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«Approved»

“Baku Stock Exchange” CJSC-
Board of Directors
Protocol № _____
“ _____ ” _____ 2020

Acting Chairman of the Board
_____ **E. Abdullayev**

RULES REGARDING ORGANIZATION AND CONDUCT OF SECURITIES AND DERIVATIVES AT THE 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 “On Securities Market” Law, normative acts adopted by the Central Bank of the Republic of Azerbaijan (hereinafter - the Central Bank) and the Charter of Baku Stock Exchange Closed Joint-Stock Company.

1.2. These Rules determine the rules of organization, conduct and regulation of trading in securities and derivative financial instruments in the Baku Stock Exchange Closed Joint-Stock Company (hereinafter - the Exchange).

2. Basic Concepts

The main concepts that are used in these Rules are:

2.1.1. **Exchange member** - an investment company licensed by the Central Bank to participate in trading on the stock exchange on its own behalf and on behalf of its clients in accordance with the internal rules of the Exchange on the basis of an application;

2.1.2. **Authorized trader** - a person who is an employee of the Exchange member, has a relevant qualification certificate issued by the Central Bank, and has an accreditation certificate authorized to announce orders and execute deals on the Exchange on behalf of a trading participant;

2.1.3. **Trading system** - is a system that consists of the Exchange's software, database, telecommunication systems and other equipment. It provides and stores the information necessary for the implementation of exchange operations and deals both in the trading hall of the exchange and outside it (via access terminal);

2.1.4 **Listing price (initial trading price)** - is the price at which the listed securities are traded for the first time in accordance with the rules of listing on the Exchange.

2.1.5. **Reference price** - the price determined by paragraph 4.2 of these Rules for securities and derivative financial instruments traded on the Exchange;

2.1.6. **Average weighted price** - is the mathematical average of the price of deals concluded during a certain period on each security and derivative instrument traded on the Exchange, taking into account the weight of the total number of deals on the security and derivative instrument on which these deals are concluded (except for targeted transactions);

2.1.7. **Opening price** is the price of the first deal concluded on each security and derivative financial instrument traded on the Exchange during the trading day, except for targeted deals.

2.1.8. **Closing price** is the price of the last transaction concluded on each security and derivative financial instrument traded on the Exchange during the trading day, except for targeted transactions.

2.1.9. **Lot size** - the minimum number of securities or derivative financial instruments that can be specified in one order, determined by these Rules;

2.1.10. **Price step** - is the minimum price change set by the Exchange for securities and derivative financial instruments traded on the Exchange;

2.1.11. **Competitive order** is a market-valued order addressed to an Exchange member acting on behalf of the issuer of bonds at auction and repurchase of bonds, reflecting the price and quantity of bonds to be purchased;

2.1.12. **Non-competitive order** - a market-valued order addressed to an Exchange member acting on behalf of the issuer of the bonds during the placement and redemption of the bonds, which reflects the amount of bonds to be purchased;

2.1.13. **Order books** - orders and quotations included in the trading system for each security and derivative financial instrument traded on the Exchange, systematically registered and sorted for execution on a time and price basis in accordance with these Rules, registered orders and quotations is a collection of electronic records that are continuously displayed separately;

2.1.14. **The best price** is the highest purchase price for purchase orders (quotations), the lowest selling price for sales orders (quotations);

2.1.15. **Trading day** is a working day not declared by the Exchange as a non-trading day. When trading on the stock exchange is organized with basic assets traded in foreign markets, trading days are considered as working days applied in these markets;

2.1.16. **Trading hours** - are the hours during which trading is carried out on the Exchange during the trading day;

2.1.17. **Trading calendar** - is a list of trading and non-trading days approved by the Board of the Exchange;

2.1.18. **Trading regulations** - a document approved by the Board of Directors of the Exchange, reflecting the trading hours on the Exchange and the start and end times of trading phases;

2.1.19. **Trading method** - a method of concluding deals through the exchange trading system through the exchange of orders in accordance with these Rules;

2.1.20. **Trade phase** - a period determined by the trade regulations in which the trade is organized by applying the trading method;

2.1.21. **Individual identification code** - an individual short code (4 or 5 digits) assigned by the Exchange to a member of the Exchange and an authorized trader of the Exchange member, identifying him in the trading system;

2.1.22. **Trade participant** - 3.2 of these Rules. persons defined by paragraph;

2.1.23. **Market maker** - a member of the Exchange who regularly buys and sells securities or derivative financial instruments in the securities or derivative financial instruments market at his own expense and within the price corridor agreed with the Exchange;

2.1.24. **Targeted transaction** is the purchase and sale of securities on the Exchange, the parties of which are known to each other and concluded at a pre-agreed price and conditions;

2.1.25. **Purchase quotation** - a limit price order issued by a market maker for the purchase of securities or derivative financial instruments in the trading system of the Exchange in accordance with the terms of these Rules;

2.1.26. **Sales quotation** - a limit price order issued by a market maker for the sale of securities or derivative financial instruments in the trading system of the Exchange in accordance with the terms of these Rules;

2.1.27. **Quotation spread** is the difference between lower and upper price fluctuations relative to the current price of securities or derivative financial instruments that a market maker must follow when determining purchase and sale prices;

2.1.28. **Primary market** - the market in which securities are placed by the issuer;

2.1.29. **Secondary market** - a market in which securities are issued;

2.1.30. **Market-maker deal** - a trade deal concluded within the market-maker's session in accordance with the Exchange's internal rules and trade regulations, with at least one party being a market-maker;

2.1.31. **Marketmaker discounts** - are discounts applied to marketmaker on marketmaker deals in accordance with the rules of the Exchange;

2.1.32. **Minimum purchase volume** - is the minimum amount of a purchase order that a market maker must submit during the day at the beginning of a market maker's session in the Exchange's trading system (purchase price * number of securities \geq minimum purchase volume);

2.1.33. **Cross deals** - deals in which an Exchange member acts as both a buyer and a seller on the same deal;

2.1.34. **Cross order** - an order that may lead to the conclusion of a cross deal when it is included in the register of orders in the trading system of the Exchange;

2.1.35. **Waiting period** - a period of blocking cross orders to disclose cross orders to other Exchange members and to ensure their participation in cross deals in order to create a competitive environment in the market;

2.1.36. **Repo transaction (Repo agreement)** - is the sale (purchase) of investment securities that are the subject of repo with the obligation to repurchase (sell) on pre-determined terms;

2.1.37. **Repo opening transaction** - being the first part of a repo transaction, an agreement concluded in the trading system of the Exchange for the sale (purchase) of investment securities;

2.1.38. **Repo transaction** - a repurchase (sale) transaction of investment securities, being the second part of the repo transaction;

2.1.39. **Repo opening deal price** - is the price of repo opening deal calculated by the Exchange in accordance with these Rules;

2.1.40. **Repo transaction price** - is the price of the repo transaction calculated by the Exchange in accordance with these Rules;

2.1.41. **Participant of the Repo transaction** - a member of the Exchange who has signed the Repo General Agreement with the Exchange and the clearing organization;

2.1.42. **Repo buyer** - is a participant in the Repo transaction, acting as a buyer of securities during the repo opening transaction, as a seller of securities during the repo closing transaction;

2.1.43. **Repo seller** - is a participant in the repo transaction, acting as a seller of securities during the repo opening transaction, as a buyer of securities during the repo closing transaction;

2.1.44. **Repo subject (Repo base asset)** - investment securities issued for trading on the Exchange within one issue, determined for the repo transaction;

2.1.45. **Repo period** - is the period between the date of the repo opening deal and the date of the repo closing deal;

2.1.46. **Repo interest rate** is the profitability of a repo transaction calculated in accordance with these Rules;

2.1.47. **Repo General Agreement** - an agreement concluded between the Exchange, an investment company that is a member of the Exchange and a clearing organization, defining the main conditions of repo transactions, the rights and obligations of the parties;

2.1.48. **Margin trading** - margin trading is an investment service (operation) to an investor through the members of the Exchange to arrange the purchase, sale and subsequent sale of the underlying asset or the price, profitability, exchange rate difference, risk of these underlying assets on the Exchange with its own funds or borrowed funds;

2.1.49. **Underlying assets** - securities, currency, interest rates, profitability, derivative financial instruments, commodities, financial index, credit risks, etc.;

2.1.50. **Initial margin** is the minimum amount calculated as a percentage of the transaction value paid by the customer to the Bira member in cash for the purchase of the underlying asset;

2.1.51. **Collateral margin** - the minimum amount paid by the customer to the Exchange member after the purchase of the underlying asset and calculated as a percentage of the market value of the underlying asset at the end of the trading day according to the final price;

2.1.52. **Margin call** - a request made by a member of the Exchange to a customer to deposit additional funds in order to bring the collateral margin established by these Rules to the minimum level;

2.1.53. **Current market value (current price)** - the final price determined by the quotation of the main Exchange where securities or derivative financial instruments, as well as the underlying asset for margin trading are listed;

2.1.54. **Clearing** - clearing activity is the activity of collecting, verifying, reconciling information, netting positions, sorting liabilities, offsetting claims in order to determine mutual liabilities on transactions with securities or derivative financial instruments;

2.1.55. **Clearing organization** - a clearing organization is a legal entity exclusively engaged in clearing activities, licensed for this type of activity and established in the form of a joint stock company;

2.1.56. **Settlements** - the performance of mutual obligations of the parties to transactions in securities or derivative financial instruments;

2.1.57. **Non-Payment Delivery (EDC)** is a settlement principle that expresses an agreement by the seller to secure the delivery of these securities or derivative financial instruments to the buyer or his representative in exchange for full payment of the purchase price of the securities or derivative financial instruments;

2.1.58. **Trading symbol (ticker)** - a short code that identifies each security and derivative financial instrument traded on the Exchange in the trading system;

2.1.59. **Global transactions** - mergers, conversions, fragmentation of securities and other transactions defined by law;

2.1.60. **Corporate events** - holding of general meetings of shareholders by a joint-stock company that issued securities, payment of dividends on shares, payment of interest on bonds and other events specified by law.

PART II MAIN PROVISIONS

3. Markets and trading participants organized by the Exchange

3.1. Markets organized by the exchange

3.1.1. The exchange organizes trading in the following markets:

- a) Primary and secondary market of government securities
- b) Primary and secondary market of corporate securities;
- c) Derivative financial instruments market

3.2. Exchange trading participants

3.2.1. The following users may trade in the markets organized by the Exchange:

- a) Investment companies admitted to the Exchange in accordance with the rules of membership of the Exchange and having the authority to trade in the relevant market
- b) Exceptionally, the Central Bank of the Republic of Azerbaijan without a member of the Exchange.

3.2.2. Trading on the Exchange is carried out through investment companies that are members of the Exchange.

4. Transactions and trade control

4.1. Concluding deals on the stock exchange

4.1.1. Transactions on the stock exchange are concluded under the following conditions:

- a) When both parties to the Transaction enter an order in the trading system of the Exchange on mutually agreed terms in accordance with these Rules;
- b) Transactions are concluded through the Exchange's trading system through the relevant trading method provided for in these Rules.

4.1.2. The following information on each transaction is disclosed to traders through the trading system in accordance with these rules:

- a) The name of the security or derivative financial instrument with which the transaction is concluded
- b) Quantity of securities or derivative financial instruments;
- c) The price of a lot of a security or derivative financial instrument

4.1.3. Transactions on the stock exchange are concluded through electronic trading system (s).

4.2. Reference price

4.2.1. The reference price on the stock exchange is determined by one of the following rules:

- a) Reference price is the weighted average price of deals concluded during the last trading day of securities trading (except for targeted deals concluded on the Exchange)
- b) When securities are first traded, the reference price is the price of the securities determined by the Listing Rules of the Exchange

4.2.2. When investment securities placed on the exchange are auctioned for the first time on the secondary market, the reference price is determined as the weighted average price determined at the time of placement of these securities.

4.2.3. The Board of Directors of the Exchange may change or cancel the reference price during global transactions with securities and corporate events in order to protect the market.

4.3. Price corridor

4.3.1. Orders and quotations on securities and derivative financial instruments traded on the exchange must be within the price corridor determined in the following order:

- a) The upper limit of the price corridor is set at 20% higher than the reference price determined in accordance with these rules;
- b) The lower limit of the price corridor is set at 20% lower than the reference price set in accordance with the rules

4.3.2. When the prices of submitted orders and quotations are outside the price corridor, these orders and quotations are rejected by the trading system and are not registered for trading.

4.3.3. If no transaction is concluded with the securities within 30 (thirty) trading days after their issuance or determination of the final closing price on these securities (except for targeted transactions), the upper and lower limits of the price corridor shall not apply until a new reference price is determined in accordance with these rules.

4.3.4. For derivative financial instruments traded on the Exchange, a corridor limit may be set lower than the price corridor provided for in sub-items “a” and “b” of item 4.3.1 of these Rules. In this case, the boundary of the corridor shall be indicated in the standardized form of derivative financial instruments in accordance with paragraph 11.7.2 of these Rules.

4.4. Suspension of trade

4.4.1. Trading on the stock exchange may be suspended on the traded market, security or derivative financial instrument.

4.4.2. Trading on the stock exchange is suspended on the market in which it is traded in the following cases:

- a) In case of technical failures in the trading system and software installed in the trading system, inability of the Exchange members to connect to the trading system technically, or in case of pre-announced preventive work on software and hardware that may affect the trading system
- b) In cases stipulated by the Exchange’s rules on prevention of market abuses in order to protect the market
- c) In case of emergencies;
- d) By the relevant decision of the Central Bank;
- e) In other cases, stipulated by the legislation

4.4.3. Trading on an exchange is suspended on a security or derivative financial instrument in the following cases:

- a) In cases stipulated by the provision of paragraph 4.5 of these rules
- b) In cases stipulated by the Exchange’s rules on listing and prevention of market abuse

- c) If the reference price is adjusted in accordance with the provisions of paragraph 4.2 of the rules
- d) By the relevant decision of the Central Bank;
- e) In other cases, stipulated by legislation.

4.5. Prevention of price volatility

4.5.1. When the price of a transaction to be concluded with securities reaches 10% lower or 10% higher than the price of the last transaction concluded on these securities during the current trading day, the Exchange shall suspend trading on securities in order to prevent price volatility in the market. It then continues with the auction method.

4.5.2. The balancing auction, applied to prevent price volatility, lasts from 90 (ninety) seconds to 120 (one hundred and twenty) seconds and ends at a random time. At the end of this period, trading is continued in accordance with the Exchange's trading regulations by the trading method before the suspension.

4.5.3. If the temporary suspension of trade in accordance with paragraph 4.5.1 of these Rules occurs as a result of securing the order submitted on the condition "Execute all", then such order is automatically canceled and the trade continues without suspension.

4.5.4. If the temporary suspension of trade in accordance with paragraph 4.5.1 of these Rules occurs as a result of securing an order submitted on the condition of "Cancel the balance", then the part of such order that does not cause trade termination is executed, and the other part is automatically canceled is done.

4.5.5. Paragraph 4.5.1 of these Rules does not apply to targeted transactions.

4.5.6. When the opening auction phase is applied before the continuous trading phase according to the exchange trading regulations, paragraph 4.5.1 of these Rules shall be applied during the continuous trading phase.

4.5.7. During the period of suspension of trade, orders placed before this period may be canceled by traders.

4.5.8. During the period of suspension of trade, traders are prohibited from entering new orders and making adjustments to already entered orders.

4.5.9. If the trading regulations of the exchange provide for an opening auction phase, after the cessation of trading, the opening auction begins with a balancing price auction with the phase. In this case, the duration of the opening auction phase should not exceed 15 (fifteen) minutes.

4.5.10. In case of suspension of trading, the Exchange notifies the Central Bank and trading participants within 1 (one) business day.

4.5.11. Except for the cases provided for in paragraph 4.5.1 of these Rules, the suspension of trading shall be carried out by the decision of the Management Board of the Exchange.

4.6. Trading days, trading hours and trading regulations

4.6.1. Trading on the stock exchange takes place only on trading days and during trading hours.

4.6.2. All working days applied in the territory of the Republic of Azerbaijan are considered trade days. The Management Board of the Exchange may change the calendar of trading days by announcing the information 1 (one) business day in advance. The trading calendar consists of a list of trading and non-trading days.

4.6.3. Trading hours and start and end times of the various trading sessions applied are reflected in the trading regulations (Appendix №1).

4.6.4. The trade calendar, trade regulations and changes made to them shall be announced at least 1 (one) business day before their entry into force. The Exchange provides regular disclosure of the trading calendar and trade regulations through its website.

4.7. Price step and lot size

4.7.1. The price step for trading instruments is determined as follows:

- a) Price step on shares 0.01 AZN
- b) Price step on bonds 0.0001 AZN
- c) The price step for margin trading on derivative financial instruments that involves the purchase and sale of the underlying
- d) 0.01 AZN is set for options and futures
- e) The price set for repo transactions is determined by the characteristics of the repo base asset;
- f) The price step for other instruments is determined by the Exchange's Management Board

4.7.2. The standard lot size for the instruments traded is defined as follows:

- a) Lot size on shares 1 (one) share;
- b) Lot size on 1 (one) bond;
- c) Lot size 0.01 underlying asset for derivative financial instruments that provides for the purchase and sale of the underlying asset price, yield, exchange rate difference on risk level change;
- d) Lot size on options and futures is defined as 1 (one) contract;
- e) Lot size for repo transactions is determined by the characteristics of the repo base asset;
- f) Lot size for other instruments is determined by the Exchange's Management Board

4.8. Market control and protection of traded markets

4.8.1. The Exchange exercises control over the markets it organizes in order to ensure the fairness and transparency of its trade, to protect the traded markets and to ensure that trade operations are carried out in accordance with these Rules. Control by the Exchange is carried out in the form of monitoring.

4.8.2. Market protection and monitoring rules and procedures are regulated by the rules on prevention of abuses in the securities and derivatives markets of the Exchange and protection of traded markets.

5. Order and quotation

5.1. General rules for orders and quotations

5.1.1. The order and quotation unequivocally express the will of the exchange member to conclude the deal on the terms specified in the order or quotation, respectively, in accordance with the provisions of these Rules.

5.1.2. All orders and quotations included in the trading system and in force are stored in the order book.

5.1.3. In the order book, orders for each security and derivative financial instrument issued, including quotations, are grouped by purchase and sale and sorted by the time of their submission. The submitted orders and quotations are recorded separately and aggregate for each price level. The order book ensures the anonymity of the bidder who submitted the order and quotation.

5.1.4. The following information must be entered by the trader when submitting an order to the trading system:

- a) Registration number of the security or derivative financial instrument
- b) Direction of orders (purchase or sale)
- c) Number of the security or derivative financial instrument (in lots);
- d) Price of one lot (excluding market value orders);
- e) Type of order;
- f) Terms of execution of the order;
- g) Trading account identifier (customer or personal);
- h) Trade participant's personal identification code in the trading system.

5.1.5. When submitting a quotation to the trading system, the following information must be entered by the trading participant:

- a) Registration number of the security or derivative financial instrument;
- b) The purchase and sale price of a lot;
- c) Purchase volume and sales volume in accordance with these Rules;
- d) Trading account identifier (personal);
- e) Trading participant's personal identification code

5.1.6. Quotations can only be submitted at a limited price and in a continuous trading phase.

5.2. Types of orders

5.2.1. The following types of orders are allowed by the Exchange:

- a) Limit value (competitive) orders;
- b) Market value (non-competitive) orders.

5.2.2. Limited value orders can be executed at the price specified in this order or at a better price.

5.2.3. When the market includes valuable orders, it is executed with the reverse order or orders existing in the trading system, the unfulfilled part of the order is automatically canceled. When placing orders with market value, the price of the order is not indicated. Market value orders can be

executed at several prices, depending on the reverse orders available in the trading system. Unless a price corridor is determined in accordance with paragraph 4.3 of these Rules, the Exchange shall prohibit the submission of market value orders.

5.3. Terms of execution of orders

5.3.1. The limit submitted by traders can be set by one of the following execution conditions for valuable orders:

- a) **Cancel Balance (QLE)** - As soon as the order is entered into the trading system, the executable part of the order is executed, and the remaining part is automatically canceled;
- b) **Execute All (HIE)** - The order can only be executed in full. The order is automatically canceled if it cannot be fulfilled in full at the moment of entering the trading system;
- c) **Execute and Save (TPP)** - The order can be executed in parts. In case of incomplete or partial execution of the order, the order or its non-executed part shall remain in force in accordance with these Rules;
- d) **Opening Price Order (AQS)** - If the order is applied during the opening auction phase, it is executed at the end of the phase and the unfulfilled part of the order is automatically canceled;
- e) **Closing Price Order (BQS)** - If the order is applied during the closing auction phase, it is executed at the end of the phase and the unfulfilled part of the order is automatically canceled;
- f) **Buy stop** - means that the purchase order is executed in the market when the selling price is equal to or higher than the price specified in this order;
- g) **Cell stop** - means the sale order is executed when a purchase price is formed in the market equal to or less than the price specified in this order;
- h) **Stop Loss** - an order is executed in order to stop the loss if the price reaches a certain level
- i) **Take Profit** - an order is executed in order to make a profit if the price reaches a certain limit.

5.3.2. Market securities orders for securities trading may be submitted only on the condition of execution provided for in sub-items “a” - “e” of item 5.3.1 of these Rules.

5.3.3. In margin trading on derivative financial instruments that provide for the purchase and sale of changes in the price, return, exchange rate difference or risk level of underlying assets, orders shall be placed only in accordance with paragraph 5.3.1 of these rules, “f”, “g”, “h”, “i”s sub-items.

5.3.4. Orders and quotations submitted in accordance with these Rules shall be valid until the end of the trading day, except for margin trading on derivative financial instruments, which involves the purchase and sale of changes in the price, yield, exchange rate difference or risk level of the underlying assets. is canceled as.

5.4. Time of entering orders and quotations into the trading system

5.4.1. The time of entering the order and quotation into the trading system shall be considered the time when the order or quotation was approved and registered by the trading system. All registered orders and quotations are assigned an individual serial number by the trading system.

5.5. Amendments and expiration of orders and quotations

5.5.1. The amended order and quotation shall be deemed to be new orders and quotations and shall be re-registered by the bidder on the basis of the time of approval of these changes.

5.5.2. Orders and quotations are considered invalid in one of the following cases:

- a) at the end of the trading day in accordance with the provisions of paragraph 5.3.4 of these Rules;
- b) When the order or quotation is fully executed;
- c) Cancel the Balance and Execute All in accordance with the provisions of sub-paragraphs “a” and “b” of paragraph 5.3.1 of these Rules, provided that the condition for execution of conditional orders is met;
- d) When the order or quotation is amended in accordance with the provisions of paragraph 5.5.1 of these Rules;
- e) If a Bidder cancels an order or quotation;
- f) If the type of order or the condition of execution is prohibited or not provided by the given trade phase or method of trade;
- g) When the lot size or price step is changed;
- h) When the reference price or price corridor of the security is changed;
- i) When a security or derivative financial instrument to which an order or quotation is submitted is delisted or withdrawn from trading in accordance with the Exchange's listing rules;
- j) In case of cancellation of orders in accordance with the rules of prevention of abuse of the Exchange in the market.

5.5.3. Invalid and canceled orders do not participate in trade transactions.

6. Trading methods

6.1. General provisions on coordination and execution of orders

6.1.1. Orders submitted at a better price than other orders have a superior position in the execution of orders.

6.1.2. When orders are submitted at the same price, previously placed orders take precedence over the execution of these orders.

6.1.3. The price of the transaction concluded in the trading system is determined on the basis of orders submitted by trade participants in accordance with these Rules.

6.2. Balancing valuable auction method

6.2.1. In equilibrium value auction trading, deals are concluded by reconciling the purchase and sale orders collected at the end of the auction at one price (equilibrium price)..

6.2.2. Balancing auction is organized in two stages: acceptance of orders and conclusion of deals.

6.2.3. At the order acceptance stage, bidders submit limited purchase and sale orders. At this stage, bidders may change the terms of their orders or cancel these orders. It is not allowed to submit, change and cancel orders after the deadline for submission of orders.

6.2.4. At the stage of concluding deals, deals are concluded at a balancing price in accordance with these Rules.

6.2.5. The equilibrium price is determined as follows:

- a) The price that ensures the purchase and sale of the largest number of securities in the order book is determined as the equilibrium price;
- b) When there are several prices in the order book that ensure the purchase and sale of the largest number of securities, the equilibrium price is calculated on the basis of the mathematical mean of the highest and lowest of these prices. The calculated mathematical mean is rounded according to the step, and the final result is determined as the equilibrium value.

6.2.6. Orders are executed at the equivalent price as follows:

- a) Purchase and sale orders with a better price than the equilibrium price (highest price purchase order and lowest price sale order) are executed in full with the best price sequence;
- b) One of the buy or sell directions for purchase and sale orders with a price equal to the balancing price is executed in full.

6.3. Continuous trading method

6.3.1. In the case of continuous trading, deals are concluded by reconciling purchase and sale orders under the following conditions:

- a) A buy order is reconciled with a sale order (orders) that is in the opposite direction and that all execution conditions correspond to that order with the best price.
- b) A sales order is reconciled with a purchase order (orders) that is in the opposite direction and has all the terms of execution with the best price corresponding to that order.

6.3.2. When purchase and sale orders are reconciled, the deal is concluded with the price of the order (s) submitted before the time of these orders.

6.3.3. When a deal is concluded on market value orders, the transaction price is determined as the price of the reverse order (s) with the best price.

6.3.4. If the order does not match the reverse order (orders) contained in the order book, this order is included in the order book in the order of execution.

6.3.5. In the case of continuous trade, traders may change or cancel the unfulfilled orders or the unfulfilled part of it, which they have entered and are in the order book.

6.3.6. The provisions of paragraph 6.3 of these Rules shall also apply to quotations.

6.4. Targeted trading method

6.4.1. In targeted trade, transactions are concluded by one party sending a purchase or sale offer to the other party stating the terms of the deal, and the other party approving the offer addressed to it.

6.4.2. Traders may approve or reject purchase and sale orders addressed to them. In targeted trading, transactions are deemed to have taken place only when they are confirmed by the counterparty to whom they are addressed. A trader may cancel targeted offer offers that have not been approved or rejected by the counterparty.

6.4.3. The provisions of paragraph 6.4 of these Rules shall include the submission of a purchase or sale offer by submitting a purchase or sale order with prior notice of the other party to the transaction.

Approval of a purchase or sale offer is the submission of a counter-order with the same conditions as the purchase or sale offer addressed to the bidder.

6.5. A price-fixing method (one-size-fits-all)

6.5.1. In a securities auction, transactions are concluded at the end of the auction by placing a counter order at a price previously announced by the trader who auctioned the securities against the collected purchase or sale orders.

6.5.2. A valuable auction is organized in two stages: acceptance of orders and conclusion of deals.

6.5.3. At the order acceptance stage, bidders submit competitive bids. At this stage, traders may change the terms of their orders for auctioned securities or cancel these orders. It is not allowed to submit, change and cancel orders after the deadline for submission of orders

6.5.4. At the stage of concluding deals, the trader who puts the securities up for auction enters a reverse order for the collected orders at the pre-announced price and volume, and as a result, the deals are concluded.

6.5.5. Orders submitted during the order acceptance stage (order book) are disclosed only to the bidder who auctioned the securities. Other bidders can only see their bids.

6.6. Competitive auction method (indirect auction method)

6.6.1. In competitive auction trading, deals are concluded at the end of the auction by the counterparty entering a counter order by the bidder who auctioned the securities against the collected purchase or sale orders.

6.6.2. The competitive auction is organized in two stages: acceptance of orders and conclusion of deals.

6.6.3. At the order acceptance stage, bidders submit competitive and / or non-competitive orders. At this stage, traders can change the terms of their orders for auctioned securities or cancel these orders. It is not allowed to submit, change and cancel orders after the deadline for submission of orders.

6.6.4. At the stage of concluding deals, a trader who puts securities up for auction enters the counter order into the trading system by determining the minimum price (cut price) for the submitted orders and the weighted average price (average weighted price) of competitive orders to be provided during the auction

6.6.5. These orders are satisfied if the price specified in the competitive order is not lower than the cut-off price.

6.6.6. Non-competitive orders are executed at a weighted average price calculated on the basis of the prices of competitive orders equal to and higher than the cut-off price. In this case, the number of bonds received by non-competitive orders is calculated by dividing the amount of money specified in the order by the weighted average price (in rounded numbers).

6.6.7. Orders submitted during the order acceptance stage (order book) are disclosed only to the bidder who auctioned the securities. Other bidders can only see their bids.

7. Trade phases and targeted deals

7.1. General provisions on trading on the stock exchange

7.1.1. Trading on the stock exchange is organized on the basis of orders and quotations submitted by trading participants in the trading system.

7.1.2. Compliance of orders and quotations submitted to the Exchange's trading system with the provisions of these Rules, including the applied trading method, trading times, tradesman's powers, price corridor, minimum and maximum volumes, lot number, price step and trade participant's clearing limit in the clearing organization checked. Orders that meet the requirements of the Exchange established by these Rules shall be registered in the order book of the trading system.

7.1.3. In accordance with the provisions of these Rules, only orders (except for targeted trading) and quotations registered in the order book of the Exchange's trading system are involved in trading operations.

7.1.4. Transactions on the stock exchange are concluded in the trading system on the basis of orders agreed with one of the trading methods specified in paragraph 6 of these Rules.

7.2. Phases of trade

7.2.1. Trading on the Exchange is organized during the trading day by means of trading methods defined by these Rules. The trading day is divided into the following phases:

- a) Opening auction;
- b) Continuous trade;
- c) Closing auction.

7.2.2. Application of the trading phases provided for in paragraph 7.2.1 of these Rules during the trading day shall be determined on the basis of the trade regulations established by the Management Board of the Exchange.

7.2.3. The order book is open to traders during all trading phases (except for targeted trading).

7.2.4. Execution conditional orders specified in items “a” and “b” of item 5.3 of these Rules can be submitted only in the continuous trade phase.

7.2.5. Execution conditional orders specified in items “d” and “e” of item 5.3 of these Rules can be submitted only in these phases of opening and closing auctions.

7.2.6. It is forbidden to include market-valued orders in the Opening and Closing Auction phases.

7.3. Opening auction phase

7.3.1. During the opening auction phase, trading is organized by the balancing value auction method provided for in paragraph 6 of these Rules.

7.3.2. The time limit for submission of orders during the opening auction phase (order acceptance stage) expires at a random time not later than 30 seconds before the end of this period.

7.3.3. During the opening auction phase of the deals, bidders are not allowed to submit orders.

7.3.4. If no deal is concluded at the end of the opening auction, the opening price is set as the price of the first deal concluded in the continuous trading phase. The opening price of this security or derivative financial instrument cannot be determined if no transaction is concluded on any security or derivative financial instrument during the trading day, except for targeted transactions.

7.4. Continuous trading phase

7.4.1. During the continuous trade phase, trade is organized by the method of continuous trade provided for in paragraph 6 of these Rules.

7.4.2. Orders not executed during the opening auction phase shall participate in trading in the continuous trading phase if they comply with the provisions of paragraph 7.1.2 of these Rules.

7.5. Closing auction phase

7.5.1. During the closing auction phase, trading is organized by the balancing value auction method provided for in paragraph 6 of these Rules.

7.5.2. The time limit for submission of orders during the closing auction phase (order acceptance stage) expires at a random time not exceeding 30 seconds before the end of this period.

7.5.3. It is prohibited for bidders to submit orders during the closing phase of the closing auction phase.

7.5.4. If no deal is concluded at the end of the closing auction, the closing price is set as the price of the last deal concluded in the continuous trading phase. If no transaction is concluded on any security or derivative financial instrument during the trading day, except for targeted transactions, the closing price of this security or derivative financial instrument cannot be determined.

7.6. Targeted deals

7.6.1. Targeted transactions are allowed by the Exchange in one of the following cases:

- a) Concluding deals by submitting large orders provided for in paragraph 7.6.2 of these Rules
- b) Carrying out of strategically important purchase and sale operations, in which the state bodies of the Azerbaijan Republic act as buyers or sellers

c) Closed placement of securities

7.6.2. The following orders are considered large:

- a) Orders submitted by the market maker in the amount of 500,000 (five hundred thousand) AZN or 25% or more of the authorized capital on liquidated shares;
- b) Orders for other shares in the amount of 60,000 (sixty thousand) AZN and more;
- c) Orders submitted in the primary market for corporate bonds secured by the market maker in the amount of 10,000,000 (ten million) AZN or 80% or more of the issue, in the secondary market operations for corporate bonds secured by the market maker in the amount of 1,000,000 (one million) AZN or 20% of the issue and more;
- d) Orders submitted in the primary market for other corporate bonds in the amount of 5,000,000 (five million) manats or 60% or more of the issue, in the secondary market operations 500,000 (five hundred thousand) manats or 20% of the issue and orders submitted in excess of ten.

7.6.3. Targeted trading in securities traded on the Exchange is organized by the method of targeted trading provided for in paragraph 6 of these Rules.

7.6.4. Orders submitted for the conclusion of targeted deals can be entered only during the continuous trading phase, in a special market segment created for the conclusion of targeted deals in the trading system.

7.6.5. When submitting an order for concluding targeted deals in the trading system, the following information must be entered by the Exchange member:

- a) Order direction (purchase or sale);
- b) Number of securities (in lots);
- c) The price of a security;
- d) Individual identification code of the Exchange member and the authorized trader of the Exchange member acting as the opposite party to the order.

7.6.6. The order book is not compiled on the orders submitted for concluding targeted deals.

7.6.7. Orders and targeted transactions submitted for the conclusion of targeted transactions are disclosed only to its parties. Unless otherwise provided by law, the Exchange discloses the total amount of targeted transactions concluded during the trading day in accordance with the rules of disclosure of information.

7.6.8. The price corridor provided for in the provisions of paragraph 4.3 of these Rules shall apply to targeted transactions. Targeted deals are not taken into account when calculating the reference price in accordance with these rules.

7.6.9. Orders submitted for concluding targeted deals are valid only during the trading day on which they are submitted.

7.6.10. The targeted transaction is considered to be concluded after approval of the order (targeted deal offer) submitted by the Exchange member for concluding this transaction by the Exchange member to whom this order (proposal) is addressed.

7.6.11. Orders submitted for the conclusion of targeted deals can be confirmed only by the Exchange member to whom it is addressed by submitting the same conditional counter order. In the absence of such confirmation (unless a counter-order of the same condition is submitted), the targeted transaction is not concluded.

7.6.12. An order submitted but not satisfied for the conclusion of a targeted deal is automatically canceled at the end of the trading day. An exchange member may cancel unsecured orders during the trading day.

7.6.13. Orders that meet the requirements of these Rules are registered in the trading system for the conclusion of targeted transactions and participate in trading operations.

7.6.14. Unless otherwise provided by paragraph 7.6 of these Rules, the provisions of these Rules shall apply to targeted transactions.

PART III: SPECIAL PROVISIONS

8. Market maker operations

8.1. Criteria for granting market maker status

8.1.1. Members of the Exchange who meet the following criteria may be granted the status of market maker for securities or derivative financial instruments traded on the Exchange by the decision of the Management Board of the Exchange:

- a) When a market maker status is granted for securities trading, the market maker must have at least 2 (two) authorized traders
- b) When a market maker status is granted for the trading of derivative financial instruments, the market maker must have at least 2 (two) authorized traders;
- c) An authorized trader of a member of the Exchange acting as a market maker of a security shall not be a member of the governing body of the issuer of that security.

8.1.2. Market makers of derivative financial instruments that provide for the purchase and sale of underlying assets, such as price, return, exchange rate differences or risk changes, must meet the following requirements:

- a) Must meet the requirements of sustainable capital provided by law;
- b) 4 (four) authorized traders with at least 3 (three) years of experience in derivative financial instrument trading;

- c) The exchange must have direct access to the trading system in which these instruments are traded;
- d) The underlying assets must have direct access to the markets in which they are traded (primary source of liquidity);
- e) Have an adequate risk management system;
- f) Must have a relevant license issued by the Central Bank to provide investment services in margin trading Must have a relevant license issued by the Central Bank to provide investment services in margin trading.

8.2. Procedure for granting market maker status

8.2.1. In order to obtain the status of a market maker, a member of the Exchange shall apply to the Management Board of the Exchange. The following documents are attached to the application:

- a) Documents confirming that the applicant meets the requirements of paragraph 8.1 of these Rules;
- b) Application form for marketing activities (Appendix №2);
- c) A document confirming the transfer of funds to the Exchange's account in the amount equal to the obligation of the minimum daily purchase volume or a bank guarantee in that amount;
- d) Information on an authorized trader who meets the requirements of sub-clause "c" of clause 8.1.1 of these Rules, who will participate in trading on behalf of the market maker;
- e) Account number of the market maker in the clearing organization

8.2.2. The application for obtaining the status of a market maker shall be considered by the Management Board of the Exchange within 5 (five) working days from the date of its submission.

8.2.3. If the Board of the Exchange makes a positive decision on the applicant's application, a market maker agreement is concluded with him. The agreement provides for the following provisions:

- a) The amount of marketmaker's liabilities;
- b) Quotation spread (provided that the minimum and maximum price set by the Exchange for each instrument does not exceed);
- c) Terms of exemption from the obligations of the market maker, if any;
- d) Discounts applied by the Exchange to the market maker and conditions of their application;
- e) Information about the trader who will trade on behalf of the market maker;
- f) Securities or derivative financial instruments that are the subject of the market maker's activities;
- g) The period during which the market maker begins to fulfill its obligations;
- h) Term of validity of the market maker's obligations;
- i) Conditions for making additions and amendments to the contract and their entry into force;
- j) Terms of fulfillment of the Marketmaker's obligations through other Exchange members in case of termination of the Exchange membership.

8.2.4. One or more market makers may be appointed for each security and derivative financial instrument traded on the stock exchange.

8.2.5. At the time of granting the status of each market maker, the Exchange discloses the information. The information includes the following:

- a) State registration number or ISIN code of securities (if the subject of marketmaking activity is derivative financial instruments, instrument classification and trade symbol);
- b) Name of the market maker;
- c) The amount of the market maker's purchase and sale obligations;
- d) Minimum and maximum quotation spread limits.

8.3. Marketmaker's obligations

8.3.1. The market maker determines the daily purchase and sale prices for the securities and derivative financial instruments specified in the contract, and announces these prices on a daily basis through the Exchange. Prices must be within the quotation spread set forth in these Rules.

8.3.2. The market maker daily submits purchase and sale quotations on securities and derivative financial instruments specified in the market maker's agreement on its own behalf and at its own expense during the continuous trading phase of the Exchange's trading system in accordance with the terms of these Rules and the market maker's agreement.

8.3.3. If the amount of securities or derivative financial instruments in the account of the market maker is less than the minimum volume requirement required by the Exchange for sale quotations (or if such securities are not in the account), the market maker shall submit the sales quotation as much as the amount of securities or derivative financial instruments. In the absence of such securities or derivative financial instruments in the account, the market maker is temporarily exempted from providing a sales quote.

8.3.4. The market maker shall ensure the implementation of the purchase and sale quotations provided by the Exchange in the trading system for securities or derivative financial instruments specified in the agreement in accordance with these Rules and the terms of the market maker's agreement.

8.3.5. The minimum volume of purchase and sale quotations on securities and derivative financial instruments traded on the Exchange shall be determined and disclosed by the Exchange.

8.3.6. The market maker may voluntarily conclude a deal in excess of its obligations.

8.3.7. The market maker must ensure the participation of only one trader on his behalf for each security or derivative financial instrument;

8.3.8. The market maker must comply with the Exchange's internal rules and relevant legislation.

8.3.9. The market maker enters the minimum purchase and sale quotations into the trading system during the continuous trading phase, within 30 (thirty) minutes after the start of the continuous trading phase.

8.3.10. A market maker may trade one security and one derivative financial instrument at the same time. When a market maker submits another purchase or sale quote on the same security or derivative financial instrument within one trading day, the quote or previously unexecuted quote on that security or derivative financial instrument by that market maker has not been executed. should be abolished.

8.3.11. The market maker may change the quotations that have not been executed during the continuous trading phase. In this case, the time to change the quotation should not exceed 5 minutes.

8.3.12. Execution of obligations arising as a result of market maker transactions shall be carried out until the end of the trading session on the next trading day after the conclusion of the transaction, unless otherwise provided by the market maker agreement concluded between the market maker and the Exchange.

8.3.13. The market maker is released from its obligations in one of the following cases:

- a) if it meets its day-to-day obligations;
- b) in the cases provided for in paragraph 8.3.3 of these Rules;
- c) for a period determined by the decision of the Board of Directors of the Exchange.

8.3.14. The market maker must immediately inform the Exchange about the change of authorized traders who carry out this activity directly.

8.3.15. At the request of the BSE, the market maker submits to the BSE an extract from the depot account in which the market maker fulfills its obligations.

8.4. Quotation spread

8.4.1. When fulfilling his obligations and setting prices in accordance with these Rules, the market maker must follow the quotation spread, calculated in the following order:

- a) On Shares:

$$KS_{Share} = \frac{Q_{sales}^{high} - Q_{purchase}^{Low}}{Q_{purchase}^{Low}} \times 100\%$$

Here, KS is a market maker's current position for a stock quote spread.

Q_{sales}^{high} - is the highest selling price given by the market maker to the relevant securities;

$Q_{purchase}^{Poor}$ - is the lowest purchase price paid by the market maker for the relevant securities.

b) On bonds:

$$\text{KSBonds} = \frac{Q^{\text{high}}_{\text{sales}} - Q^{\text{Low}}_{\text{purchase}}}{Q^{\text{Low}}_{\text{purchase}}} \times 100\%$$

Here, KSBond is the current position of the market maker for the quotation spread on bonds.

$Q^{\text{high}}_{\text{sales}}$ - is the highest selling price given by the market maker to the relevant securities;

$Q^{\text{Low}}_{\text{purchase}}$ - is the lowest purchase price given by the market maker to the relevant securities;

c) For derivative financial instruments:

$$\text{KSDFI} = \frac{Q^{\text{high}}_{\text{sales}} - Q^{\text{Low}}_{\text{purchase}}}{Q^{\text{Low}}_{\text{purchase}}} \times 100\%$$

Here, KSDFI is the current position of the market maker for the quotation spread on derivative financial instruments.

$Q^{\text{high}}_{\text{sales}}$ - is the highest selling price given by the market maker to the relevant securities;

$Q^{\text{Low}}_{\text{purchase}}$ - is the lowest purchase price given by the market maker to the relevant securities;

8.4.2. The maximum and minimum limits of the quotation spread are determined and disclosed separately for each security and derivative financial instrument traded by the Baku Stock Exchange.

8.5. Suspension or revocation of market maker status

8.5.1. The status of a market maker may be suspended or revoked by the decision of the Board of the Baku Stock Exchange in one of the following cases:

- a) if the market maker does not comply with the obligations arising from the legislation, these Rules and the contract concluded with him, as well as if it is revealed that he is manipulating prices and abusing his status;
- b) in order to protect the interests of market participants and ensure market security;
- c) when the market maker, the securities or derivative financial instruments in which the market maker operates are withdrawn from circulation;
- d) in case of revocation by the Central Bank of the license of the Exchange member acting as the Market maker;
- e) market maker who is a member of the Exchange is expelled from the Exchange or its membership is suspended;
- f) when the contract with the market maker expires and no agreement is reached on its extension;
- g) Voluntary - early termination of the contract with the market maker

When applied 30 days in advance;

8.5.2 BSE shall inform the trading participants and the public in case of termination or cancellation of the market maker status.

8.6. Liability for violation of the rules by the market maker

8.6.1. In case of violation of the requirements of these Rules by the market maker, the Management Board of the Exchange may apply the following measures of responsibility against him:

- a) warning;
- b) a fine;
- c) revocation of status.

8.6.2. Violation of its obligations is punishable by a fine of 0.5 percent of the total net liabilities (purchase obligation + sale obligation) assumed by the market maker on the basis of the decision of the BSE. Payment of the fine must be made by the market maker within 5 (five) working days from the date of the relevant decision.

8.6.3. The market maker's contract concluded with the market maker may be terminated by the decision of the BSE if the cases of violation of its obligations by the market maker are not eliminated or those violations are repeated within a month.

8.6.4. The BSE informs the Central Bank about the measures of responsibility applied to the market maker within 1 (one) business day.

8.6.5. The BSE may disclose information on the measures of responsibility applied to the market maker.

9. Cross deals

9.1. General provisions for the conclusion of cross-deals

9.1.1. It is prohibited for a person to act as both a buyer and a seller on the same deal (concluding cross deals at the expense of the same person). Orders and quotations that may lead to such transactions are rejected by the Exchange's trading system.

9.1.2. When cross deals are concluded from the accounts of different persons, the information about the transaction must be disclosed by the BSE member who will conclude the transaction to other trading participants through the trading system in accordance with the provisions of these Rules.

9.1.3. The provisions of these Rules on cross-transactions do not apply to bilateral quotations (simultaneous inclusion of the direction of purchase and sale) provided by the market maker.

9.1.4. Except for paragraph 9.1.1 of these Rules, other provisions on cross-transactions do not apply to targeted transactions.

9.1.5. The provisions of these Rules on cross-transactions apply only to the secondary market trading of shares.

9.2 Disclosure of cross orders

9.2.1. Cross deals that meet the requirements of these Rules may be concluded after the disclosure to other traders of orders that will participate in the conclusion of this deal during the continuous trading phase.

9.2.2. Orders to participate in the conclusion of a cross deal (cross orders) must be disclosed to other traders within a waiting period of 60 (sixty) minutes. Cross orders cannot be canceled or changed during this period.

9.2.3. Cross orders announced after the end of the waiting period must be entered into the trading system by the exchange member who announced these orders within 10 (ten) minutes. Incoming cross orders must be identical to the previously disclosed information in accordance with paragraph 9.2.2 of these rules.

9.2.4. Cross orders can only be submitted on the condition of a limit price and Execute and Save (TPP).

9.2.5. All provisions of these rules that apply to orders also apply to cross orders.

9.2.6. Cross orders can be submitted until the deadline for registration of the last cross order. The time for registration of the last cross order is calculated as follows:

Kv - time for registration of the last cross order;

Tb - end time of the trading session;

Gm - waiting time.

9.3 Concluding cross deals

9.3.1. Announced cross orders are blocked during the waiting period and these orders do not participate in trading operations.

9.3.2. Orders may be submitted by other BSE members during the waiting period.

9.3.3. Upon expiration of the waiting period, cross orders are initially secured against orders submitted by other BSE members in the Baku Stock Exchange's trading system. In this case, deals are concluded on the basis of the best price principle, by continuous trade.

9.3.4. If after the expiration of the waiting period there is no order submitted to the Exchange trading system at a price better than the price at which the cross order was submitted, the cross order or its unfulfilled part is secured against the counter order initially submitted by the BSE member.

9.3.5. If cross orders are submitted on the condition of execution not provided for in paragraph 9.3.4 of these Rules, during the execution of these orders, the condition of execution of the order is changed to the condition of execution of Execute and Save (TPP).

9.4 Disclosure and accountability

9.4.1. Cross orders are specifically mentioned in the stock exchange's order book.

9.4.2. Information on cross-transactions is disclosed and provided in accordance with the BSE's disclosure rules.

10. Repo operations

10.1. Features of repo operation

10.1.1. Repo transactions at BSE are carried out on the basis of the Repo General Agreement with the participation of the clearing organization.

10.1.2. The repo transaction is carried out at the expense of the client of Repo participants among the Exchange members who have signed the Repo General Agreement.

10.1.3. The clearing house acts as a guarantor in the fulfillment of obligations arising from the repo transaction. The amount of guarantees for repo transactions is calculated by the clearing organization.

10.1.4. Repo transactions at BSE are divided into the following types:

- a) Repo transactions in which the Central Bank of the Republic of Azerbaijan acts as a counterparty;
- b) Repo transactions between other persons.

10.1.5. Unless otherwise provided by these Rules, the provisions applicable to repo transactions shall also apply to counter-repo transactions.

10.2 Repo period

10.2.1. The duration of repo transactions is determined by the repo participants. The maximum period of repo transactions may be limited by the BSE.

10.2.2. The repo period is calculated as follows:

Repo closing deal date - Repo opening deal date = Repo term

10.2.3. When the repo opening deal and the repo closing deal are made on the same date, the repo period is considered one day.

10.2.4. Rights secured by securities that are the subject of repo during the repo period belong to the person acting as the repo seller during the repo opening transaction.

Identify the subject of the repo.

10.3.1. The subject of repo are the following investment securities traded on the BSE:

- a) government bonds and other government securities issued by the Ministry of Finance of the Republic of Azerbaijan;
- b) notes and other securities issued by the Central Bank of the Republic of Azerbaijan;
- c) Mortgage bonds;
- d) Government-issued bonds;
- e) Investment securities listed on the Exchange in the Main and Standard market segments or with 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 by other rating agencies);
- f) Other investment securities secured by the market maker.

10.3.2. The list of securities subject to repo is published through the BSE's trading system and website.

10.4 Repo trading

10.4.1. Repo transactions on the stock exchange are organized by the method of continuous trading provided for in paragraph 6 of these Rules. Exceptionally, the Central Bank of the Republic of Azerbaijan may, if necessary, organize auctions on repo operations provided for in paragraph 10.1.4 (a) of these Rules.

10.4.2. Repo trading is carried out in accordance with the trading regulations of the BSE.

10.4.3. Depending on the type of repo orders, there may be a limit price order and a market price order.

10.4.4. Limited orders are executed in accordance with these Rules, with the submitted Repo interest rate or the better interest rate available at BSE. Limited price Repo orders contain the following conditions:

- a) Investment securities subject to repo;
- b) Direction of the order (purchase or sale of securities in a repo opening transaction);
- c) the number of repo items or the amount of repo;
- d) Repo period;
- e) Repo interest rate;
- f) Account number of the BSE's member or client of the BSE member that meets the requirements of paragraph 10.1.2 of these Rules.

10.4.5. The market value Repo order is executed in accordance with the Rules in the order book. The market is valuable:

- a) Investment securities subject to repo;
- b) Direction of the order (purchase or sale of securities in a repo opening transaction);
- c) the number of repo items or the amount of repo;
- d) Repo period;
- e) Account number of the BSE's member or BSE member's client that meets the requirements of paragraph 10.1.2 of these Rules.

10.4.6. Repo orders are secured with the best Repo interest rate principle.

10.4.7. Repo orders are valid until they are secured or canceled. A member of the BSSE may cancel its Repo orders or its unfulfilled part in accordance with the BSE's trading regulations during the period of Repo trading. At the end of the repo trade period, all unsecured orders are automatically canceled.

10.5 Calculation of repo opening and closing deal prices

10.5.1. Repo opening deal closes with repo opening price. The opening price of the repo is calculated by the BSE by discounting the current price of the investment securities that are the

subject of the repo in the amount of the guarantee coefficient determined by paragraph 10.6 of these Rules. The price of the repo opening deal is calculated as follows:

$$Pa = Pc \times (1 - k/100)$$

Pa - the price of the repo opening deal;

Pc - current price of investment securities subject to repo;

k - guarantee coefficient (in percent).

10.5.2. The current price of the repo item is calculated based on the following formula:

On interest-bearing bonds:

$$Pc = N \times ((1 + (t1 - t0) \times C\%) / T)$$

Pc - current value of the repo item;

N - nominal value of the bond subject to repo (in cash equivalent); t1 - date of repo opening deal;

t0 - date of last interest payment of the bond subject to repo; C - interest rate on the bond subject to repo;

T - 360 or 365 (depending on the terms of issue of bonds subject to repo).

On discount bonds:

$$Pc = T \times N / ((t2 - t1) \times Y\% + T)$$

Pc - current value of the repo item;

N - nominal value of the bond subject to repo (in cash equivalent); t2 - maturity date of the repo bond;

t1 - date of repo opening deal;

Y - interest rate calculated on the basis of the weighted average price of the repo bond on the Exchange;

T - 360 or 365 (depending on the terms of issue of bonds subject to repo).

The current price of shares is determined on the basis of the weighted average price of deals concluded with investment securities subject to repo or market-maker quotations.

10.5.3. Repo closing deal is provided with repo closing price. Price of repo contract

Calculated by the Exchange in the following order:

$$Pb = Pa \times (1 + t \times r\%) / T$$

Pb - the price of the repo transaction;

Pa - the price of the repo opening deal;

t - Repo period (in days);

r - Repo interest rate;

T - 360 or 365 (depending on the terms of issue of bonds subject to repo).

10.5.4 Repo interest rate is calculated by the BSE in the following order:

$$r = ((Pb - Pa) / Pa) \times (T / t) \times 100$$

r - Repo interest rate;

Pb - the price of the repo transaction;

Pa - the price of the repo opening deal;

t - Repo period (in days);

T - 360 or 365 (depending on the terms of issue of bonds subject to repo).

10.5.6. Repo opening and repo closing deals are rounded to 0.0001.

10.6 Collateral ratio

10.6.1. In order to prevent the risk of non-performance of Repo obligations in the event of a fall in the market price of investment securities that are the subject of Repo during the Repo Period, the Exchange Repo uses the collateral ratio when calculating the opening price. The security ratio is calculated as follows:

$$k = ((Pc - Pa) / Pc) \times 100$$

Pa - the price of the repo opening deal;

Pc - current price of investment securities subject to repo; k - guarantee coefficient (in percent).

10.6.2. The collateral ratio for investment securities specified in paragraph 10.3 of these Rules shall be determined by the BSE in agreement with the clearing organization. The list of securities subject to repo is published through the BSE's trading system and website.

10.7 The amount of collateral for the repo transaction and settlements

10.7.1. The security for the repo transaction is the investment securities that are the subject of the repo during the repo opening transaction.

10.7.2. Investment securities, which are the subject of repo during the repo opening transaction, are frozen by the depository on behalf of the clearing organization on the account of the repo buyer after the repo transaction is approved by BSE.

10.7.3. During the repo period, if the market value of the Repo guarantee calculated by the BSE falls below the Repo closing deal price, the Repo seller must provide additional guarantees to the clearing

organization. Additional guarantees may be cash or securities specified in paragraph 10.3 of these Rules. The market value of repo collateral calculated by the BSE is calculated on the basis of the weighted average price of transactions concluded at the BSE and is disclosed on a daily basis through the BSE's trading system. The amount of additional collateral is calculated as follows:

$$M_c = QP_m - [CF_1 \times (1 + (t + r\% / T))]$$

Mc - additional guarantee amount (in AZN);

Q - Volume of investment securities subject to repo, including additional guarantees (units);

Pm - market value of investment securities subject to repo;

CF1 - Repo opening transaction amount;

t' - number of days from the date of repo opening deal to the date of calculation of additional guarantee; r - Repo interest rate;

T - 360 or 365 (depending on the terms of issue of bonds subject to repo).

10.7.4. When cash is used as additional collateral, the amount of additional collateral is frozen by the clearing organization in the relevant account of the Repo Buyer.

10.7.5. If there are securities specified in paragraph 10.3 of these Rules as additional collateral, the amount of additional collateral shall be calculated by dividing the Repo opening price on the day of calculation of additional collateral. During the calculations, the volume of securities that will act as additional collateral is rounded to the nearest whole number. Securities acting as additional collateral are frozen in the repo buyer's account by the depository on behalf of the clearing organization.

10.7.6. Release of frozen securities on the account of the repo buyer from freezing is carried out by the depository only on the instructions of the clearing organization.

10.7.7. Freezing of frozen securities in the repo buyer's account, including funds provided as additional collateral, may be carried out in the following cases:

- a) when the repo transaction is executed;
- b) by a court decision;
- c) In other cases, stipulated by the legislation.

10.7.8. Settlements on repo transactions are carried out by the clearing organization.

10.7.9. If the date of closing of the repo falls on a non-working day, the transaction is executed on the first working day without change of obligations.

10.7.10. Partial fulfillment of obligations under the repo transaction is not allowed.

10.8 Repo General Agreement

10.8.1. The following provisions must be reflected in the Repo General Agreement:

- a) Subject of the Agreement;
- b) Terms of closing repo transactions and fulfillment of obligations;
- c) Procedure for calculating repo opening and closing prices;
- d) The procedure for determining liabilities for repo transactions;
- e) Procedure for formation of guarantees for repo operation;
- f) Measures to be taken in case of non-fulfillment of obligations under the repo transaction;
- g) Liability issues;
- h) Other provisions deemed necessary by the Parties.

10.9 Monitoring the fulfillment of obligations on repo transactions

10.9.1. If the Repo Seller fails to fulfill its obligations under the Repo Closing Agreement by the end of the trading session on the date of the Repo Closing Agreement, the BSE shall take measures against it in accordance with the Repo General Agreement.

10.10 Disclosure and accountability of repo transactions

10.10.1. The Exchange discloses the following information on Repo transactions:

- a) Investment securities subject to repo;
- b) Collateral ratio (as a percentage);
- c) The current price of investment securities that may be the subject of repo;
- d) Repo opening price.

10.10.2. Information on repo transactions is disclosed and provided in accordance with the BSE's disclosure rules and the Repo General Agreement.

11. Placement of investment securities

11.1. General provisions on placement of investment securities

11.1.1. Placement of investment securities is carried out by public offering or closed placement.

11.1.2. Depending on the type of securities, placement of investment securities by the method of public offering can be organized by subscription or auction.

11.1.3. The placement of investment securities may begin after the listing of these securities at BSE.

11.1.4. When placing investment securities, the issuer of these securities acts as a seller of securities through an exchange member (underwriter).

11.1.5. Placement of other securities by the decision of the Board of Directors of the Baku Stock Exchange

Implemented in accordance with the provisions of paragraph 11.

11.2 Placement of investment securities in the order of subscription

11.2.1. Placement of investment securities by subscription is carried out in the special market created for this purpose at BSE in accordance with the trading regulations of the exchange, by the method of continuous trading provided for in paragraph 6 of these Rules.

11.2.2. The period of subscription of investment securities should not exceed 3 (three) months from the date of publication of the announcement on the beginning of subscription.

11.2.3. At least 1 (one) business day before the start of the subscription, the Issuer must submit to the BSE an application for listing of securities in accordance with the listing rules of the BSE, issue prospectus (or information memorandum) prepared in accordance with the legislation and information on the start of subscription. Information on the start of subscription must be published in the media and in a single information resource on the disclosure of information in the securities market of the Republic of Azerbaijan.

11.2.4. The information on the start of the subscription should include the following:

- a) Name of the issuer;
- b) Securities registration number, total nominal value, price (price corridor indicated in the issue prospectus if the price is not determined);
- c) Type of securities;
- d) Subscription starts and end dates;
- e) Where the issue prospectus is available.

11.2.5. BSE publishes information on the beginning of subscription and the issue prospectus prepared in accordance with the legislation on its website.

11.2.6. Within 2 (two) business days after the end of subscription and listing of securities at BSE, the issuer or underwriter must submit to the BSE information on the date of commencement of placement of securities and the price of placement of securities (unless the price of investment securities is specified in the issue prospectus). disclose accordingly. Within 5 (five) business days after the end of the subscription, the issuer and the underwriter performing the placement must start placing the securities.

11.2.7. The Baku Stock Exchange shall publish the information specified in paragraph 11.2.6 of these Rules on its website within 1 (one) business day after receiving it.

11.2.8. During the placement period, the underwriter enters the purchase orders and placement sale orders (orders) based on the results of the subscription into the Exchange's trading system. Orders may be submitted in accordance with these Rules only at the limit price and on the condition "Execute and save". The price of orders must be the price disclosed in accordance with the provisions of paragraph 11.2.8 of these Rules.

11.2.9. Orders can be entered into the trading system after investors have paid the value of their securities in accordance with the law.

11.2.10. If the right of preference is provided for the placement of publicly offered shares, the placement of shares among the preferred shareholders must be carried out within the first 2 (two) business days of the placement. When shareholders have a preemptive right to purchase shares of a joint-stock company, the Central Depository and the underwriter shall check the placement of those shares in proportion to their share in the company's authorized capital.

11.2.11. The term of placement of securities may not exceed 7 (seven) business days at the time of placement by subscription.

11.2.12. At the end of the trading day, all unfulfilled orders are automatically canceled.

11.3 Auction placement of investment securities

11.3.1. The bonds may be placed by the One-way auction method (direct auction method) and the Competitive auction method (indirect auction method) provided for in paragraph 6 of these Rules without subscription.

11.3.2. When placing bonds by auction, one valuable auction method (direct auction method) is used, if the sale price of the bonds is announced on the issue prospectus before the auction, the competitive auction method (indirect auction method) is applied in other cases.

11.3.3. The placement of bonds by auction is carried out on a special market created for this purpose at the BSE in accordance with the BSE's trading regulations.

11.3.4. In case of placement by auction, the term of placement of bonds may not exceed 1 (one) business day.

11.3.5. At least 5 (five) business days prior to the beginning of the auction placement of bonds, the issuer must submit to the BSE an application for listing of securities in accordance with the listing rules of the BSE, issue prospectus (or information memorandum) drawn up in accordance with the legislation.

11.3.6. After the bonds are listed on the Baku Stock Exchange, the issuer or underwriter must submit to the BSE at least 2 (two) business days prior to the date of commencement of the placement of securities and disclose information on the terms of the auction and in accordance with the legislation.

11.3.7. The information on the terms of the auction should include the following:

- a) Date of the auction;
- b) Securities registration number;
- c) The amount of bonds offered;
- d) Maximum amount of non-competitive orders in relation to the total volume of issues;
- e) Selling price of one bond (if this price is to be announced before the auction in the issue prospectus);
- f) The order of distribution of orders of the same security (in the order of proportionality or time priority), unless otherwise specified in the terms of issue of the security.

11.3.8. BSE shall publish the information specified in paragraph 11.3.7 of these Rules on its website within 1 (one) business day after receiving it.

11.3.9. On the day of placement, in accordance with the BSE's trade regulations, the Baku Stock Exchange members enter the orders into the trading system for the purchase of bonds (resale during the auction) within the period specified for receiving orders.

11.3.10. Orders can be entered into the trading system by investors in accordance with the requirements of the principle of securities settlements.

11.3.11. Only competitive and non-competitive orders can be entered during the auction. Orders can only be submitted on a "execute and save" basis.

11.3.12. Non-competitive orders submitted at the expense of each investor during the auction may not exceed the ratio of competitive orders submitted on their account, specified in the terms of issue of the security.

11.3.13. At the end of the order acceptance period during the auction, BSE submits the register of submitted orders to the underwriter or provides access to this information through the trading system. The register of orders submitted during the auction shall contain at least the following information:

- a) The number and amount of orders submitted for each price;
- b) Number of securities on submitted competitive orders;
- c) Amount of competitive and non-competitive orders.

11.3.14. Within 1 (one) business day after the deadline for submission of orders during the auction, the issuer or underwriter determines the volume of bonds to be provided at the auction and the minimum price (cut-off price) if the price is not announced in advance (indirect auction). In accordance with the regulations, at the stage of concluding deals, enters the order of sale (purchase during the re-sale auction) into the trading system through the BSE's member (underwriter).

11.3.15. If the total volume of orders submitted during the auction exceeds the volume of bonds to be placed, orders submitted at the same price shall be executed in proportion to the issue prospectus or at the time of submission of these orders.

11.3.16. Execution of orders is considered to be the conclusion of a purchase and sale agreement between the BSE member (underwriter) who issues the securities and the BSE members who are participants in the auction.

11.3.17. The Central Depository freezes the money collected on the placed securities and the purchased securities (except for the placement of government securities) in accordance with the legislation until the report on the results of the issue or public offer is issued by the Central Bank.

11.4 Placement of government securities

11.4.1. The Central Bank of the Republic of Azerbaijan, placement of state and municipal securities on the Exchange by the method of public offering shall be organized by auction in accordance with the provisions of paragraph 11.3 of these Rules.

11.4.2. Upon completion of the auction, the register of deals concluded with the auction participants on bonds is provided by the Exchange to the issuer and the Central Depository, and the extracts from the register of deals are provided to the auction participants electronically through the trading system.

11.4.3. An extract from the register of deals concluded at the exchange is a confirmation of the conclusion of a purchase and sale agreement between the auction participant and the issuer on the Central Bank of the Republic of Azerbaijan, state and municipal securities.

11.4.4. When the issuer is the Central Bank of the Republic of Azerbaijan and the Ministry of Finance of the Republic of Azerbaijan, BSE may exclusively submit to the issuer a register of orders submitted during the order acceptance period or provide access to this information through the trading system.

11.5 Conducting auctions on repo and counter-repo operations by the Central Bank of the Republic of Azerbaijan

11.5.1. The Central Bank shall conduct auctions on Repo and Counter-Repo operations provided for in paragraph 10.1.4 (a) of these Rules in accordance with the provisions of paragraphs 11.3 and 11.4 of these Rules.

11.6 Back sale auction

11.6.1. The resale auction is organized on securities issued and placed on the Exchange in accordance with the provisions of paragraph 11.3 of these Rules.

11.6.2. During the reverse auction, the issuer of these securities acts as a buyer of the securities through a member of the Baku Stock Exchange.

11.7 Release of derivative financial instruments

11.7.1. The issuance of derivative financial instruments is carried out by the BSE on the basis of a standardized form of derivative financial instrument.

11.7.2. The following information is recorded in the standardized form of derivative financial instruments:

- a) Base assets;
- b) Type of derivative financial instrument;
- c) The value of the derivative financial instrument (if any);
- d) Term of the contract (first and last day);
- e) Execution date of the Agreement (if any);
- f) The method of contract execution (delivery of the underlying asset or mutual settlements);
- g) Pricing method;
- h) Price step;
- i) Lot size;
- j) Price corridor;
- k) The amount of the initial margin;
- l) The price of the underlying asset (for the option) when exercising the right to buy or sell the underlying asset for options;

m) Type of option (possibility to use the right granted under the option during the circulation period or at the end of the circulation period);

n) Option class (the right to sell or buy an option).

11.7.3. The standardized form of derivative financial instruments may be traded on the BSE after approval by the Central Bank.

11.7.4. The Baku Stock Exchange may make changes to the standardized form of a derivative financial instrument. Amendments to the standardized form of a derivative financial instrument shall enter into force not later than the next business day after their approval by the Central Bank and published on the BSE's website.

11.8 Placement of securities by closed placement method

11.8.1. Placement of securities by the method of closed placement is organized in accordance with the provisions of paragraph 7.6 of these Rules in the order of concluding targeted transactions.

12. Trading with margin

12.1 General provisions on margin trading

12.1.1. Margin trading is organized by the members of the BSE in the markets and over time determined by the trading regulations of the Exchange by the method of continuous trading.

12.1.2. Margin trading does not apply to securities placement and repo transactions in accordance with these Rules.

12.1.3. A member of the Baku Stock Exchange shall not use the funds received from any client to conduct margin transactions for other clients or for his own purposes.

12.1.4. For this purpose, the BSE member must perform margin transactions on clients from the individual margin account opened for each client in the clearing organization.

12.2 Underlying assets that can be traded with margin

12.2.1. Securities that meet the following requirements may be considered as the underlying asset of margin trading:

a) Listing of securities for more than six months;

b) The number of traded securities is more than 10,000 (ten thousand);

c) The trading volume of securities for the last six months is equal to or greater than the average monthly trading volume (division of the total trading volume in the market by the number of relevant months);

d) The number of trading days is equal to 80% or more of the number of trading days of those securities listed on the Exchange;

e) Absence of securities in the delisting process.

f) Not to be designated as a risky security;

g) Presence of a securities market maker.

12.2.2. Marginal trading in derivative financial instruments with changes in the price, yield, exchange rate difference or risk level of the underlying asset is organized at the request of the BSE member on this instrument with the participation of at least one market maker (liquidity provider).

12.3 Margin trading limits

12.3.1. When securities are accepted as the basic asset of margin trading, the margin limit is determined as follows:

- a) The initial margin must be at least 40 (forty) percent of the current market value of the underlying asset;
- b) The guarantee margin on the underlying asset obtained by margin trading should be at least 20 (twenty) percent of the final price for the last trading day and should be paid only in cash.

12.3.2. The margin limit for margin trading with changes in the price, return, exchange rate difference or risk level of underlying assets is determined by the Baku Stock Exchange's Management Board in agreement with the Central Bank.

12.3.3. If the collateral margin falls below the minimum level set by the BSE, the Baku Stock Exchange member providing these services must immediately call for a margin.

12.3.4. An additional margin or funds may not be provided to a customer called for a margin due to an increase in the market value of the underlying assets by the BSE member providing these services.

12.4 Disclosure of margin trading information

12.4.1. The Baku Stock Exchange publishes the list of instruments that meet the requirements of paragraphs 12.2.1 and 12.2.2 of these Rules on the markets where margin trading is organized and the information on margin limits in accordance with paragraph 12.3.2 of these Rules through its website.

13. Settlement and cancellation of deals concluded at the Baku Stock Exchange

13.1. Settlements on deals concluded at the BSE

13.1.1. Settlements on deals concluded at the BSE are carried out by a clearing organization operating in accordance with the legislation that has signed a contract with the BSE for the provision of settlement and clearing services on the basis of the principle of Anti-Payment Delivery (DLP).

13.1.2. When organizing securities trading, the clearing organization must have access to the depository organization where these securities are stored.

13.1.3. BSE signs a contract with a clearing organization for the provision of settlement and clearing services. The agreement shall contain at least the following provisions:

- a) Term of completion of settlements on deals concluded at the BSE;
- b) Procedure for securing (completing) deals concluded at the BSE;
- c) setting trading limits for BSE members;
- d) Data protection and security conditions.

13.1.4. The exchange of information between the BSE and the clearing organization is organized in electronic form.

13.2 Cancellation of transactions at the BSE

13.2.1. Transactions concluded at the Baku Stock exchange are canceled in accordance with the legislation.

14. Trading symbols

14.1 Issuance of trade symbols

14.1.1. Each security and derivative financial instrument traded at BSE is given an individual trading symbol.

14.1.2. Each trade symbol is unique and not repeated.

14.1.3. A trademark may consist of letters and numbers, depending on the terms of issue and the issuer of the security or derivative financial instrument. A trade symbol cannot consist only of numbers.

14.1.4. The Baku Stock Exchange independently assigns trading symbols in the issuance of securities and derivative financial instruments. Exceptionally, when a trademark is included in the listing of securities or derivative financial instruments, it may be determined in accordance with these Rules on the basis of a written request of the applicant for their inclusion in the list.

14.1.5. The trade symbol is determined by the BSE in the following order:

a) On government securities: XYZZNN

Here,

X - is a conventional symbol characterizing government security (“N” on notes, “T” on short-term government bonds, “B” on medium-term government bonds, “D” on long-term government bonds, “on government bonds issued on special terms” G”, the letter “M” on municipal bonds should be marked);

Y - is the capital letter of the currency of government securities;

ZZ - is the last two digits of the year of issue of government securities;

NN - is the order of issue of government securities in a year.

b) On corporate bonds: XXXXXYY

Here,

XXXXX - is a trade symbol that characterizes the issuer of bonds; YY - Corporate bond issue sequence.

c) For shares: XXXXX

Here,

XXXXX - is a combination of prime numbers of the Latin alphabet that characterizes the issuer of shares. When selecting a code, it is not allowed for the whole code to be just a number, there must be at least one letter in the encoding.

d) For derivative financial instruments:

A trade symbol for margin trading on financial instruments that involves the purchase and sale of underlying assets at a price, rate of return, exchange rate difference, or risk change consists of a combination of the trading symbols of two underlying assets traded.

c) The trading symbol for other securities and derivative financial instruments is determined by the decision of the Baku Stock Exchange's Management Board.

15. Other provisions

15.1. Trade fees

15.1.1. Trading fees are applied to transactions concluded at the Baku Stock Exchange in accordance with the tariff schedule established by the BSE.

15.1.2. Trading fees are paid by the BSE members to the BSE.

15.1.3. The procedure for calculating the amount of the trading fee is reflected in the tariff schedule determined by the Management Board of the Baku Stock Exchange.

15.1.4. BSE publishes the tariff schedule on its website.

15.2 Accountability and disclosure

15.2.1. Accountability and disclosure of information under these Rules shall be governed by the BSE's disclosure rules.

15.3 Liability for violation of the rules

15.3.1. Violation of these Rules shall be subject to liability under the legislation of the Republic of Azerbaijan and the rules of the Baku Stock Exchange.

Trading Regulations of Baku Stock Exchange CJSC					
Secondary market*					
Trade Phase Name	Trading method	Hours of Stock trading	Hours of Bond trading	Hours of Repo trading	Hours of Derivative Financial Market trading
Opening auction	Balanced Auction method	9:30 - 10:00	-	-	24/5
Continuous trade	Continuous Trade method	10:00 - 13:00	10:00 - 13:00	10:00 - 13:00	
Opening auction	Balanced Auction method	14:00 - 14:15	-	-	
Continuous trading	Continuous trading method	14:15 - 15:45	14:00 - 16:00	14:00 - 16:00	
Closing auction	Balanced Auction method	15:45 - 16:00	-	-	

Placement * (Primary market)				
in subscription Order	Balanced	11:00 - 13:00;	11:00-13:00;	-
	Auction method	14:00 - 16:00	14:00-16:00	
Auction Procedure**	Demand			-
	Valuable	-	11:00 - 12:30	
	Auction method			
Closed placement	Continuous	11:00 - 13:00;	11:00 - 13:00;	-
	Trading method	14:00 - 16:00	14:00 - 16:00	

** Note: The break period for stocks, bonds and repo trades is from 13:00 to 14:00.*

No trade operations are held during the break.

*** Note: Regulations on placement of securities of the Central Bank of the Republic of Azerbaijan by auction are determined on the basis of the issuer's order.*

Appendix №2

APPLICATION FORM

TO BECOME A MARKETMAKER

NOTE: This form must be completed for each security that is the subject of a market maker's activity.

A. MARKETMAKER INFORMATION

A1. General Information:

Full Name	
TAX ID	

A2. Address and means of communication:

Legal address	
Actual Address	
Contact person	

Telephone		Fax		Other	
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A3. Information on the license for the activity of the investment company owned by:

Primary and secondary investment services which are permitted	Date when the license was given	Period over which the license is effective	Who was the license given by

B. Information on liabilities**B1. Information on the subject of marketmaker activity:**

Information on the state registration number of securities (ISIN) / derivative financial instrument	
Issuer / base asset	

B2. Amount of liabilities on securities / derivative financial instruments that are the subject of market making activities:

Buy	_____ units /volume
Sell	_____ units /volume

B3. Price corridor: _____%

Provided that this price corridor does not exceed the minimum and maximum price set by the Baku Stock Exchange for each instrument

B4. Account number to be used during the market maker's activity:

Market maker account	
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B5. Existence of agreement with the issuer / owner of the underlying asset:

Agreed

Not Agreed

C. INFORMATION ABOUT A COMPETENT TRADER

C1. Information about authorized traders who will participate on behalf of the market maker:

Name, surname, fathers name	Identity	Qualification certificate			
	Document	Type of activity	Serie, Number	Issue date	Expiration Date

Please accept the application form

Date of commencement of obligations _____

Director: _____

Signature: _____

S.L