following documents must be submitted to the Exchange by the issuer or its authorized representative for listing of securities
 - 9.1.1. Form-1 (application form for listing) (Application 1)
 - 9.1.2. a statement on the accuracy of the information provided in accordance with the requirements of the Rules;
 - 9.1.3. notarized copy of state registration certificate and charter;
 - 9.1.4. copies of such licenses, if engaged in the type of activity requiring a license;
 - 9.1.5. If there is an agreement on placement of securities and other investment services with a member of the exchange, a copy of such agreements;
 - 9.1.6. issue prospectus or information memorandum (if any) approved in accordance with the legislation;
 - 9.1.7. a document confirming these rights of the person represented on behalf of the issuer by the legislation or its notarized copy;
 - 9.1.8. audited reports for the last financial year and a copy of the auditor's report in accordance with the requirements of the Rules;
 - 9.1.9. a copy of the agreement with the central depository on the provision of services for the storage of securities and the maintenance of the register of securities owners;
 - 9.1.10. an extract from the register of securities owners or a statement confirming the volume of free circulation.

- 9.1.11. a copy of the document on state registration of securities;
- 9.2. The following documents must be submitted to the Exchange by the issuer or its authorized representative for listing of bonds of international organizations of which the Republic of Azerbaijan is a member:
 - 9.2.1. application form (Form №2);
 - 9.2.2. copy of the document on state registration of securities;
 - 9.2.3. a document reflecting the rights established by securities;
 - 9.2.4. If there is an agreement between the exchange member and the issuer on the placement of securities and other investment services, a copy of such agreements;
 - 9.2.5. audited annual financial statements for the last financial year prepared in accordance with internal rules or generally accepted international reporting system or the source of disclosure of such information;
 - 9.2.6. the agreement between the central depository and the issuer on rendering of services on storage of securities and maintenance of the register of owners of securities and appendices to this agreement;
 - 9.2.7. a document confirming these rights of the person represented on behalf of the issuer by the legislation.
- 9.3. The issuer of listed securities must submit the following documents to the Exchange for listing of other securities of the same type:
 - 9.3.1. Form-1 (application form for listing) (Application 1)
 - 9.3.2. copy of the document on state registration of securities;
 - 9.3.3. issue prospectus or information memorandum (if any) approved in accordance with the legislation.
- 9.4. The Listing Committee may request the issuer to substantiate other information and documents necessary for the approval of the information submitted by the issuer.
- 9.5. If the Rules do not require the submission of notarized copies of documents, except for cases of electronic receipt of documents, the issuer must submit the original documents to the Exchange. When a copy of the documents is submitted by the issuer, the authenticity of these documents must be confirmed by the authorized body of the issuer.

10. Listing procedure

- 10.1. The listing procedure begins with the issuance of the application form (Form №1 or Form №2) submitted by the issuer in accordance with the Rules and the relevant documents specified in the Rules.
- 10.2. Information on the commencement of the listing procedure at the Exchange shall be published on the website of the Exchange or through the mass media in accordance with the decision of the Listing Committee.
- 10.3. The Listing Committee must decide whether to list the securities within 10 (ten) business days from the date of listing. If the Listing Committee requests any additional information and documents from the issuer during the listing, the decision-making period may be extended for an additional 10 (ten) business days.
- 10.4. The listing of securities by the Listing Committee may be postponed for a period not exceeding 3 (three) months with justification.
- 10.5. If a decision is made to list securities on the basis of the issuer's application, the issuer shall be notified and a listing agreement shall be concluded between the issuer and the Exchange within 2 (two) business days.
- 10.6. Relevant information on listed securities (name of the issuer, state registration or ISIN number of securities, type of securities, nominal value) should be announced in the Exchange's website within 1 (one) business day after the decision of the Listing Committee on inclusion of securities in the list, unless otherwise provided by law
- 10.7. If there is a change in the information submitted by the issuer to the Listing Committee during the period of consideration of the application for listing by the Listing Committee, the issuer shall immediately notify the Exchange of these changes.
- 10.8. Securities that meet the listing requirements are accepted for listing in the primary or standard market segment on the decision of the Listing Committee.
- 10.9. The Listing Committee justifiably refuses to include securities in the listing in the following cases:

- 10.9.1. if the issuer and the securities do not meet the requirements set forth in these Rules;
- 10.9.2. if it is impossible to organize securities trading;
- 10.9.3. when the listing of securities violates the principles of fair and sustainable trade in the market;
- 10.9.4. in order to protect the interests of the market and investors.

PART III LIABILITIES OF ISSUERS WHOSE SECURITIES ARE LISTED

11. Reports and information submitted to the exchange by issuers whose securities are listed

- 11.1. Issuers listed on securities must submit the following information and documents to the Exchange and disclose to the public:
 - 11.1.1. Annual and semi-annual financial statements prepared in accordance with the legislation of the Republic of Azerbaijan (balance sheet, profit and loss statement, statement of changes in equity, statement of cash flows). Semi-annual financial statements must be submitted no later than two months after the end of the first 6 (six) months of the financial year, and annual audited financial statements no later than the first 6 months of the next financial year after the end of the financial year;
 - 11.1.2. Annual and semi-annual management report prepared in accordance with the legislation of the Republic of Azerbaijan;
 - 11.1.3. the charter of the issuer in case of changes in the charter;
 - 11.1.4. information on payments on outstanding bonds of the issuer, including interest payments. The information must be submitted to the Exchange at least 3 (three) business days prior to the date of execution of payments under the terms of issue and disclosed to the public in accordance with the relevant legislation.
- 11.2. If the volume of free-float of the issuer whose shares are listed and kept on the list is at least 5% of the authorized capital or more than the equivalent of 500,000 (five hundred thousand) AZN, the following information must be submitted to the Exchange and disclosed to the public:
 - 11.2.1. notification on convening regular (45 days before) and extraordinary (30 days before) general meetings of shareholders;

- 11.2.2. a copy of the minutes of the general meeting of shareholders within 3 (three) working days after the meeting;
- 11.2.3. information on dividends (indicating the terms of payment of dividends, payment date and amount);
- 11.3. If the volume of free circulation of the issuer whose shares are listed and retained in the list is at least 5% of the authorized capital or more than the equivalent of 500,000 (five hundred thousand) AZN, the following information shall be disclosed within 5 (five) business days
It must be submitted to the stock exchange and made public:
 - 11.3.1. expansion, restriction, suspension or change of the main type of activity, significant changes that occur in connection with the implementation of the main type of activity, as well as agreements that may lead to such changes;
 - 11.3.2. significant changes in the governing bodies (executive body or supervisory board) - a significant change is considered a change of at least half of the governing bodies (executive body or supervisory board);
 - 11.3.3. purchase and sale of control share of another legal entity;
 - 11.3.4. a contract concluded in the amount exceeding 25 (twenty five) percent of net assets;
 - 11.3.5. facts of consideration (initiation, consideration by various instances or any decision) of cases related to the issuer by state bodies, courts covering 10% and more of its capital;
 - 11.3.6. job reduction plans covering more than 15 percent of existing jobs;
 - 11.3.7. acquisition or suspension / revocation of patents, licenses and trademarks;
 - 11.3.8. documents on reorganization or liquidation;
 - 11.3.9. transactions with relevant persons to be disclosed in accordance with the existing legislation and the Rules;
 - 11.3.10. issue of new securities;
 - 11.3.11. withdrawal of issued securities from circulation;
 - 11.3.12. change in the rights established by the issued securities;
 - 11.3.13. early payment, delay or non-payment of outstanding securities;
 - 11.3.14. one-time purchase and sale of shares in the amount of 5 (five) percent or more;
 - 11.3.15. cases of shareholders appealing against the decision of the general meeting;
 - 11.3.16. other events that may affect the market price or profitability of securities.

- 11.4. Issuers whose securities are listed and retained in the listing must disclose the information in the Azerbaijani language, which must be disclosed in accordance with these Rules.
- 11.5. In order to protect the public interest and the rights of investors, the Exchange may require issuers whose securities are listed and re-listed to provide and disclose information that is not prohibited by law.
- 11.6. If securities (shares) issued by investment funds are kept in the listing, the joint-stock investment fund or the manager of the mutual investment fund must additionally submit and disclose the following information to the Exchange:
 - 11.6.1. six-months' financial statements (within 20 (twenty) working days after the end of the period, unless otherwise provided by law);
 - 11.6.2. monthly portfolio report (within 10 (ten) working days after the end of the period, unless otherwise provided by law);
 - 11.6.3. rules of mutual investment fund;
 - 11.6.4. value of net assets of the mutual investment fund (for each trading day when the value of net assets is calculated, unless otherwise provided by the legislation);
 - 11.6.5. information on any changes in the fund's management (within 1 (one) business day after the change is registered).
- 11.7. The requirements for disclosure of information in these Rules do not apply to the Ministry of Finance of the Republic of Azerbaijan, the Central Bank, the Azerbaijan Mortgage and Credit Guarantee Fund and international organizations of which the Republic of Azerbaijan is a member.
- 11.8. Exceptions to the provisions of the disclosure of information specified in the Rules to apply to other government agencies and municipalities listed on the Exchange may be accepted by the Listing Committee.
- 11.9. In case of changes in the documents and information specified in paragraphs 11.1 and 11.2 of the Rules, the document confirming the changes must be submitted by the issuer to the Exchange and made public within 5 (five) business days from the date of entry into force of these changes.

PART IV: TRANSFER AND DELISTING OF SECURITIES STORED IN LISTING FROM ONE MARKET SEGMENT TO ANOTHER MARKET SEGMENT

12. Transfer of listed securities from one market segment to another

- 12.1. The stock exchange may organize monitoring at least 1 (one) time during the year in order to check the compliance of the listed securities with the listing requirements of the traded market segment. The stock exchange may organize extraordinary monitoring at the request of the issuer. When securities are conditionally included in the listing, monitoring is carried out at the end of the conditional listing period.
- 12.2. If the listed securities do not meet the listing requirements of the traded market segment, they are transferred to the market segment by the decision of the Listing Committee in accordance with these Rules. If the listed securities do not meet the requirements of the market segment in which they are traded, they are delisted in accordance with the provisions of paragraph 13.1 of these Rules. When transferring listed securities from one market segment to another, compliance with the requirements of the relevant market segment must be taken into account.

13. Delisting of securities

- 13.1. The Listing Committee delists securities held in the list in the following cases:
- 13.1.1. when securities are paid, withdrawn from circulation or expired;
 - 13.1.2. if the issuer and its securities do not meet the requirements of these Rules;
 - 13.1.3. when a decision is made by the issuer's shareholders on voluntary delisting of securities. In this case, the Listing Committee may refuse delisting in order to protect the rights of investors or to protect the market;
 - 13.1.4. When penalty measures are applied in accordance with paragraph 16.1.2 of these Rules;
 - 13.1.5. Failure to start trading in securities within the period specified in paragraph 14.9 of these Rules;
 - 13.1.6. When trading in securities is suspended for more than 10 (ten) business days.
 - 13.1.7. On the basis of a court decision or in other cases provided by law.
- 13.2. When the Listing Committee decides on delisting of securities listed in accordance with paragraph 13.1 of these Rules, the issuer of those securities shall be notified in writing

within 3 (three) business days. The decision on delisting of securities shall come into force in 2 (two) months period after the date of its public disclosure.

13.3. From the date of entry into force of the decision on delisting of listed securities, those securities shall be traded on the Stock Exchange.

13.4. The stock exchange discloses information on delisting of listed securities to the public within 1 (one) business day.

13.5. The listing agreement concluded between the Exchange and the issuer of such securities shall be deemed terminated from the date of delisting of the securities.

PART V: ORGANIZATION OF SECURITIES TRADE

14. Issuance and withdrawal of securities from trading

14.1. In accordance with the requirements of these Rules, listed and non-listed securities are traded on the Exchange.

14.2. The decision to include securities in the non-listing list is made by the Listing Committee.

14.3. The inclusion of securities in the non-listing list of the Exchange is carried out in a closed placement or at the request of a member of the Stock Exchange.

14.4. The provisions specified in paragraphs 3.1 - 3.4 of these Rules shall also apply to securities included in the non-listing list.

14.5. The following documents must be submitted by the issuer or its authorized representative for trading on the Stock Exchange by the method of closed placement of securities:

14.5.1. application for closed placement of securities;

14.5.2. decision on issuance of investment securities;

14.5.3. A copy of the securities placement agreement with the exchange member;

14.5.4. a copy of the agreement with the central depository on the provision of services for the storage of securities and the maintenance of the register of securities owners;

14.5.5. a copy of the document on state registration of securities.

14.6. An agreement must be signed with the issuer to apply for admission to trading on the Stock Exchange by the method of closed placement of securities.

14.7. A member of the Baku Stock Exchange (BSE) may apply to the BSE on behalf of the owner or his authorized representative of the issuer of these securities, whose share in the authorized capital is less than 10 (ten) percent, for inclusion in the list of securities listed

on the BSE. In this case, the following documents must be submitted to the Stock Exchange:

- 14.7.1. application form (form №3);
- 14.7.2. a document confirming the ownership right to the securities, reflecting the amount of securities and the issuer's authorized capital as of the date of application (extract from the deposit account);
- 14.8. The price of issue of securities on the non-listing list and the date of commencement of trading shall be determined by the Exchange member.
- 14.9. The date of commencement of trading of listed securities shall be determined by the issuer of those securities in accordance with the legislation and these Rules.
- 14.10. The listing of securities on the stock exchange must be carried out by the Listing Committee no later than 60 (sixty) days from the date of the decision.
- 14.11. Information on the release of listed securities and the initial trading price shall be disclosed on the Exchange's website at least 1 (one) business day prior to the date of commencement of trading, unless otherwise provided.
- 14.12. Securities on the non-listing list shall be withdrawn from trading by the decision of the Listing Committee in the following cases:
 - 14.13. when securities are repaid, withdrawn from circulation or expired;
 - 14.14. on the basis of a written application of a stock exchange member acting on behalf of the securities owner or his authorized representative;
 - 14.15. failure to start trading in securities within the period specified in paragraph 14.9 of these Rules;
 - 14.16. when trading in securities is suspended for more than 10 (ten) business days.
 - 14.17. on the basis of a court decision or in other cases provided by law.

15. Suspension of trade

- 15.1. The Management Board of the Baku Stock Exchange suspends trading in securities in the following cases:
 - 15.1.1. in case of non-payment on securities;
 - 15.1.2. in case of a decision on bankruptcy or liquidation of the issuer of securities;

- 15.1.3. if there is a restriction on the free circulation of the security issue or if it is impossible to organize and conduct trading in these securities (termination of the issuer's contract with the depository, non-provision or termination of settlement and clearing services, etc.);
- 15.1.4. when securities trading violates the normal functioning and security of the market or poses a threat to the interests of investors;
- 15.1.5. in case of financial crisis;
- 15.1.6. in case of emergencies;
- 15.1.7. court decision or other cases stipulated by the legislation.
- 15.2. Trading in listed securities is suspended by the decision of the Listing Committee in the following cases:
 - 15.2.1. if the issuer violates the requirements of the existing legislation, these Rules and the listing agreement;
 - 15.2.2. if the information is not disclosed by the issuer in the manner and within the period required by these Rules and legislation;
 - 15.2.3. in case of convening a meeting to make a decision on bankruptcy or liquidation of the issuer of securities;
 - 15.2.4. if the issuer fails to make payments on the issued securities (not included in the list);
 - 15.2.5. in case of change of conditions, type and form of initial issue of securities, shredding, merging, conversion, change of face value of securities;
 - 15.2.6. if the information provided and disclosed by the issuer in accordance with these Rules is incorrect;
 - 15.2.7. in case of technical default of the issuer;
 - 15.2.8. if the issuer fails to make the payments, penalties established by the Exchange rules in time or in full.
- 15.3. The period of suspension of trade may not exceed 10 (ten) working days, unless otherwise provided by law.
- 15.4. Unless otherwise provided by law, the BSE shall immediately notify the Central Bank of the suspension of securities trading and make it public.
- 15.5. If the reasons for the suspension of securities trading are eliminated, the BSE decides to resume trading in those securities. The Stock Exchange announces the resumption of trade to the public.
- 15.6. The issuer is not freed from payments established by the BSE rules during the period of suspension of trading.

PART VI: OTHER PROVISIONS

16. Impact measures

- 16.1. In case of violation of the requirements of these Rules by the issuer whose securities are listed, the Listing Committee may apply the following sanctions:
- 16.1.1. Warning - the issuer shall be notified in written form of a minor violation of these Rules by the issuer or delay in payment of the Exchange's service fees by the issuer. The notice shall contain a request to eliminate minor violations of these Rules or to pay late commissions within 30 (thirty) working days.
- 16.1.2. Penalty - violation by the issuer of these Rules, non-compliance with the warning specified in sub-item 16.1.1 of these Rules, as well as repeated violation of the Rules shall be punished in accordance with the listing agreement. The amount of the fine is determined by the Listing Committee in accordance with the listing agreement in the amount of 0.1% to 1% of the issuer's capital for the seriousness of the violation. Payment of the penalty must be made by the issuer within 5 (five) working days from the date of the relevant decision. The Listing Committee may impose a penalty for each day from the date of announcement of the decision until the violation is eliminated by the issuer. In this case, the maximum amount of the total penalty shall not exceed 2% of the Issuer's capital;
- 16.1.3. Suspension of securities trading;
- 16.1.4. Transfer of securities to a market segment with lower listing requirements;
- 16.1.5. Delisting - the Listing Committee delists the issuer's securities in case of persistent (at least 2 times) violation of the rules by the issuer, including violation of the normal operation of the market and the rights of market participants, continuous (at least 2 times) non-payment of Exchange fees.
- 16.2. Baku Stock Exchange discloses information on enforcement measures applied against the issuer in accordance with the decision of the Listing Committee.
- 16.3. The issuer may appeal the decision of the Listing Committee on the application of sanctions to the Dispute Resolution Committee of the Exchange, the Central Bank or the court within 5 (five) working days.

17. Service fees

- 17.1. Issuers pay a service fee based on a tariff schedule approved by the BSE.
- 17.2. The exchange publishes service fees on its website.

18. Listing Committee

- 18.1. A Listing Committee shall be established to monitor the implementation of these Rules and make appropriate decisions.
- 18.2. The powers of the Listing Committee are as follows:
 - 18.2.1. to make decisions on listing, delisting of securities and other issues stipulated by these Rules;
 - 18.2.2. to control the fulfillment of the requirements established by these Rules;
 - 18.2.3. to impose fines and other sanctions in accordance with the listing agreement against the issuer in case of violation of the requirements of these Rules.
- 18.3. The decisions made by the Listing Committee on the application for listing of securities are as follows:
 - 18.3.1. Listing decision is a decision made by the Listing Committee on inclusion of the issuer's securities in the listing.
 - 18.3.2. The decision to reject the application for listing is a decision made by the Listing Committee to refuse to include the issuer's securities in the listing.
 - 18.3.3. The decision to postpone the listing is a decision to postpone the inclusion of the issuer's securities in the listing for a period not exceeding 3 (three) months, justified by the Listing Committee.

19. Structure of the Listing Committee

- 19.1. Members of the Listing Committee are elected and dismissed by the BSE's Supervisory Board.
- The Listing Committee of the BSE must be an odd number of at least 3 (three) members.
- 19.2. Members of the Listing Committee are elected by the Supervisory Board for a term of 3 (three) years with the right to be re-elected.
 - 19.3. Other individuals with at least 3 (three) years of experience in law or finance may be elected members of the Listing Committee, provided that the number of employees of the Exchange and the members of the Listing Committee does not exceed one third.
 - 19.4. The Chairman of the Listing Committee is appointed by the Supervisory Board from among the members of the Listing Committee.
 - 19.5. Meetings of the Listing Committee are convened by the Chairman of the Listing Committee. A meeting is considered to have taken place if more than half of the members of the Listing

Committee are present. Decisions of the Listing Committee are made by a simple majority of votes. When the votes are divided equally, the vote of the person chairing the meeting is decisive.

19.6. All meetings of the Listing Committee shall be recorded and signed by all members present and voting.

19.7. If an issue affecting the interests of any member is included in the agenda of the meeting by the Listing Committee, that member shall provide detailed information about his / her interests and shall not participate in the discussion of this issue. In this case, the member shall not take part in the voting on the issue and his / her participation shall not be taken into account when determining his / her sufficiency.

20. BSE liabilities

20.1. BSE has the following obligations:

20.1.1. To create necessary conditions for regular and transparent trading of issued securities;

20.1.2. To regularly publish information on trading of issued securities;

20.1.3. Not to disclose information provided to the Baku Stock Exchange by a securities issuer or a member of the stock exchange acting on behalf of the securities owner, but not disclosed to the public by him/her, without the consent of the issuer or a member of the stock exchange acting on behalf of the securities owner;

20.1.4. Disclosure of internal rules or changes to them no later than five working days from the date of approval.

20.2. BSE shall not be liable for the accuracy of the information provided by the Stock Exchange's member acting on behalf of the issuer or the owner of the securities and disclosed to the owner of the security, the issuer and its activities in accordance with these Rules.

Date:

**Listing of Securities
At the Baku Stock Exchange
APPLICATION-QUESTIONNAIRE (FORM №1)**

A. General information	
A1. Issuer's name	
A2. Legal address of the issuer	
A3. Contacts (telephone, fax, e-mail)	
A4. Issuer's website address (If available)	
A5. Contact person (phone, fax, e-mail)	
B. Key performance indicators	
B1. Issuer's activity period	
B2. The amount of the issuer's authorized capital	
B3. Has the issuer filed for bankruptcy proceedings or has there been occasional insolvency problems?	<input type="checkbox"/> YES Date _____ <input type="checkbox"/> NO
B4. Have there been any significant changes during the last 3 (three) months in governing bodies?	<input type="checkbox"/> YES Which one _____ <input type="checkbox"/> NO
B5. Are registries of securities owners recorded (registered) on the central securities depository?	<input type="checkbox"/> YES <input type="checkbox"/> NO
B6. Did the issuer finish the last financial year with net profit?	<input type="checkbox"/> YES <input type="checkbox"/> NO
B7. According to which accounting standards were the issuer's financial statements prepared	<input type="checkbox"/> International Accounting Standards (IAS) <input type="checkbox"/> Local accounting standards <input type="checkbox"/> Other
B8. If the issuer is a parent company, was the consolidated annual report prepared according to IFRS prepared?	<input type="checkbox"/> YES <input type="checkbox"/> NO

B9. Was the issuer audited by external (independent) auditor (in the last period)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
B10. How many members of the issuer's supervisory board are there?	_____
B11. Does the issuer have an internal audit committee?	<input type="checkbox"/> YES <input type="checkbox"/> NO
C. Securities applied for listing	
C1. Type of securities	
C2. ISIN number of securities	
C3. Number of securities	
C4. Nominal value of securities	
C5. Date of commencement of trading	
D. Other information deemed necessary by the Issuer	

Note: This form is filled in and approved by the authorized person of the issuer. The authorized person of the issuer is responsible for the accuracy of the information provided in the application

Authorized person's N.S.P.: _____

Position of the authorized person: _____

Signature:

S.L.

Date:

**International organizations of which the Republic of Azerbaijan
is a member for inclusion of securities in the listing
at the Baku Stock Exchange
APPLICATION-QUESTIONNAIRE (FORM №2)**

A. General information	
A1. Issuer's name	
A2. Issuer's legal or actual address	
A3. Contacts (telephone, fax, e-mail)	
A4. The address of the issuer's website (if available)	
A5. Contact person (phone, fax, e-mail)	
B1. Issuer's activity period	
B2. The amount of the issuer's authorized capital	
B3. Did the issuer finish last financial year with the profit?	<input type="checkbox"/> YES <input type="checkbox"/> NO
B4. Is the register of owners of securities issued by the issuer in the Republic of Azerbaijan maintained by the central depository?	<input type="checkbox"/> YES <input type="checkbox"/> NO
B5. According to which accounting standards does the issuer prepare financial statements?	<input type="checkbox"/> International accounting standards (IFRS) <input type="checkbox"/> Local accounting standards <input type="checkbox"/> Other
B6. Was the issuer audit by an external (independent) auditor (in the recent period)	<input type="checkbox"/> YES <input type="checkbox"/> NO
C. Securities applied for listing	
C1. Type of securities	
C2. ISIN number of securities	
C3. Number of securities	
C4. Nominal value of securities	
C5. Date of commencement of trading	
D. Other information deemed necessary by the Issuer	

Note: This form is filled in and approved by the authorized person of the issuer. The authorized person of the issuer is responsible for the accuracy of the information provided in the application

Authorized person's N.S.P.: _____

Position of the authorized person: _____

Signature:

S.L.

Date:

**Inclusion in the non-listing list of securities
at the Baku Stock Exchange
APPLICATION-QUESTIONNAIRE (FORM №3)**

General Information				
Issuer's name	Type of security	State registration number	Commercial price	Date of commencement of trading

Note: This form is filled in and approved by the authorized person BSE member. An authorized member of the BSE shall be liable for the accuracy of the information provided in the application form and for violating the requirements of paragraph 14.7 of the "Rules for listing, keeping, delisting and trading of securities on the Baku Stock Exchange".

Authorized person's N.S.P.: _____

Position of the authorized person: _____

Signature:

S.L.