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

Rules Regarding Membership of the Baku Stock Exchange

1. General Provisions

- 1.1. These rules are applied to Articles 46.1.8 and 46.1.14 of the Law of the Azerbaijan Republic "About the securities market" (further - the Law) and the regulatory legal acts accepted by the State committee of the Azerbaijan Republic on securities (further - Committee). Prepared in accordance with the charter of “Baku Stock Exchange” CJSC (hereinafter - the Exchange).
- 1.2. These Rules determine the procedures for joining and removing members of the Exchange, the rights and obligations of the Exchange and its members.
- 1.3. Exchange membership is provided in the following markets:
 - 1.3.1. Government securities trading;
 - 1.3.2. Trading in corporate securities;
 - 1.3.3. Trading in derivative financial instruments.

2. Basic Concepts

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

2.1.1. **Exchange member** - receiving and executing customer orders related to transactions with securities or derivative financial instruments, having the right to participate directly in the Exchange trading in accordance with the internal rules of the Exchange, placement and underwriting of securities without obligation, placement of securities with obligation and an underwriting investment company established in the form of a joint-stock company licensed to carry out operations with securities or derivative financial instruments at its own expense as a member of the central depository and the stock exchange.

2.1.2. **An authorized trader** is an employee of an Exchange member who has a qualification certificate issued by the Committee 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** - consisting of software, database, telecommunication systems and other equipment of the Baku Stock Exchange, to provide information necessary for the implementation of exchange operations and deals both in the trading hall of the exchange and outside it (including through the terminal), software and computer network system that allows you to store, work and disclose;

2.1.4. **Accreditation** certificate is a document confirming that a member of the Exchange or an employee of a legal entity applying for membership has a minimum passing score or higher in the attestation exam organized by the Exchange.

3. Rules of admission to the exchange membership

3.1. The person applying for membership in the Exchange must meet the following requirements:

3.1.1. Must be a legal entity established in the form of a joint stock company in accordance with the Civil Code of the Republic of Azerbaijan. If the person applying for membership is a foreign legal entity, it must have a representative office registered in the Republic of Azerbaijan;

- 3.1.2. At least acceptance and execution of client orders related to transactions with securities or derivative financial instruments, placement and underwriting of securities without obligation, placement and underwriting of securities with obligation, securities or derivative at its own expense as a member of the central depository and stock exchange an investment company that provides investment services for transactions with financial instruments must have a license to operate. When a member of the exchange trades with a margin, the license issued for the activity of the investment company must indicate the provision of investment services for margin trading;
- 3.1.3. The person applying for membership must comply with all the requirements of the organization, staffing and sustainable capital provided by law;
- 3.1.4. The head of the person applying for membership, as well as members of the governing body must meet the requirements of civil integrity established by law. The head of the person applying for membership, as well as members of the management structure must not be represented in the management structure of the company that went bankrupt in its previous work within 5 (five) years prior to the date of application, as well as liquidated due to insolvency;
- 3.1.5. Necessary technical conditions for the applicant's connection to the trading system and participation in the trade must be provided in accordance with the technical conditions established by the Exchange on the operation and connection of the trading system, as well as information security. Compliance with the technical conditions must be approved by the Exchange;
- 3.1.6. the membership fee specified in the exchange rate tariff schedule must be paid by the person applying for membership;
- 3.1.7. the membership of the person applying for membership must not be terminated by the Exchange (or other stock exchange) within 5 (five) years prior to the date of application for membership;
- 3.1.8. the person applying for membership must have at least 2 (two) authorized traders in the staff list who meet the requirements of these Rules;
- 3.1.9. there must be no fact that the applicant for membership has initiated bankruptcy proceedings within 1 (one) year prior to the date of submission of the application to

the Exchange or that he / she has faced problems of financial stability from time to time during this period;

3.1.10. An applicant for membership must prepare financial statements in accordance with the requirements of the law and IFRS. Annual financial statements must be audited by an independent auditor;

3.1.11. The applicant must have internal control and risk management structural units and an internal audit committee. One third of the members of the internal audit committee must be independent members;

3.1.12. The person applying for membership must have a website that is regularly updated and covers important areas of its activities;

3.1.13. Quarterly and annual financial statements of the person applying for membership, including annual final report, charter, strategic plan, management structure and its composition, means of communication, tariff schedule and service fees for services provided, significant events related to the member's activity and decisions must be made public to the Exchange and the public;

3.1.14. The person applying for membership must be a member of clearing and settlement systems.

3.1.15. internal control, risk management, protection and security of trade information, work with customers, including acceptance and execution of customer orders, as well as resolution of conflicts of interest, setting trade limits for customers must have rules of procedure. These internal procedural rules must be in accordance with the characteristics of the market in which you will be a member.

3.2. In order to become a member of the Exchange, a person who meets the requirements of paragraph 3.1 of these Rules must apply to the Exchange, indicating the name of the market (or names of markets) to be a member. The following documents must be attached to the application:

3.2.1. notarized copy of the charter of the legal entity not later than 30 (thirty) days;

3.2.2. notarized copy of the document on state registration of the legal entity not later than 30 (thirty) days;

3.2.3. notarized copy of the taxpayer registration document not later than 30 (thirty) days;

- 3.2.4. information on the list and structure of shareholders and founders of the legal entity;
- 3.2.5. Name, surname, patronymic, contact information and notarized signature of the head of the legal entity;
- 3.2.6. Notarized copy of the license obtained for the activity of the investment company;
- 3.2.7. A notarized copy of the qualification certificate issued by the Committee to the employees of the person applying for membership;
- 3.2.8. a copy of the document confirming that the person applying for membership has access to the clearing and settlement system;
- 3.2.9. strategic plan of the person applying for membership covering at least 3 (three) years of future activity;
- 3.2.10. a copy of the internal rules and procedures of the person applying for membership
- 3.2.11. Declaration containing the following:
 - 3.2.11.1 Response of the head of the legal entity applying for membership, as well as members of the management structure to the requirement of civil integrity established by law.
 - 3.2.11.2. Failure of the head of the person applying for membership, as well as members of the management structure to be represented in the management structure of the company that went bankrupt in its previous work within 5 (five) years prior to the date of application, as well as liquidated due to insolvency;
 - 3.2.11.3. failure to terminate the membership of a person who applied for membership by another stock exchange as a result of a disciplinary sanction within 5 (five) years prior to the date of submission of the application for membership;
 - 3.2.11.4. list of other exchanges in which the person applying for membership is a member, directly or indirectly (if any);
 - 3.2.11.5 compliance of the person applying for membership with the technical conditions necessary for connection to the trading system and participation in the trade, operation and connection to the trading system, as well as technical conditions and instructions established by the Exchange on information security;

- 3.2.11.6. compliance of the applicant with the requirements of these Rules, the accuracy of the content of the submitted documents, as well as confirmation of compliance with the provisions of the Rules;
- 3.2.11.7. confirmation of having at least 2 (two) authorized traders in the state that meet the requirements of these Rules;
- 3.3. If notarized copies of the documents specified in paragraph 3.2 of these Rules are not required to be submitted, the original documents shall be submitted to the Exchange. When a copy of the documents is submitted, the original must be certified by the competent authority of the member. Documents submitted to the exchange must be submitted in paper and electronic form.
- 3.4. The Exchange accepts only documents submitted in the Azerbaijani language or translated into the Azerbaijani language. The accuracy of the translated documents and translation must be notarized.
- 3.5. Members of Article 3.1 of these Rules. and comply with all the requirements of paragraph 3.2 during the term of membership.
- 3.6. The decision on admission to the Exchange membership is made by the Exchange Membership Commission within 1 (one) month from the date of submission of the application for membership to the Exchange.
- 3.7. In order to verify the compliance of the documents and information submitted for membership with these Rules, the Exchange may conduct an audit with 1 (one) working day prior notice at the workplace of the person applying for membership.
- 3.8. Relevant agreement is concluded with the member after the decision is made by the Exchange Membership Commission on admission to the Exchange membership.
- 3.9. If the application is incomplete, the person applying for membership on the basis of a written application of the Exchange must submit the missing documents to the Exchange within 5 (five) working days. In this case, the period of consideration of documents by the Exchange is extended to the period of submission of documents by the applicant (number of working days). If the applicant does not submit the missing documents or the submitted documents do not meet the requirements of

these Rules, the Membership Commission shall reject the application or make a decision on the basis of the information provided by the applicant.

3.10. Applications for membership in the Exchange are rejected only on the basis of non-compliance with the requirements of the law or these Rules.

3.11. The Exchange shall notify the member, clearing organization and Committee on the decisions made on the application for membership and make it public within 1 (one) business day

4. Requirements for authorized traders of the Exchange member

4.1. Authorized traders must meet the following requirements:

4.1.1. Must be an employee of an investment company that is a member of the exchange.

An authorized trader should not have any position in other members of the exchange, as well as a position that could lead to a conflict of interest in other organizations. An authorized trader must immediately inform the Exchange member and the Exchange about his / her positions in other organizations other than the Exchange member, as well as his / her appointment to these positions;

4.1.2. Must have a relevant qualification certificate issued by the Committee;

4.1.3. Must be accredited to participate in trading on the Exchange in accordance with the rules of the Exchange and have a certificate of accreditation;

4.1.4. must have the civil integrity established by the legislation;

4.1.5. must have at least a secondary education;

4.1.6. must be 18 years of age or older;

4.1.7. there should be no trade ban or disciplinary action, including no more than two such violations.

4.2. A member of the Exchange or a person applying for membership must apply to the Exchange to register his / her employee as an authorized trader and submit the following documents:

4.2.1. a copy of the document confirming the identity of the employee of the exchange member;

4.2.2. Certificate that the employee of the exchange member has not been prosecuted;

4.2.3. a copy of the document confirming that the employee of the exchange member has secondary or higher education;

- 4.2.4. A copy of the relevant qualification certificate issued by the Committee;
- 4.2.5. A copy of the accreditation certificate confirming the accreditation of authorized traders in accordance with the rules of accreditation for participation in trading on the Exchange, determined by the Management Board of the Exchange;
- 4.2.6. a document confirming that the authorized trader is an employee of the Exchange member and holds a position.
- 4.3. Documents submitted to the Exchange for registration of an authorized trader must be submitted in paper and electronic format, signed by the applicant or his authorized representative. Original or notarized copies of other annexes must be submitted. The Exchange accepts only documents in the Azerbaijani language or translated into the Azerbaijani language. The accuracy of the translated documents must be confirmed.
- 4.4. If the Exchange allows an authorized trader to conduct operations on the Exchange on behalf of an Exchange member, or if there is a change in the list of authorized traders of the Exchange member, the information shall be registered in the register of Exchange members.
- 4.5. The following information is reflected in the register of exchange members and their authorized traders:
 - 4.5.1 full name of the member, legal form of organization;
 - 4.5.2. identification code issued by the exchange;
 - 4.5.3. taxpayer identification number (TIN);
 - 4.5.4. legal and actual address of the member, contact number;
 - 4.5.5. last name, first name and patronymic of the heads of governing bodies;
 - 4.5.6. license number, date and validity period of the securities market participant;
 - 4.5.7. information on authorized traders (surname, name and patronymic, number of qualification certificate, date of purchase and validity period, type of licensed activity);
 - 4.5.8. information on disciplinary measures taken by the stock exchange against the member.
- 4.6. Submits the list of Exchange members and information to the Committee within 1 (one) day in case of any changes in this list.

- 4.7. Authorized traders registered on the Exchange and complying with the requirements of these Rules have the right to participate in trading on behalf of the member and access the trading system.

5. Rules of use of the exchange trading system

- 5.1. The procedure and technical conditions for connection to the Exchange trading system, its use, protection and security of trade information by the member are determined by the "Instructions for connection and use of the trading system" approved by the Board of the Exchange.
- 5.2. The Exchange member must ensure the confidentiality of usernames and security codes assigned to authorized traders in order to use the trading system.
- 5.3. Both members and traders are responsible for problems with use, unauthorized use, trading, placing orders and counter orders.
- 5.4. A member of the Exchange pays to the Exchange the service fee set by the Exchange for the operation of the trading system and connection to it;

6. Rights and obligations of an exchange member

- 6.1. An exchange member has the following rights:
- 6.1.1. to participate in trade;
- 6.1.2. to use the Exchange's technical means for trading in accordance with the relevant internal rules of the Exchange.
- 6.2. The Exchange member performs the following duties in accordance with these Rules:
- 6.2.1 to comply with the requirements of the relevant legislation, including these Rules;
- 6.2.2. to ensure at least 2 (two) traders permanently registered on the Exchange acting on behalf of the member in accordance with the relevant provisions of these Rules;
- 6.2.3. To appoint at least 1 (one) trader to keep in touch with the Exchange;
- 6.2.4. to make relevant payments to the Exchange on a regular basis in accordance with the tariff schedule;
- 6.2.5. to ensure the fulfillment of its obligations during the term of membership;

- 6.2.6. to prepare and publish relevant reports in accordance with the requirements of the legislation, including normative legal acts of the Committee;
- 6.2.7. to ensure the use of the trading system in accordance with the technical conditions and instructions established by the Exchange on the operation and connection to the trading system, as well as the protection and security of information;
- 6.2.8. To submit information and reports determined by the Exchange to the Exchange in a timely manner and, if required, to disclose them;
- 6.2.9. to prevent abuse, manipulation, fraud and other illegal actions in the markets organized by the Exchange during its activity.

7. Reports and information submitted by the Exchange member to the Exchange

- 7.1. The Exchange member must submit and disclose the following reports and information to the Exchange:
 - 7.1.1. The member must submit the audited annual financial statements and annual reports for each completed financial year to the Exchange no later than May 31 of the following year and publish them on the website.
 - 7.1.2. The member must submit financial statements for each quarter of the financial year (balance sheet, profit and loss statement, statement of changes in equity, statement of cash flows) to the Exchange within 20 (twenty) business days after the end of the relevant quarter and publish them on the website.
 - 7.1.3. The structure and composition of the governing bodies of the member;
 - 7.1.4. Issuer's address, means of communication, name of legal representative.
- 7.2. The member must submit and disclose the following information (unless it contradicts the legislation) to the Exchange within 3 (three) business days:
 - 7.2.1. suspension or revocation of the license issued for the implementation of the investment company's activities, as well as the restriction or suspension of the member's activities (services) by law;
 - 7.2.2. change of the list of types of services affecting the licensed activity of the member, including provision of new services, suspension of existing services;

- 7.2.3. significant changes in the member's accounting policy;
- 7.2.4. significant changes in the executive body or the Supervisory Board;
- 7.2.5. purchase and sale of a controlling stake in another company by a member;
- 7.2.6. an agreement concluded in the amount exceeding 25 (twenty-five) percent of the member's net assets or any agreements and decisions that may affect the issuer's activities;
- 7.2.7. facts of consideration (initiation, consideration by various instances or any decision) of cases, related to the Member's activities, as well as authorized traders by state bodies, courts;
- 7.2.8. significant differences between quarterly forecasts and forecasts on the results of the member's activities;
- 7.2.9. acquisition or suspension / revocation of patents, licenses and trademarks;
- 7.2.10. making a decision on reorganization or liquidation of a member;
- 7.2.11. Transactions with relevant persons, which must be disclosed in accordance with the existing legislation and these Rules;
- 7.2.12. change of the authorized capital of a member, its main or subsidiaries;
- 7.2.13. changes in member funding sources;
- 7.2.14. issue of new securities;
- 7.2.15. withdrawal of issued securities from circulation;
- 7.2.16. change in the rights established by the securities issued by the member;
- 7.2.17. early payment, delay or non-payment of the member's outstanding securities, as well as debt obligations equal to 25% or more of the total capital;
- 7.2.18. one-time purchase and sale of 5 (five) percent or more of the member's shares;
- 7.2.19. events related to the member's activities that may affect the conflict of interest between the member and other market participants, as well as the formation of fair market prices, information transparency or profitability;
- 7.2.20. Dismissal of authorized traders;
- 7.2.21. Change of legal and actual address of the member and means of communication, information about the related person;
- 7.2.22. changes in the company's charter;

- 7.2.23. application for membership in other stock exchanges, as well as admission to other stock exchanges;
- 7.2.24. commencement or termination of the process of liquidation, bankruptcy or termination of the member's activity;
- 7.2.25. commencement or termination of the process of liquidation, bankruptcy or termination of the member's activity;
- 7.3. Members must disclose the information specified in this Rules in the Azerbaijani language.
- 7.4. In order to protect the public interest and the rights of investors, the Exchange may require Members to provide and disclose information that is not prohibited by law.
- 7.5. The Exchange shall notify the Committee within 1 (one) business day from the date of submission (disclosure) of this information by the member in case of non-fulfillment of financial obligations by the member or if the indicators reflecting the financial stability of the member fall below the level set by the Committee.
- 7.6. In case of changes in the documents and information specified in paragraphs 7.1 and 7.2 of these Rules, the document confirming the changes must be submitted to the Exchange within 5 (five) working days from the date of entry into force of such changes and disclosed by the Member to the public;

8. Temporary suspension of the right to trade

- 8.1. Membership (member's right to trade) is suspended for 3 (three) business days by the decision of the Exchange's Management Board in the following cases:
 - 8.1.1. in case of termination of the license to carry out activities in the securities market or the service or services provided by this license and considered as the basis for membership in these Rules;
 - 8.1.2. in case of termination of the member's activity;
 - 8.1.3. if the member is unable to continue trading activities due to a technical failure or other emergency for a certain period of time
 - 8.1.4. in order to protect the market if the member's trading activities harm the safe and proper functioning of the market (influence on the fulfillment of the member's

obligations based on the existence of criminal or civil proceedings against the member or his trade or information obtained from the member's reports or other reliable sources) if the Exchange is aware of the possible financial situation or other adverse events).

8.2. Membership (member's right to trade) is suspended for a period of 1 (one) year by the decision of the Exchange Membership Commission in the following cases:

8.2.1. based on the member's request;

8.2.2. if the member does not comply with the requirements of these Rules or the member does not comply with the requirements of these Rules

8.2.3. When a disciplinary sanction is applied by the Exchange in accordance with paragraph 10 of these Rules;

8.2.4. If a member is temporarily unable to fulfill its obligations to the Exchange, the Committee, investors, issuers and licensed persons provided by law, on the basis of a reasoned written request of the member until these cases are eliminated.

8.3. The following restrictions apply to a suspended member (member's right to trade):

8.3.1. Acceptance of new orders submitted by the member and their registration in the trading system by the Exchange is suspended;

8.3.2. Execution of the member's orders registered in the trading system, but not executed, as well as cancellation and change of these orders by the Member shall be suspended;

8.3.3. A suspended member can only observe the trade. Suspension of the right to observe is within the competence of the Membership Commission.

8.4. The decision of the Membership Commission on the suspension of membership (member's right to trade) shall indicate the date of suspension of membership (member's right to trade) and the date of reinstatement (if known).

8.5. The term of suspension of membership (right to trade) by these Rules may not exceed 1 (one) year.

8.6. A member is not exempted from payments established by the Exchange rules during the period of suspension of membership (right to trade). In case of suspension of membership (right to trade) for more than 3 (three) months at the request of a member, the Membership Commission may terminate the member's

payment obligations within the scope of its authority. In this case, the date of exemption from payments shall be considered the calendar day ending 3 (three) months from the date of termination of the membership (right to trade).

- 8.7. The member is responsible for all transactions concluded before the termination of membership (right to trade).
- 8.8. Membership (right to trade) shall be restored within 1 (one) business day after elimination of the reasons for termination of membership (right to trade), unless otherwise provided by the decision on suspension of membership (right to trade).
- 8.9. The Exchange shall notify the member, the clearing organization and the Committee of the decision to terminate the membership (right to trade) and announce it to the public through the website within 1 (one) business day.

9. Termination of exchange membership and activity of an authorized trader

- 9.1. Membership of the Exchange is terminated by the Exchange Membership Commission in the following cases:
 - 9.1.1. Upon expiration of the Exchange membership agreement, if the agreement is not extended by the member or the Exchange.
 - 9.1.2. 30 (thirty) working days upon prior notification of the member;
 - 9.1.3. when the license of an investment company that is a member of the exchange is revoked;
 - 9.1.4. In case of termination of the stock exchange's activity;
 - 9.1.5. In case of suspension of a member's membership rights for more than 1 (one) year;
 - 9.1.6. when a member is involved in a bankruptcy or insolvency process that may result in the liquidation of the company;
 - 9.1.7. If by the decision of the Board of Directors or the Exchange Membership Commission it is determined that a member of the exchange grossly violates the rules of the exchange or does not meet the requirements of the exchange;
 - 9.1.8. if the member does not fulfill its financial obligations to the Exchange;

- 9.1.9. if a member's membership in another exchange is terminated due to non-compliance with the requirements set forth in these Rules, or if there are other reasons that may affect the member's activities or fulfillment of obligations;
- 9.1.10. when the persons in charge of the member violate the requirements of civil integrity established by the legislation;
- 9.1.11. if the registered trader of the member is involved in market manipulation, abuse, fraud or falsification and the member is proved responsible for these acts;
- 9.1.12. when a disciplinary sanction is applied by the Exchange in accordance with these Rules.
- 9.1.13. in other cases, stipulated by the legislation.
- 9.2. The obligations and responsibilities arising before the termination of membership must be fulfilled by the members.
- 9.3. All fees and charges payable to the Exchange by the member from the date of termination of the Exchange membership shall be paid immediately.
- 9.4. The decision to terminate the membership of the Exchange shall be notified to the member, clearing organization and the Committee and announced to the public within 1 (one) working day.
- 9.5. The Membership Commission shall terminate the activities (rights) of an authorized trader of the Exchange member on the Exchange by informing the Exchange member in the following cases:
 - 9.5.1. If an authorized trader has not traded on the Exchange for more than 1 (one) year;
 - 9.5.2. if the authorized trader is removed from trading for more than 3 (three) days in the cases specified by these Rules;
 - 9.5.3. when a disciplinary measure is applied by the Exchange in accordance with these Rules
 - 9.5.4. if the authorized trader does not meet the requirements set forth in these Rules.
- 9.6. The decision made by the Membership Commission on the issues specified in paragraphs 9.1 and 9.5 of these Rules shall indicate the date of termination of the Exchange membership or activity of an authorized trader.

10. Disciplinary measures taken against members and traders

10.1. In case of violation of the requirements of these Rules, the following disciplinary measures may be applied against members by the decision of the Membership Commission:

10.1.1. Warning;

10.1.2. Fine;

10.1.3. Temporary suspension of the right to trade;

10.1.4. Termination of membership.

10.2. The Member shall be notified in writing for insignificant violation of these Rules or delay in payment by the Member of commissions and membership fees of the Exchange, as well as other payments provided by the tariff schedule.

10.3. Violation of rules by a member or his authorized trader, including abuse, price manipulation, fraud, forgery, concealment or intentional non-disclosure of information, connection to the trading system, violation of technical conditions established by the Exchange for its use and information security, as well as In case of repeated violation of the rules, violation of the rules of ethical conduct established by the Exchange by the authorized trader of the Member, in addition to the requirement to compensate the Member for damages, may be fined from 0.1% to 1% of the Member's total capital. The amount of the fine is determined by the Membership Commission depending on the degree of seriousness of the violation of the Exchange's rules. Payment of the penalty must be made by the Member within 5 (five) working days from the date of the relevant decision. The Membership Commission may impose a penalty for each day from the date of announcement of the decision until the violation is remedied by the Member. In this case, the maximum amount of the total penalty shall not exceed 2% of the Member's total capital.

10.4. Violation of the normal operation of the market by the Member, as well as the creation of conditions that may lead to this as a result of the Member's activities, failure of the member to fulfill the obligations under these Rules, as well as delays

in submitting information to the Exchange. In case of delay of other payments, the Member's right to trade shall be suspended by the decision of the Membership Commission for a period not exceeding 12 (twelve) months.

- 10.5 In case of gross violation of the rules and legislation of the Exchange, normal operation of the market and the rights of market participants by the Member, or obvious facts of extensive damage to the investor and the market as a result of abuse of the member's rights, fraud, fraud, In case of non-payment of commissions, membership fees and other payments provided by the tariff schedule, and in other cases stipulated by these Rules, the Membership Commission terminates the exchange membership.
- 10.6. In case of violation of the requirements of these Rules, the following disciplinary measures may be taken against the authorized traders of the member by the decision of the Membership Commission:
 - 10.6.1. Warning;
 - 10.6.2. Temporary suspension of the activities (rights) of an authorized trader on the Exchange;
 - 10.6.3. Termination of the activity of an authorized trader on the stock exchange.
- 10.7. The authorized trader shall be notified in writing by the authorized trader for any insignificant violation of these Rules.
- 10.8. In case of violation of the normal operation of the market by an authorized trader, as well as the creation of conditions that may lead to its operation, violation of the rules of ethical conduct established by the Exchange, the authorized trader's trading rights are suspended for no more than 3 (three) days.
- 10.9. The Membership Commission terminates the activities of an authorized trader on the Exchange in case of persistent violation of the Exchange rules and legislation by an authorized trader, including gross violation of the normal operation of the market and the rights of market participants, as well as repeated violations of the market and the rights of market participants.
- 10.10. In case of disciplinary action, informs the Exchange member (and in case of disciplinary action against the authorized trader of the member) and the Committee.

10.11. The decision on disciplinary measures taken by the Membership Commission against the members shall be made public by the Exchange within 1 (one) business day.

11. Membership Commission

11.1. The Membership Commission is elected by the Exchange's Supervisory Board for a term of 3 (three) years.

11.2. The number of members of the Membership Commission shall not be less than 3 (three) and not more than 7 (seven).

11.3. Members of the Membership Commission have the right to be re-elected at the end of their term.

11.4. One of the members of the Membership Commission is appointed by the Supervisory Board of the Exchange as the Chairman of the Membership Commission.

11.5. The Supervisory Board of the Exchange may terminate the powers of the members of the Membership Commission in the following cases:

11.5.1. when a member resigns,

11.5.2. when a member dies,

11.5.3. when defects are found in the activities of the member.

11.6. The Membership Commission prepares its charter, which is approved by the Exchange's Supervisory Board.

11.7. Meetings of the Membership Commission are convened by the Chairman of the Membership Commission. A meeting of the Commission shall be deemed valid if more than half of its members are present.

11.8. Decisions of the Membership Commission shall be taken by a simple majority of votes. In the event of a tie, the chairman (or acting chairman) shall have the casting vote.

11.9. Meetings of the Membership Commission are chaired by the Chairman of the Commission. If the chairman of the commission is unable to attend the meeting,

the members present at the meeting shall appoint a deputy chairman to chair the meeting.

11.10. Minutes of all meetings of the Membership Commission shall be kept. The protocol must be signed by the members of the Membership Commission.

11.11. In the event of a conflict of interest between any member of the Membership Commission and the member or applicant to be decided by the Commission, the said member or members of the Commission shall not take part in the voting.

11.12. All decisions made by the Membership Commission come into force after approval by the Chairman of the Board of the Exchange.

11.13. The Membership Commission has the following powers:

11.13.1. Decision on membership applications, admission to membership or rejection of membership application;

11.13.2. Temporary suspension of membership, termination of membership;

11.13.3. Registration of authorized traders, decision-making on traders' rights and obligations;

11.13.4. Temporary suspension or termination of trading privileges granted to authorized traders;

11.13.5. Monitoring the compliance of a member or an authorized trader with these Rules;

11.13.6. Determining disciplinary action against members or traders violating these Rules;

11.13.7. Determining the content of applications for membership, information, reporting or other current obligations used by the person or members applying for membership.

11.14. Decisions made by the Membership Commission shall be made public.

12. Supervise members' compliance with the rules

12.1 In order to monitor compliance with these Rules and ensure compliance with the Rules, the Exchange may inspect its members on the spot and require them to submit relevant documents.

- 12.2 Necessary information or documents required during on-site inspection must be submitted to the Exchange. The Exchange must protect the confidentiality of all materials submitted.
- 12.3 The results of the inspection shall be reported to the Committee.

13. Other provisions

- 13.1. All appeals against the decisions of the Membership Commission on the granting, suspension, termination of membership, as well as the adoption of disciplinary measures, shall be considered by the Dispute Settlement Commission within the powers of this commission.
- 13.2. All additions and changes to these Rules are considered an integral part of it.