

NOTE: Only the Azerbaijani version of this document is legally binding. This translation is provided for information only. Every effort has been made to ensure the accuracy of this publication. However, the BSE does not assume any responsibility for any errors or omissions.

«Approved»

“Baku Stock Exchange” CJSC

Board Member

Protocol № 08

“30” December 2015

Chairman of the Board

_____ **F.Azizov**

Rules regarding disclosure of information of “Baku Stock Exchange” CJSC

1. General Provisions

- 1.1. These Rules are applied to Article 46.1.9 of the Law of the Azerbaijan Republic "About the securities market" (further - the Law) and the regulatory legal acts accepted by the State committee on securities of the Azerbaijan Republic (further - Committee), "Baku Stock Exchange" Prepared in accordance with the charter of the CJSC (hereinafter - the Exchange).
- 1.2. These Rules set out the rules for disclosure of pre-trade and post-trade information, including issuer reports, and other information related to the Exchange's activities, in order to ensure the transparency of Exchange transactions, timely and accurate delivery of trade information and other trade-related information to investors and other market participants.
- 1.3. These Rules apply to all management, employees of the Exchange, issuers of listed securities, as well as to persons who use, share and disclose information regulated by these Rules.

2. Basic concepts

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

2.1.1. **Trading system** - a set of software and hardware for trading;

2.1.2. **Trading method** - a method of concluding deals by matching orders through the trading system of the exchange;

2.1.3. **Trading day** is a working day not declared by the exchange as a non-trading day. When the underlying assets are traded in derivative financial instruments traded in foreign markets, trading days are treated as business days applied in those markets;

2.1.4. **Trading hours** - the part of the trading day on the stock exchange where trading takes place;

2.1.5. **Quotation** - the price offered by a trader for the purchase or sale of securities;

2.1.6. **Quotation spread** is the difference between low and high price changes relative to the current price of securities, which the market maker must follow when determining the purchase and sale prices;

2.1.7. **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;

2.1.8. **Cross deals** - deals in which an exchange member acts as a counterparty to both the buyer and the seller on the same deal;

2.1.9. **A trading symbol** is a short code that identifies each security and derivative financial instrument traded on the exchange in the trading system.

2.1.10. **Collateral ratio** is a ratio applied by the exchange to calculate the repo opening price in order to prevent the risk of non-fulfillment 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.

2.1.11. **Dispute Resolution Commission** - the function of reviewing the appeal against the decisions of the Exchange's committees and commissions, interpreting the Exchange's rules, as well as resolving disputes arising on the Exchange is the bearing commission;

2.1.12. **Fee (tariff) schedule**: For services provided by Baku Stock Exchange schedule of withheld duties;

2.1.13. **Issuer**: a person, state (through a duly authorized state body) or municipality that issues investment securities in accordance with the legislation of the Republic of Azerbaijan;

2.1.16. **Information providers** - entities that purchase information from the Exchange for commercial purposes in accordance with the terms of the agreement with the Exchange, as well as these Rules.

3. Information disclosed by the Exchange

- 3.1. The following information is disclosed by the Exchange:
 - 3.1.1. pre-trade and post-trade information on securities and derivative financial instruments issued for trading;
 - 3.1.2. listing of securities, as well as information provided by issuers,
 - 3.1.3. Information on the Exchange's activities.
- 3.2. The Committee shall suspend the disclosure of pre-trade and post-trade information if it could destabilize financial markets or adversely affect the country's economy. Disclosure of such information shall be postponed on the basis of a written notice submitted by the Committee to the Exchange.
- 3.3. The Exchange ensures that the information specified in paragraphs 4.1 and 4.4 of these Rules is equally open to all members during trading.

4. Disclosure of pre- and post-trade information by the Exchange

- 4.1. Depending on the trading method, the Exchange regularly discloses the following information on securities (except for auctions on securities placement) and derivative financial instruments to the Exchange members through the trading system before trading:
 - 4.1.1. at least 5 best offers, indicating the total number of orders placed at the same price on one security or derivative financial instrument and the securities reflected in those orders, as well as the code, type and name of the issuer of the security or derivative financial instrument during continuous trading purchase and sale offer;
 - 4.1.2. the best buy and sell quotes placed by each market maker during quote-based trading;
 - 4.1.3. The price of the trading algorithm for each security or derivative financial instrument during the auction (auction) and the number of securities that can be bought and sold at that price level, as well as the code, type and issuer of the security or financial instrument. his name;
 - 4.1.4. If the trading method of the exchange does not correspond to any of the trading methods specified in sub-paragraphs 4.1.1-4.1.3 of this Regulation or consists of a combination of several of these methods, the price of quotations or quotations and the number of securities reflected in those quotations and quotations; or the code, type, and name of the issuer of the derivative financial instrument.

- 4.2. In case of cross orders placed in the trading system of the Exchange, the Exchange discloses such information through the trading system in addition to the information specified in sub-clause 4.1.1 of these Rules.
- 4.3. Pre-trade information on orders placed on targeted sales deals is not disclosed by the Exchange.
- 4.4. The exchange discloses the following information on repo transactions:
 - 4.4.1. investment securities that are the subject of repo;
 - 4.4.2. security ratio (as a percentage);
 - 4.4.3. current price of investment securities that may be subject to repo;
 - 4.4.4. repo opening price.
- 4.5. The information specified in items 4.1 and 4.4 of this Regulation may be disclosed by the Exchange to non-members of the exchange in real time on a paid basis. The terms of disclosure of such information, payments (if any) are determined on the basis of an agreement concluded with non-exchange members.
- 4.6. At the end of the trading day, the Exchange publishes the following aggregated information (post-trade information) on the deals concluded on each security traded (except for targeted sales deals) through its website:
 - 4.6.1. total number of deals;
 - 4.6.2. date of the transaction (day-month-year);
 - 4.6.3. If the subject of the transaction is securities issued in the territory of the Azerbaijan Republic, the state registration number of their issue, and in the case of securities issued outside the country, in accordance with ISO 6166, international identification code (ISIN) or other identification for securities in the country of origin. code;
 - 4.6.4. full name of the issuer of securities subject to the transaction;
 - 4.6.5. the type of securities that are the subject of the transaction;
 - 4.6.6. maximum purchase price during the trading day;
 - 4.6.7. minimum purchase price during the trading day;
 - 4.6.8. opening price of the security;
 - 4.6.9. closing price of the security;
 - 4.6.10. currency code in accordance with the international standard ISO 4217 used as a means of payment for the transaction. If the subject of the transaction is a bond, the price is expressed as a percentage;
 - 4.6.11. the number of securities that are the subject of transactions;
 - 4.6.12. amount of deals.
- 4.7. The Exchange discloses information on the total volume of targeted deals concluded on each security during the trading day no later than the next trading day.

- 4.8. In case of changes in the information on transactions announced by the Exchange, the Exchange shall publish the information on its website.
- 4.9. The Exchange discloses the following information on securities and derivative financial instruments traded not later than 5 (five) business days of the month following the reporting month:
 - 4.9.1. number and amount of deals concluded in the primary market (separately for total and all types of securities and derivative financial instruments);
 - 4.9.2. number and amount of deals concluded in the secondary market (separately for total and all types of securities and derivative financial instruments);
 - 4.9.3. the number and amount of transactions concluded by each investment company (separately for total and all types of securities and derivative financial instruments).
- 4.10. The Exchange discloses the following information for each calendar year of each security and derivative financial instrument issued for trading no later than 15 (fifteen) business days of the first month of the following year:
 - 4.10.1. average daily turnover (calculated as the ratio of the amount of deals concluded with a security or derivative financial instrument during the calendar year to the number of trading days in that year (taking into account targeted sales deals));
 - 4.10.2. average daily number of deals (calculated as the ratio of the number of deals concluded with a security or derivative financial instrument during a calendar year to the number of trading days in that year (including targeted sales deals)).
- 4.11. The Exchange discloses the following information on the derivative financial instrument in addition to the information specified in sub-items 4.6.1-4.6.3 and 4.6.5-4.6.12 of these Rules:
 - 4.11.1. underlying asset of a derivative financial instrument;
 - 4.11.2. number of contracts;
 - 4.11.3. date of execution of futures obligations and / or maturity date of options;
 - 4.11.4. last trading day;
 - 4.11.5. daily trading hours;
 - 4.11.6. price change limit;
 - 4.11.7. payment method;
 - 4.11.8. Note on the activity of the market maker on derivative financial instruments.
- 4.12. Information on deals on margin trading with changes in the price, profitability and exchange rate differences of base assets, specified in sub-items 4.6.2 and 4.6.12 of this Regulation, as well as the subject of such deals is the trade symbol and the subject of deals determined by the Exchange Information on underlying assets shall be disclosed in accordance with paragraph 4.6 of this Regulation.

4.13. The Exchange shall provide free access to the information specified in paragraphs 4.6 - 4.12 of this Regulation within 6 (six) months from the date of disclosure of such information.

5. Disclosure of information on the Exchange's activities and information provided by issuers

5.1. The Exchange provides the following information on its activities on its website:

5.1.1. About members of the Exchange (name, types of activities, history of membership, contact person, means of communication, ranking of members);

5.1.2. About investment companies engaged in market-making activities on the stock exchange (name, amount of liabilities, securities of which they are market-makers);

5.1.3. on issuers whose securities are traded (name, address, parameters of securities);

5.1.4. trading hours and markets where trading is organized by the Exchange (markets defined by the Exchange's trading rules and hours when trading is organized in these markets);

5.1.5. About services provided by the Exchange;

5.1.6. On indices calculated by the Exchange and the procedure for their calculation;

5.1.7. About stock exchange service fees;

5.1.8. About internal rules and procedures of the exchange;

5.1.9. Annual reports of the stock exchange;

5.1.10. On the organizational structure of the exchange;

5.1.11. on the minimum volume of quotations;

5.1.12. on maximum and minimum limits of quotation spread;

5.1.13. Sanctions imposed on exchange members;

5.1.14. list of securities subject to repo;

5.1.15. information on the terms of the auction;

5.1.16. information on margin limits.

5.2. The information specified in sub-items 5.1.7-5.1.8, 5.1.11-5.1.12 and 5.1.14-5.1.16 of this Regulation shall be disclosed within 5 (five) working days from the moment of change in that information.

5.3. The information specified by law to be disclosed by issuers through the Exchange's website shall be disclosed by the Exchange within 1 (one) business day from the moment of issuance by the issuers to the Exchange.

6. Information on the issuance of securities and derivative financial instruments

- 6.1. The Exchange shall ensure the publication of the following information on the issuance, suspension or withdrawal of securities or derivative financial instruments on its website within 1 (one) business day:
 - 6.1.1. on commencement of subscription to publicly offered investment securities;
 - 6.1.2. on listing and delisting of securities;
 - 6.1.3. on a security or derivative financial instrument issued for trading and stopped trading;
 - 6.1.4. on resumption of trade in suspended securities and derivative financial instruments;
 - 6.1.5. other information to be disclosed by the stock exchange by the legislation.

7. Procedure for disclosure of information

- 7.1. Trading information is presented in real time (current), delayed (final) form.
- 7.2. Real-time trading information is obtained electronically from the exchange's trading system, remotely connected to the workplace or directly connected to data transmission servers. The exchange provides real-time trading information for all members of the exchange traded. The use of this information by other interested parties is determined by the Board of Directors of the exchange and is regulated by an additional agreement.
- 7.3. The Exchange discloses the trade information provided in the delayed (final) form specified in paragraph 4.6 of these Rules on its website through the end of the trading day after the end of trading operations.
- 7.4. The Exchange provides trading information to information providers on a contractual basis. When contracting with information providers, the contract shall include:
 - 7.4.1. Content and structure of data packages offered to data providers;
 - 7.4.2. Tariffs applied to different data packages;
 - 7.4.3. Technical requirements for information providers to use pre- and post-trade information or other reference information.
- 7.5. Exchange members can also use real-time information through the trading system. The terms of use of such information by a member are governed by the relevant agreement between the member and the Exchange.
- 7.6. Delayed and end-of-day information must be provided by the Exchange to all investors and other market participants free of charge and without discrimination.

8. Publication of other obligatory information

8.1. The Exchange publishes the following rules and information on its website:

8.1.1. Listing Rules;

8.1.2. Membership Rules;

8.1.3. Trade Rules;

8.1.4. Information Disclosure Rules;

8.1.5. Rules for indices;

8.1.6. Rules for the prevention of market abuse;

8.1.7. Rules of Ethical Conduct;

8.1.8. Dispute Resolution Rules;

8.1.9 Tariffs on trade and listing;

8.1.10. Rules that are important for the issuer, members or investors to participate in trading operations;

8.1.11. Decisions of the following institutions that are important for participation in trading operations or may affect the interests of investors:

8.1.11.1 General meeting of shareholders of the exchange;

8.1.11.2 Supervisory board;

8.1.11.3 Board of Directors;

8.1.11.4 Listing Committee;

8.1.11.5 Membership Commission;

8.1.11.6. Dispute Resolution Commission.

8.2. Unless otherwise provided by the Exchange Rules or the law, the decisions of the bodies referred to in paragraph 8.11 of these Rules shall be made public at the latest on the day of their entry into force. The date of entry into force of the rules, trade and listing tariffs shall be determined in the decisions on their approval.

8.3. The Exchange also publishes the following information on its website:

8.3.1. organizational and management structure (list of shareholders, Supervisory Board, members of the Management Board and all Committees);

8.3.2. list of listed and traded instruments and their issuers;

8.3.3. securities and derivative financial instruments secured by the market maker;

8.3.4. information that is important for the issuer, members, information providers or investors to participate in trading operations or may affect the interests of investors.

9. Method of disclosure of other obligatory information

- 9.1. The Exchange must publish other mandatory information on its website as soon as possible. This type of information is made public free of charge.
- 9.2. In addition to the website, the Exchange may charge a fee for the transmission of information on other data carriers, as well as for the collection, summarization or provision of information on previous dates.
- 9.3. The stock exchange may impose a data disclosure fee on a contractual basis.
- 9.4. The Exchange may disclose the following information on a fee basis:
 - 9.4.1 Information disclosed in real time, including the information specified in paragraphs 4.1 and 4.4 of these Rules;
 - 9.4.2 Analysis, programs, information products containing statistical indicators prepared by the Exchange;
 - 9.4.3 Legislative disclosure is not mandatory, as well as historical and periodic statistics

10. Responsibility

- 10.1. The Exchange shall take all necessary measures to ensure the accuracy, reliability, integrity and consistency of the information disclosed in accordance with these Rules.
- 10.2. The Exchange ensures that the information disclosed corresponds to the following.
 - 10.2.1 the information must be properly and professionally prepared;
 - 10.2.2 the information must not be offensive or defamatory, must not violate the requirements of the data protection law;
 - 10.2.3 must not violate the requirements of the relevant bank, stock exchange rules or legislation.
- 10.3. The Exchange shall not be liable for any damage caused by delay, inaccuracy, error or omission of information specified in these Rules.
- 10.4. The Exchange shall not be liable for any damage caused by unauthorized use or misuse of the information specified in these Rules.
- 10.5. In accordance with the disclosure rules set forth in these Rules, the Exchange shall take all necessary measures to ensure the safe and sustainable operation of the data publishing program and eliminate all errors and technical difficulties as soon as possible.
- 10.6. The Exchange is not responsible for:
 - 10.6.1. Content, accuracy and timeliness of information received from issuers,
 - 10.6.2. damage caused by unauthorized use of third-party software,
 - 10.6.3. Incidents caused by force majeure (power outages, telecommunication failures, internet service outages, outages in the operation of any equipment, etc.).

10.7. Information Providers and Issuers shall ensure that the information received from the Exchange is distributed to end users and that the information provided in accordance with these Rules is provided in a timely manner.