

Chairman

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Regulations on requirements for prospectus and information memorandum

1. General provisions

1.1. These Regulations have been developed in accordance with Articles 5.3, 5.5.3, 5.5.4, 5.9 and 5.11 of the Law of the Republic of Azerbaijan 'on the Securities Market' and determine requirements for prospectus and information memorandum.

1.2. Public offering of investment securities is accompanied with a prospectus. The issuer or the person offering investment securities should draw up a prospectus for issuance of investment securities on the regulated market.

1.3. The issuer is free from compiling the prospectus if:

1.3.1. investment securities are issued by the state and municipality, international organizations seconded by the Republic of Azerbaijan or the Central Bank of the Republic of Azerbaijan;

1.3.2. investment securities with government guarantee are issued;

1.3.3. shares that do not require payment from shareholders and shares issued in the same type as existing shares instead of payment of dividends are issued;

1.3.4. shares issued over one calendar year are publicly offered in a regulated market in the amount of less than ten percent of issuer's authorized capital;

1.3.5. investment securities are converted;

1.3.6. public offering of investment securities is not envisaged.

1.4. Information memorandum is compiled instead of the prospectus if:

1.4.1. investment securities, including rights to this type of investment securities, are offered to shareholders or stockholders of the merging legal entity and placed among them;

1.4.2. investment securities, including rights to this type of investment securities, are offered to shareholders or stockholders of the separating legal entity and placed among them;

1.4.3. the amount of the issue of investment securities is less than AZN100,000 (one hundred thousand);

1.4.4. the total nominal value of investment securities issued by the issuer over one calendar year does not exceed AZN1,000,000 (one million);

1.4.5. offered to institutional investors.

1.5. The issuer compiles a base prospectus for several bond issues to be issued within a year. The requirements set forth in Item 2.1 herein apply to the base prospectus.

2. Requirements for the prospectus and information memorandum

2.1. The prospectus should include the following:

2.1.1. a list of all individuals (1st, last, middle names of each, position held) and legal entities (names and registered addresses) responsible for all or part of the information included in the prospectus;

2.1.2. statements of the persons mentioned in sub-item 2.1.1 herein that the information included in the prospectus is based on real facts, no facts are concealed and all necessary measures are taken for this purpose;

2.1.3. clear and detailed content of the prospectus;

2.1.4. summary prepared in accordance with Annex 1 herein. The summary should not exceed 7% of total volume of the prospectus or 15 pages. The information in the summary should be presented in a clear and understandable manner;

2.1.5. information on the issuer during issuance of shares as per Annex 2 herein;

2.1.6. information on the issuer under Annex 7 herein if the bonds issuer is a bank;

2.1.7. information on the issuer under Annex 8 herein if the bonds issuer is a foreign public authority;

2.1.8. information on the issuer under Annex 9 herein if the bonds issuer is an organization established by several states (international organization);

2.1.9. information on the issuer under Annex 5 herein, if the bonds issuer is not the person specified in sub items 2.1.6, 2.1.7 and 2.1.8 herein;

2.1.10. information on the guarantor in accordance with sub-items 2.1.6 - 2.1.9 herein, depending on the type of activity and organizational legal form of the guarantor (in case of issuance of secured bonds);

2.1.11. information on the shares offered in accordance with Annex 4 herein;

2.1.12. information on the bonds offered in accordance with Annex 6 herein;

2.1.13. information required under Part 1, Annex 10 herein (for a base prospectus);

2.1.14. description and terms of securitization on secured bonds;

2.1.15. if the information included in the prospectus is audited, the relevant auditor's opinion and audit report;

2.1.16. when a report of any expert is included in the prospectus, his/her 1st, last, middle names, place of work, specialty and information that may affect independence of the expert and cause a conflict of interests (information should be reflected under the heading 'Expert reports and conflict of interest declaration');

2.1.17. when the information provided by third parties is included in the prospectus, the issuer's statement that the information is accurate and not distorted, indicating the sources (should be reflected under the heading 'Third party information');

2.1.18. when information on consultants involved in the issue is included in the prospectus, information on the nature of their participation. If a base prospectus is drawn up, the issuer should prepare Final Terms of the bond issue (hereinafter - the Final Terms) for each bond issue as an additional document to the base prospectus in accordance with the requirements of Part 2 of Annex 10 herein.

2.2. The procedure for disclosing the final terms should be the same as for disclosing their base prospectus.

2.3. The final terms should not change or contradict any information provided in the base prospectus.

2.4. In preparing the final terms, reference is made to the base prospectus.

2.5. Final terms should be accompanied by a statement containing the following information:

2.5.1. information on reading the final terms together with the base prospectus;

2.5.2. place of disclosure of the base prospectus and its annex(es);

2.5.3. information on addition of a summary of each issue to the final terms.

2.6. A summary of each bond issue issued on the basis of the base prospectus should be attached with the final terms. The following information should be included in that summary:

2.6.1. information on that issue from the summary of the base prospectus;

2.6.2. the rights defined by the base prospectus and related to this issue.

2.7. Final terms should be signed by the issuer's legal representative, the person responsible for the issue prospectus, or both.

2.8. The following information is included in the prospectus with reference to previously published documents:

2.8.1. annual or interim financial reports;

2.8.2. information disclosed in mass media on reorganization of the issuer by merger or separation;

2.8.3. audit reports;

2.8.4. foundation documents of the legal entity;

2.8.5. prospectuses previously approved or published;

2.8.6. information of public authorities related to the issuer or issue.

2.9. If the information provided by reference consists of information that has changed, the prospectus should provide updated information about it.

2.10. In case of inaccurate and unclear delivery of reference that may endanger protection of investors' rights in terms of clear presentation of information, the information may not be provided based on a reference.

2.11. The issuer should disclose the following documents (or their copies) in electronic or paper form during the validity of the prospectus or information memorandum:

2.11.1. issuer's founding documents;

2.11.2. reports, letters, past financial information, assessments and other documents prepared at the request of the issuer and prepared by any expert mentioned in the prospectus;

2.11.3. financial information of the issuer and its subsidiaries over recent 2 years;

2.12. If the issuer is a foreign public authority, during the period of validity of the prospectus, it should disclose only the information specified in sub-clause 2.11.2 herein.

2.13. If the issuer is an international organization, during the period of validity of the prospectus, only the information specified in sub-items 2.11.1 and 2.11.2 herein and financial statements and audit reports of the issuer for recent 2 years should be disclosed.

2.14. If any of the documents specified in Items 2.11, 2.12 and 2.13 herein are not compiled in the Azerbaijani language, these documents should be disclosed together with the document translated into the Azerbaijani language.

2.15. The information memorandum should be developed in accordance with Annex 1 herein.

Requirements for the summary (information memorandum)

1. Warnings

1.1. Warning in the following content:

1.1.1. this document is the introductory part of the prospectus;

1.1.2. any decision to invest in securities should be made after reading the investor's prospectus (information memorandum);

1.1.3. Persons who prepared the prospectus bear civil liability if the information contained in the prospectus (information memorandum) is incorrect, inaccurate, and contradictory or the base information to help investors who decide whether to invest in securities is not provided.

2. Information on an issuer and a guarantor (if any)

2.1. The following information should be provided during issuance of shares:

2.1.1. The issuer's full name;

2.1.2. Issuer's address and organizational-legal form, country of registration;

2.1.3. Description of main markets the issuer competes in and a study of gross income, taking into account the category of activity and geographical factors for the current year;

2.1.4. Description of the most important recent trends affecting the issuer and the areas it operates in;

2.1.5. Brief description of the issuer's position in other legal entities;

2.1.6. Names, nationality and number of shares owned by shareholders holding a significant share in issuer's authorized capital and percentage ratio in the authorized capital;

2.1.7. Information on voting rights on shares held by shareholders with qualifying holding;

2.1.8. The nature of control over the issuer by shareholders with qualifying holding;

2.1.9. Key indicators of the issuer's financial condition based on selected financial information for each financial year for recent three financial years. When delivering financial information selected for interim periods, comparative information for the same period in the previous financial year should be provided. Financial information should be accompanied by a detailed explanation;

2.1.10. selected pro forma financial information. Note that the selected pro forma financial information describes the issuer's assumed position and therefore does not reflect the company's actual financial performance;

2.1.11. Related note when income forecast is available;

2.1.12. Brief description of the auditor's opinion on the audited financial information;

2.1.13. Information on sources of additional funds required if the working capital is insufficient for current needs of the issuer.

2.2. The following information should be provided during issuance of bonds:

2.2.1. the issuer's full name;

2.2.2. the issuer's address and organizational-legal form, country of registration;

2.2.3. description of the most important recent trends affecting the issuer and the areas it operates in;

2.2.4. brief description of the issuer's position in other legal entities. Relevant note if the issuer depends on the persons in the group;

2.2.5. a relevant note, if income forecast is available;

2.2.6. brief description of the auditor opinion on audited financial information;

2.2.7. main indicators of issuer's financial standing on the basis of selected financial information selected over recent three financial years. Information whether there has been a change in the issuer's performance since recent published audited financial statements. When providing financial information selected for interim periods, comparative information for the same period in the previous financial year should be provided;

2.2.8. the most recent events affecting issuer's solvency assessment;

2.2.9. description of issuer's main activities;

2.2.10. the nature of control over the issuer by shareholders with qualifying holding.

2.3. The following information should be provided when bonds are issued by a bank:

2.3.1. the issuer's full name;

2.3.2. the issuer's address and organizational-legal form, country of registration;

2.3.3. description of known trends affecting the issuer and the areas it operates in;

2.3.4. brief description of the issuer's position in other legal entities. Relevant note if the issuer depends on the persons in the group;

2.3.5. a relevant note, if income forecast is available;

2.3.6. brief description of the auditor opinion on audited financial information;

2.3.7. main indicators of issuer's financial standing on the basis of selected financial information selected over recent three financial years. Information whether there has been a change in the issuer's performance since recent published audited financial statements. When providing financial information selected for interim periods, comparative information for the same period in the previous financial year should be provided;

2.3.8. the most recent events affecting issuer's solvency assessment;

2.3.9. description of issuer's main activities;

2.3.10. the nature of control over the issuer by shareholders with qualifying holding.

2.4. The following information should be provided when bonds are issued by a foreign public authority:

2.4.1. the issuer's name and description of activities in its home country;

2.4.2. the most recent events affecting issuer's solvency assessment;

2.4.3. the structure of economic sectors of the issuer's home country;

2.4.4. gross domestic product of the issuer's country by sectors of the economy for previous two fiscal years.

2.5. The following information should be provided when bonds are issued by an international organization:

2.5.1. issuer's name and legal address;

2.5.2. issuer's organizational-legal form;

2.5.3. brief description of issuer's goals and functions;

2.5.4. information on financing sources, guarantees and obligations to be fulfilled by the members to the issuer;

2.5.5. the most recent events occurred with respect to issuer's solvency assessment;

2.5.6. selected audited financial information covering recent two financial years.

Description of changes in issuer's financial standing since recent audited financial information.

3. Information on securities

3.1. The following should be provided during issuance of shares:

3.1.1. the type and registration number of shares (for shares in circulation);

3.1.2. the number and nominal value of shares in issuer's issue account. The number and nominal value of shares of the issuer owned by issuer's subsidiaries;

3.1.3. the rights set for shares;

3.1.4. restrictions set for shares;

3.1.5. information on whether the issuer intends to apply for issue of shares to trading on the regulated market. Information on the regulated market in which the shares will be traded and the terms of the auction if such an application is intended;

3.1.6. description of the issuer's dividend policy.

3.2. The following should be provided during issuance of bonds:

3.2.1. Type of bonds;

3.2.2. Currency of bonds;

3.2.3. Restrictions set on bonds;

3.2.4. Description of the rights set on bonds;

3.2.5. Bonds' interest rate. Date and maturity of interest and value of bonds. If the interest rate is not set, the method based upon which the interest rate on the bond is calculated, information on that basis and sources of its determination;

3.2.6. Description and terms of collateral on secured bonds;

3.2.7. Terms of recovery of bonds;

3.2.8. Income indicator showing the method of calculating income in a short form;

3.2.9. The name of the representative of the bonds' owner;

3.2.10. Clear and detailed information on the effect of the value of collateral on payment of bonds and interest on them when secured bonds are offered;

3.2.11. Information on whether the issuer intends to apply for trading of bonds on the regulated market. Information on the regulated market in which shares will be traded and the terms of the auction if such an application is intended.

4. Risk factors

4.1. Risk factors necessary to assess market risks associated with offered securities;

4.2. Risk factors specific to the issuer or its field of activity during the share issue, risk factors that may affect the issuer's ability to fulfill its obligations during the bond issue;

5. Offering

5.1. The following information should be provided during issuance of shares:

5.1.1. Costs of issuance and net amount of funds to be raised;

5.1.2. Reasons for offering, use of revenues, expected net amount of revenues;

5.1.3. Description of terms of offering;

5.1.4. Interests of persons involved in issuance, including detailed information on conflict of interests;

5.1.5. name and address of owners of the offered shares, information on agreements between the issuer and any shareholder on non-sale of shares belonging to that shareholder within the specified period, the parties involved, the term of the agreement;

5.1.6. Probabilities of change in shares of existing shareholders as a result of a new share offer (indicating the amount and percentage);

5.1.7. The amount of taxes and expenses to be paid by the share buyer.

5.1.8. Information on the underwriter who will participate in placement of securities (name, license number, date of issue).

5.1.9. Start and end dates of the offer and placement of securities;

5.1.10. A note that the underwriter provides information on the terms of the offer to investors at the time of offer.

5.2. The following information should be provided during issuance of bonds:

5.2.1. The reason for the issuance if the reason for the offer is different from profit earning or insurance from some risks;

5.2.2. Description of terms of offering;

5.2.3. Detailed information on persons involved in issuance, including conflict of interests;

5.2.4. The amount of taxes and expenses to be paid by the bond buyer.

Information required on the issuer of shares

1. Information on issuer's auditors

1.1. Information on names, addresses and membership in any organization of issuer's auditors over recent three financial years;

1.2. Information on replacement or change of auditors over recent three financial years, indicating reasons.

2. Selected financial information

2.1. Main indicators of issuer's financial standing based upon selected financial information over recent three financial years (indicating each financial year separately). When delivering financial information selected for interim periods, comparative information for the same period in the previous financial year should be provided.

3. Information on the issuer

3.1. The issuer's full name, organizational-legal form;

3.2. Issuer's state registration requisites;

3.3. When issuer's organizational-legal form changes, all its previous names, organizational-legal forms, as well as state registration dates of these changes;

3.4. The issuer's location, postal and e-mail addresses, website and contact numbers;

3.5. Description of issuer's main investments over three financial years, per financial year (indicating the amount);

3.6. Description of issuer's current investments, their geographical allocation (foreign and domestic) and financing method (external and internal);

3.7. Obligations of managerial bodies related to issuer's future investments.

4. Summary of the issuer's business

4.1. Main factors related to the nature of issuer's operations and main activities and their description, indicating main categories of products sold or services supplied by the issuer over recent three financial years (per financial year);

4.2. Information on provided new products or services, their development status;

4.3. Description of main markets the issuer competes in and grouping of total revenues for recent three financial years (per financial year), taking into account the category of activity and geographical factors;

4.4. Factors affecting the information in Items 4.1, 4.2 and 4.3 of this Annex;

4.5. Information on issuer's dependence on patents and licenses, the industry, commercial or financial agreements or production;

4.6. If the issuer has a statement on the competitive position, its substantiation.

5. Participation in other organizations

5.1. Brief description of issuer's position in other legal entities;

5.2. Issuer's participation shares (in %) in all subsidiaries and other entities, their full name and location.

6. Issuer's fixed assets

6.1. Issuer's leased, existing and would-be fixed assets;

6.2. Description of factors related to the environment that may affect use of fixed assets (changes in fixed assets under the influence of external factors, depending on the issuer's activity direction).

7. Overview of issuer's financial and operating results

7.1. Profit and loss indicators over recent three financial years (per financial year);

7.2. in case of changes in issuer's financial position, the changes and information on them;

7.3. Factors affecting issuer's operating income and the factors that determine how much the income depends on it;

7.4. Description of the reasons for changes in net sales or income when they are disclosed in financial statements;

7.5. information on factors that economic, fiscal, monetary, political and other factors have affected issuer's operations or may directly or indirectly affect them.

8. Issuer's capital resources.

8.1. Issuer's capital investments (short and long term);

8.2. Explanation and description of sources and amounts of issuer's cash flow;

8.3. Information on issuer's borrowing needs and funding structure;

8.4. Information related to any restrictions on use of capital investments that have directly or indirectly affected or may affect issuer's operations;

8.5. Information on the sources of funds required to fulfill the obligations specified in Items 3.7 and 6.1 of this Annex.

9. Researches, licenses and patents.

Information on issuer's researches, patents, intellectual property and licenses, including the amount spent on research and development activities carried out at the expense of the issuer over recent three financial years.

10. Information on trends

10.1. Trends observed in the economic area in which the issuer operates (production, sales and inventories, costs and selling prices) from the beginning of the current financial year to the date of the decision to issue shares;

10.2. Information on known trends, uncertainties, requirements, liabilities or events likely to affect issuer's activities over the current financial year.

11. Income forecast

11.1. The issuer, at its discretion, includes income forecast to the prospectus in accordance with the requirements of Items 11.2 - 11.5 of this Annex;

11.2. A statement of key assumptions identified by the issuer and forming a basis of forecast should be included to the income forecast. The report should clearly distinguish between factors and assumptions that may be affected by the issuer's management board, as well as those beyond the control of the board;

11.3. The independent auditor's report on compliance of the income forecast with the issuer's accounting policy should be included to the income forecast;

11.4. The income forecast or calculation should be prepared on a basis of comparability with past financial data;

11.5. When a previously published income forecast is included in the prospectus, information on validity of that forecast on the date of issue of the prospectus should be provided.

12. Issuer's founders, management and control bodies

12.1. If the issuer has existed for less than 5 years, information on its founders, indicating 1st, last, middle names and positions of each of them;

12.2. The following information on each person who is a member of the management and control bodies of the issuer:

12.2.1. 1st, last, middle names;

12.2.2. Information on education;

12.2.3. Current position and positions held in this or other legal entities recent five years;

12.2.4. Information on the existence of any close relationship between these persons;

12.2.5. Information on whether the person has been convicted of job fraud recent five years;

12.2.6. Information on liquidation, declaration of bankruptcy or initiation of bankruptcy of a legal entity when the person holds a leading position in the management of any legal entity;

12.2.7. Information on a conflict of interests in cases where there may be a conflict between official duties and personal interests of the person;

12.2.8. Shares of these persons in issuer's authorized capital or options for issuer's shares.

13. Rewards, privileges and other compensations of the persons participating in the management of the issuer

13.1. The amount of bonuses (including any conditional or deferred compensations) paid to the persons specified in Item 12.2 of this Annex at the end of the financial year, the services provided to them by the issuer and its subsidiaries;

13.2. Amounts allocated by the issuer or its subsidiaries to provide compensation or aid.

14. Management board's business practice

14. 1. The following information on the persons specified in Item 12.2. of this Annex based upon results of the financial year:

14.1.1. Period of service in the current position and the expiration date of the term of office;

14.1.2. Information on service contracts of administrative, management or supervisory bodies with the issuer or its subsidiaries to provide benefits in connection with termination of powers;

14.2. Names of members of the Audit and Remuneration Committees (if any) and a summary of the work done based on powers given to them by regulations of committees.

14.3. A report on whether the issuer complies with corporate governance standards in the country of registration. An explanation if not compliant.

15. Issuer's staff

15.1. Number of employees of the issuer over recent three financial years (per financial year) and for the period before the decision to issue shares, indicating the number of temporary and permanent employees of the issuer;

15.2. Participation of the staff in issuer's authorized capital;

15.3. Information on programs to attract employees to issuer's authorized capital.

16. Shareholders with qualifying holding in issuer's authorized capital

16.1. Names, citizenship and number of shares owned by shareholders holding more than ten percent share in issuer's authorized capital and percentage in the authorized capital;

16.2. Information on voting rights of shareholders with qualifying holding on shares they hold;

16.3. Features of control over the issuer by shareholders with qualifying holding and description of measures to ensure that this control is not abused;

16.4. Information on transactions known to the issuer that may lead to a change in shareholders with qualifying holding.

17. Related party transactions

17.1. The following information on issuer's contracts with related parties over recent three financial years developed according to the International Financial Reporting Standards (IFRS);

17.2. In case the information is not developed under the IFRS, the said information should include the following:

17.2.1. The nature and size of the contract;

17.2.2. in case related parties fail to meet the liability in full, explanation of the reason;

17.2.3. The amount of issuer's outstanding debts;

17.2.4. The share of related party transactions in issuer's total turnover.

18. Issuer's financial information

18.1. Issuer's audited financial statements for three financial years ended;

18.2. In case the issuer has been operating for less than one year, audited financial statements covering that period;

18.3. In case the issuer fails to develop financial statements due to being a newly established legal entity, it should deliver a pro forma financial report as per Annex 3 herein instead of financial statements;

18.4. In case financial statements are not developed under the IFRS, they should be developed in accordance with national accounting standards and include at least the following:

18.4.1. A report on financial condition;

18.4.2. Income statement;

18.4.3. A report on change in capital;

18.4.4. Statement of cash flows;

18.4.5. The accounting policy and explanatory notes.

18.5. Issuer's consolidated financial statements (if any);

18.6. Interim and other financial information;

18.7. If the issuer publishes quarterly or semi-annual financial statements from the date of approval of last audited financial statements, it should include them in the prospectus. If quarterly or semi-annual financial statements are audited, an audit opinion should be attached with the report. If quarterly or semi-annual financial statements are not audited, this should be noted in the prospectus;

18.8. If the prospectus is prepared nine months after last audited financial statements, at least half-yearly financial statements, whether audited or not, should be attached with the prospectus. The interim financial report should be prepared together with the comparative report for the same period as the previous financial year;

18.9. Information on dividends per share and paid over recent three financial years (indicating the number of shares of the issuer separately for each financial year);

18.10. Information on legal processes (including pending processes) during the previous year that affect the issuer's financial position or profitability;

18.11. Information on changes in the issuer's financial position after publication of financial statements.

19. Additional information on the issuer

19.1. Information on issuer's authorized capital and its composition, including the amount of authorized capital, the number of shares, their nominal value and types, as well as privileges for certain types of shares, the content of rights established by common and preferred shares;

19.2. The number and nominal value of the issuer's shares in the issue account;

19.3. The number and nominal value of issuer's shares owned by the issuer's subsidiaries;

19.4. Information on issuer's convertible and secured securities, indicating the main terms and amount;

19.5. Information on options for the issuer's shares;

19.6. Information on changes in the authorized capital for recent three years;

19.7. The following information on the charter of the issuer:

19.7.1. Description of its activities and goals;

19.7.2. Summary of the provisions on the powers of management and control bodies;

19.7.3. Description of restrictions per type of shares;

19.7.4. Procedure for convening annual and extraordinary general meetings of shareholders.

19.8. Information on contracts not related to the issuer's main activity for recent 2 years.

Requirements for pro forma financial report

1. A pro forma financial report should include description of transactions, businesses and parties to transactions, the period the information relates to; indicate the goal of its development and indicate that the report describes the assumption-based situation and therefore does not reflect company's actual financial performance.
2. The issuer includes a balance sheet, an income statement and accompanying explanatory notes to the pro forma financial report.
3. The pro forma financial report is delivered as a table and includes the following information:
 - 3.1 uncorrected previous financial information;
 - 3.2 pro forma corrections (the effect of the transaction on past financial indicators);
 - 3.3 Final pro forma financial information.Sources of the pro forma financial report should be announced and financial reports of merged entities (if any) included to the prospectus.
4. The pro forma financial report should be prepared in accordance with accounting standards in issuer's recent or subsequent financial statements and specify the source of additional information entered;
5. The pro forma financial report should be published only in connection with the following:
 - 5.1 current financial period;
 - 5.2 recent financial period;
 - 5.3 last interim financial period.
6. Adjustments to proforma financial information should be clearly stated and directly related to transactions.
7. The auditor's opinion on correctness of the pro forma financial report and attached with the report in accordance with the issuer's accounting policy.

Information required on shares

1. Main information

- 1.1. Report on issuer's working capital (current assets less current liabilities);
- 1.2. Information on the fact that working capital is sufficient for issuer's current needs or information on additional funds needed and their sources;
- 1.3. Report on issuer's capitalization and debts (guaranteed and unguaranteed, secured and unsecured, direct and conditional lending) over recent three months prior to development of the prospectus;
- 1.4. Detailed information on interests of the persons, involved in the issuance, including a conflict of interests;
- 1.5. Reasons for offering of shares and detailed information on the use of funds from placement or selling of shares;
- 1.6. Amount and sources of other money funds needed, in case the proceeds are not enough to finance planned projects;
- 1.7. Detailed information, if the proceeds are intended to be used to finance acquisition of other entities, repay or restructure debts, or acquire assets not related to issuer's core business.

2. Information on offered shares

- 2.1. Laws of the Republic of Azerbaijan, regulating issuance of securities;
- 2.2. Types of shares;
- 2.3. The number and nominal value of offered shares (information on newly issued and existing shares should be indicated separately);
- 2.4. The registration number of shares (for shares in circulation);
- 2.5. The rights set with shares;
- 2.6. Restrictions set with shares;
- 2.7. Location of the Central Depository that maintains safekeeping and accounting of the rights on them;
- 2.8. The dividend policy;
- 2.9. In case of application of the right of priority, the procedure and term of exercise of that right, or a note on non-application of the right of priority;
- 2.10. Terms of repurchase of shares (if any);
- 2.11. Terms of conversion of shares (if any);

- 2.12. The date and the number of the decision on issuance of shares and the name of the managerial body of the issuer that took the decision;
- 2.13. Restrictions on acquisition of shares (if any);
- 2.14. Related information, if issuance of shares relates to any forced merger or separation;
- 2.15. Mandatory offers on purchase of issuer's shares over the previous and current financial years. Information on these offers and price or conversion terms on their results;
- 2.16. Information on withholding tax on dividends. Issuer's obligation to withhold tax from dividends.

3. Terms of the offer

- 3.1. Start and end dates of the offer and placement;
- 3.2. The period during which the prospectus may be changed during the period of validity of the offer and the procedure for making changes;
- 3.3. Explanation of the cases of suspension or cancellation of the offer;
- 3.4. Conditions for early completion of the offer;
- 3.5. Procedure for share subscription;
- 3.6. Minimum and maximum subscription amount;
- 3.7. Procedure for withdrawal of orders during subscription and refund of excess amount paid by subscribers;
- 3.8. Procedure for placement of shares when the amount of orders exceeds the amount of the offer at the time of subscription;
- 3.9. Terms of acceptance or non-acceptance of several orders by one person at the time of subscription;
- 3.10. Procedure for payment of share value and supply of shares to investors;
- 3.11. Information on the procedure for exercising the right of priority and its consequences if that right is not exercised;
- 3.12. Information on different categories of potential investors;
- 3.13. Information on how to send notices to investors about the start of sale of shares and whether the sale can start before the notice;
- 3.14. Information on the basis of issuer's information on shareholders with qualifying holding of shares placed or members of the issuer's management and control bodies or persons intending to buy more than 5% of the offer;
- 3.15. Information on division of the offer for institutional and retail investors and issuer's employees in parts;
- 3.16. Description of preferential purchase of pre-determined shares for certain groups of investors at the time of placement, the percentage of shares allocated for such preferential purchase and the criteria for inclusion in such groups of investors;
- 3.17. Offer price of shares. If the price is unknown, information on the person (s) involved in this process and responsible, indicating the method of setting the share price;
- 3.18. Procedure for disclosure of the selling price;

3.19. Amount of taxes and expenses to be paid by the buyer of the share;

3.20. Information on the underwriter (name, license number, date of issue) that places shares with or without obligation, service fee.

4. Access to trading and its regulation

4.1. Information on whether the issuer intends to apply for access to trading of shares in the regulated market. Information on the regulated market in which the shares will be traded in the event of such an application and the terms of access to trading;

4.2. Information on regulated markets where issuer's securities are traded;

4.3. Information on marketmaker(s) (if any);

4.4. In case of deals aimed at stabilizing the share price, the following should be noted:

4.4.1. Information on possibility of stabilization;

4.4.2. The beginning and end of the stabilization period;

4.4.3. The set minimum and maximum price range.

5. Information on owners of offered shares

5.1. Names and addresses of owners of offered shares, as well as the nature of relations between them and the issuer over recent three years;

5.2. Number and type of offered securities owned by shareholders;

5.3. The following information on agreements between the issuer and any shareholder on non-sale of shares owned by that shareholder within the specified period:

5.3.1. Involved parties;

5.3.2. Summary of the contract and exceptions;

5.3.3. The period of the agreement.

6. Issuance cost

6.1. Expenses for issuance and net amount of funds to be attracted.

7. Decrease of share

7.1. Probability of change in shares of existing shareholders because of a new share offer.

Information required on the issuer and guarantor (if any) of bonds

1. Information on issuer's auditors

1.3. Information on the names, addresses and membership of the issuer's auditors over recent three financial years;

1.4. Information on the reasons for replacement or change of auditors over recent three financial years.

2. Selected financial information

2.1. Key indicators of the issuer's financial condition based on selected financial information for recent three financial years (indicating separately for each financial year). When selecting financial information for interim periods, comparative information for the same period in the previous financial year.

3. Information on the issuer

3.1. The issuer's full name, organizational-legal form;

3.2. Issuer's state registration requisites;

3.3. In case the issuer's organizational-legal form changes, its all previous names, organizational-legal forms, including state registration dates of changes;

3.4. The issuer's location, postal and e-mail addresses, website and contact numbers;

3.5. Description of major investments from the date of last publication of financial statements (indicating the amount);

3.6. Information on obligations of management bodies related to issuer's future investments and sources of funds required to meet those obligations.

3.7. Information on regulated markets issuer's securities are listed in.

4. Overview of issuer's business

4.1. Description of issuer's main activities indicating main categories of products sold or services supplied;

4.2. Information on introduced new products or services, their development status;

4.3. Description of main markets the issuer competes in;

4.4. In case the issuer has a statement on the competition position, its substantiation.

5. Participation in other organizations

5.1. Brief description of issuer's participation in other legal entities;

5.2. Dependence of the issuer on the groups it belongs to and the reason for dependence.

6. Information on trends

6.1. Information that there have been no adverse changes in the issuer's prospectus since the date of last publication of audited financial statements;

6.2. Information on known trends, uncertainties, requirements, liabilities or events likely to affect issuer's activities during the current financial year.

7. Income forecast

7.1. The issuer, at its discretion, includes income forecast to the prospectus in accordance with the requirements of Items 7.2 - 7.5 of this Annex;

7.2. A statement of key assumptions identified by the issuer and forming a basis of forecast. The report should clearly distinguish between factors and assumptions that may be affected by the issuer's management board, as well as those beyond the control of the board;

7.3. The independent auditor's report on compliance of the income forecast with the issuer's accounting policy should be included to the income forecast;

7.4. The income forecast or calculation should be prepared on a basis of comparability with past financial data;

7.5. When a previously published income forecast is included in the prospectus, information on validity of that forecast on the date of issue of the prospectus.

8. Issuer's management and control bodies

8.1. The following information per member of issuer's management and control bodies:

8.1.1. 1st, last, middle names

8.1.2. Functions;

8.1.3. A report on a conflict of interest in the event of a conflict between official duties and personal interests.

9. Management board's business practice

9.1. Names of members of Audit and Remuneration Committees (if any) and a summary of the work done based on powers given to them by statutes of committees;

9.2. A report on whether the issuer this if not compliant.

10. Person's with qualifying holding in issuer's authorized capital

10.1. Names, citizenship and number of shares owned by persons holding more than ten percent share in issuer's authorized capital and percentage in authorized capital;

10.2. Features of control over the issuer by shareholders with qualifying holding and description of measures to ensure that this control is not abused;

10.3. Information on transactions known to the issuer that may lead to a change in shareholders with qualifying holding.

11. Issuer's financial information

11.1. Issuer's audited financial statements for recent two financial years ended;

11.2. In case the issuer has been operating for less than one year, audited financial statements covering that period;

11.3. In case financial statements are not developed under the IFRS, they should be developed in accordance with national accounting standards and include at least the following:

11.3.1. A report on financial condition;

11.3.2. Income statement;

11.3.3. A report on change in capital;

11.3.4. Statement of cash flows;

11.3.5. Accounting policies and explanatory notes.

11.4. Issuer's consolidated financial statements (if any);

11.5. If the issuer publishes quarterly or semi-annual financial statements from the date of approval of last audited financial statements, it should include them in the prospectus. If quarterly or semi-annual financial statements are audited, an audit opinion should be attached with the report. If quarterly or semi-annual financial statements are not audited, this should be noted in the prospectus;

11.6. If the prospectus is prepared nine months after last audited financial statements, at least half-yearly financial statements, whether audited or not, should be attached with the prospectus. The interim financial report should be prepared together with the comparative report for the same period as the previous financial year;

11.7. Information on legal processes (including pending processes) during the previous year that affect the issuer's financial position or profitability;

11.8. Information on changes in the issuer's financial position after publication of financial statements.

12. Additional information on the issuer

12.1. Information on issuer's authorized capital and its composition, including the amount of authorized capital, the number of stocks (shares), their nominal value and types, as well as privileges for certain types of shares, the content of rights established by common and preferred shares;

12.2. The following information on issuer's charter:

12.2.1. Description of activities and goals;

12.2.2. Summary of provisions on powers of management and control bodies;

12.3. Information on contracts not related to the main activity of the issuer, which affect the issuer's ability to fulfill its obligations on securities in terms of issued securities.

Information required on bonds

1. Main information

1.1. Detailed information on interests of persons involved in the issuance, including a conflict of interests;

1.2. Reasons for bond offer and detailed information on use of proceeds from placement of bonds;

1.3. Amount and sources of other money funds needed, in case the proceeds are not enough to finance planned projects;

1.4. Detailed information, if the proceeds are intended to be used to finance acquisition of other entities, repay or restructure debts, or acquire assets not related to issuer's core business.

2. Information on bonds

2.1. The legislation regulating issuance of securities;

2.2. Type of bonds;

2.3. The number and nominal value of offered securities (information on newly issued and existing bonds should be indicated separately);

2.4. Currency of bonds;

2.5. Location of the Central Depository that maintains safekeeping of bonds and accounting of the rights on them;

2.6. Rating of offered bonds (if any) and information on the factors affecting the rating;

2.7. The rights set on bonds, the procedure for their exercising and restrictions on them;

2.8. Annual interest rate on yield on bonds (if established);

2.9. The date and maturity of payment of bonds and interest;

2.10. Claim period for interest and principal repayment;

2.11. The method of calculating the bond's interest rate in the absence of an interest rate;

2.12. Information on events occurring in the market on the base asset of the bond (if any) and settlements on bonds. Rules or procedures for regulation of such cases

2.13. The name of the settlement agent on payments;

2.14. In case secured bonds are offered, clear and detailed information on the effect of the value of collateral on repayment of bonds and their interest;

2.15. Terms for repurchase of bonds;

2.16. The yield rate and the procedure for its calculation;

2.17. Information on the organization that represents investors;

2.18. The date and number of the decision to issue bonds and the name of the issuer's managerial body that made the decision;

2.19. Restrictions for acquisition of bonds (if any);

2.20. Information on withholding tax on bond income. Obligation of the issuer to withhold tax from income on the bond.

3. Terms of the offer

3.1. Start and end dates of the offer and placement;

3.2. The period during which the prospectus may be changed during the period of validity of the offer and the procedure for making changes;

3.3. Explanation of the cases of suspension or cancellation of the offer;

3.4. The following information in case of bonds subscription:

3.4.1. Procedure for bond subscription;

3.4.2. Procedure for withdrawal of orders during subscription and refund of excess amount paid by subscribers;

3.4.3. Minimum and/or maximum subscription amount (of the number or total amount of securities to make investment);

3.5. The procedure of holding an auction, if bonds are placed via the auction;

3.6. Procedure for payment of bond value and supply of bonds to investors;

3.7. Information on various categories of potential investors

3.8. Information on how to send notices to investors about the start of sale of bonds and whether the sale can start before the notice;

3.9. Offer price of bonds. If the price is unknown, information on the person(s) involved in this process and responsible, indicating the method of setting the share price;

3.10. Amount of taxes and expenses to be paid by the buyer of the bond;

3.11. Information on the underwriter (name, license and address) that places bonds with or without obligation, service fee;

3.12. The date the underwriting agreement was signed or will be signed.

4. Access to trading and its regulation

4.1. Information on whether the issuer intends to apply for listing of bonds in the regulated market. Information on the regulated market in which the bonds will be traded in the event of such an application and the terms of access to trading;

4.2. Information on marketmaker(s).

5. Credit ratings

5.1. Credit ratings assigned to the issuer or its debt securities because of the issuer's request or cooperation with the issuer in the rating process.

Information required about the issuer of bonds (if bond issuer is a bank)

1. Information on issuer's auditors

1.1. Information on names, addresses and membership in any organization of issuer's auditors over recent three financial years;

1.2. Information on replacement or change of auditors during recent three financial years, indicating reasons.

2. Information on the issuer

2.1. The issuer's full name, organizational-legal form;

2.2. Issuer's state registration requisites;

2.3. When issuer's organizational-legal form changes, all its previous names, organizational-legal forms, as well as state registration dates of these changes;

2.4. The issuer's location, postal and e-mail addresses, website and contact numbers;

2.5. Information on regulated markets issuer's securities listed.

3. Overview of the issuer's business

3.1. Issuer's main activity direction;

3.2. Description of issuer's main activities indicating main categories of issuer's products sold or services supplied;

3.3. Information on introduced new products or services, their development status;

3.4. Description of main markets the issuer competes in;

3.5. In case the issuer has a statement on the competition position, its substantiation.

4. Participation in other organizations

4.1. Brief description of issuer's position in other legal entities;

4.2. In case the issuer is dependent on other entities in the group, information on it.

5. Information on trends

5.1. Information that there have been no adverse changes in the issuer's prospectus since the date of last publication of audited financial statements;

5.2. Information on known trends, uncertainties, requirements, liabilities or events likely to affect issuer's activities during the current financial year.

6. Income forecast

6.1. The issuer, at its discretion, includes income forecast to the prospectus in accordance with the requirements of Items 6.2 - 6.5 of this Annex;

6.2. A report on key assumptions identified by the issuer and forming a basis of forecast. The report should clearly distinguish between factors and assumptions that may be affected by the issuer's management board, as well as those beyond the control of the board;

6.3. The independent auditor's report on compliance of the income forecast with the issuer's accounting policy should be included to the income forecast;

6.4. The income forecast should be prepared on a basis of comparability with past financial data;

6.5. When a previously published income forecast is included in the prospectus, information on validity of that forecast on the date of issue of the prospectus.

7. Issuer's management and control bodies

7.1. The following information on every member of issuer's management and control bodies:

7.1.1. 1st, last, middle names;

7.1.2 Functions;

7.1.3. A report on a conflict of interest in the event of a conflict between official duties and personal interests.

8. Shareholders with qualifying holding in issuer's authorized capital

8.1. Names, addresses and citizenship of persons who have more than ten percent share in issuer's authorized capital;

8.2. Description of the nature of control by the persons with qualifying holding over the issuer and measures necessary to ensure that this control is not abused;

8.3. Information on transactions known to the issuer that may lead to a change in shareholders with qualifying holding.

9. Issuer's financial information

9.1. Issuer's audited financial statements for recent two financial years ended;

9.2. In case the issuer has been operating for less than one year, audited financial statements covering that period;

9.3. In case financial statements are not developed under the IFRS, they should be developed in accordance with national accounting standards and include at least the following:

9.3.1. A report on financial condition;

9.3.2. Income statement;

9.3.3. A report on change in capital;

9.3.4. Statement of cash flows;

9.3.5. Accounting policies and explanatory notes.

9.4. Issuer's consolidated financial statements (if any);

9.5. If the issuer publishes quarterly or semi-annual financial statements from the date of approval of last audited financial statements, it should include them in the prospectus. If quarterly or semi-annual financial statements are audited, an audit opinion should be attached with the report. If quarterly or semi-annual financial statements are not audited, this should be noted in the prospectus;

9.6. If the prospectus is prepared nine months after last audited financial statements, at least half-yearly financial statements, whether audited or not, should be attached with the prospectus. The interim financial report should be prepared together with the comparative report for the same period as the previous financial year;

9.7. Information on legal processes (including pending processes) over 7 years;

9.8. Information on issuer's financial condition after publication of financial statements.

10. Contracts

10.1. Information on contracts not related to the main activity of the issuer, which affect the issuer's ability to fulfill its obligations on securities in terms of issued securities.

Information required on bonds issuer (if bonds issuer is a foreign public authority)

1. Information on the issuer

- 1.1. Issuer's name and description of activity directions in its home country;
- 1.2. The issuer's location, address, and phone number;
- 1.3. Recent developments related to the issuer's solvency assessment;
- 1.4. The structure of economic sectors of issuer's country;
- 1.5. Gross domestic product of issuer's country on past two fiscal years, across sectors of the economy;
- 1.6. Description of the political system and the government of the issuer's home country;
- 1.7. Information on regulated markets issuer's securities listed.

2. State funding and trade

- 2.1. The following information on two fiscal years prior to the date of development of the prospectus:
 - 2.1.1. Tax and budget system;
 - 2.1.2. Payment structure of outstanding debt (especially the debt remaining for less than one year), total public debt;
 - 2.1.3. Foreign trade and the balance of payments;
 - 2.1.4. Foreign exchange reserves;
 - 2.1.5. Financial condition and resources including national currency denominated liquid deposits;
 - 2.1.6. Inflow and outflow indicators.

3. Legal processes

- 3.1. Information on legal proceedings during recent one year affecting the issuer's financial position or profitability.

Information required on bonds issuer (if bonds issuer is an international organization)

1. Information on the issuer

- 1.1. The issuer's legal name and legal status;
- 1.2. The issuer's location, organizational-legal form, address and phone numbers;
- 1.3. Information on issuer's management bodies and management mechanisms;
- 1.4. Brief description of issuer's goals and functions;
- 1.5. Information on information sources, guarantees and liabilities by members due to the issuer;
- 1.6. The most recent events related to issuer's solvency assessment;
- 1.7. A list of issuer's members;
- 1.8. Information on regulated markets issuer's securities are listed.

2. Financial information

- 2.1. Financial statements for last two years and brief description of accounting and auditing principles prepared in accordance with accounting and auditing principles adopted by the issuer;
- 2.2. Information on changes in the issuer's financial position since the end of the most recently published audited annual financial statements.

3. Legal processes

- 3.1. Information on legal processes that affect issuer's financial condition or profitability over one year.

Information required on bonds on the base prospectus

1. General information on bonds

- 1.1. Legislation regulating issuance of securities;
- 1.2. Rating of offered securities and information on factors affecting the rating;
- 1.3. Restrictions for acquisition of bonds (if any);
- 1.4. Information on withholding tax on bond income. Obligation of the issuer to withhold tax from the income on the bond;
- 1.5. Information on various categories of potential investors;
- 1.6. If any of the information specified in Items 2.1 to 2.12 of this Annex is known to the issuer, it should be submitted during the registration of the base prospectus.

2. Final terms on issuance of bonds

- 2.1. Type of bonds;
- 2.2. Number and nominal value of offered bonds;
- 2.3. Currency of bonds;
- 2.4. Rights set with bonds, the procedure for exercising and restrictions on them;
- 2.5. Claim period on repayment of interest and principal debt
- 2.6. Interest to be paid on bonds;
- 2.7. Method of calculating the interest rate of the bond in the absence of an interest rate;
- 2.8. Information on events occurring in the market on the base asset of the bond (if any) and settlements on bonds. Rules or procedures for regulation of such cases;
- 2.9. In case secured bonds are offered, clear and detailed information on the effect of the value of collateral on repayment of bonds and their interest;
- 2.10. Terms of recovery of bonds;
- 2.11. The yield rate and the procedure for its calculation;
- 2.12. Information on the organization representing investors (if any);
- 2.13. If the price of bonds offer is unknown, information on the person(s) involved in this process and responsible, indicating the method of setting the bond price;
- 2.14. Information on whether the issuer intends to apply for access to trading of bonds in the regulated market. Information on the regulated market the bonds will be listed in the event of such an application and the terms of access to trading;
- 2.15. Detailed information on interests of the persons, involved in the issuance, including a conflict of interests;

- 2.16. Reasons for offering of bonds and detailed information on the use of funds from placement of bonds;
- 2.17. Amount and sources of additional funds required if proceeds are not sufficient to finance proposed projects;
- 2.18. Information on the use of proceeds to finance acquisition of other entities or to repay, reduce, restructure or acquire other assets;
- 2.19. Location of the National Depository that maintains safekeeping of bonds and accounting of the rights to them;
- 2.20. Interest rate on yield on bonds (if established);
- 2.21. Repayment date and maturity of bonds and interests;
- 2.22. Name of the settlement agent on payments;
- 2.23. The date a decision on issuance of bonds was taken, its number and the name of issuer's management body that took the decision;
- 2.24. Start and end dates of the offer and placement;
- 2.25. The period during which the prospectus can be changed over the validity of the offer and the procedure for making changes;
- 2.26. Explanation of cases of suspension or cancellation of the offer;
- 2.27. In case of bonds subscription, the following information:
 - 2.27.1. Procedure for bonds subscription;
 - 2.27.2. Procedure and period for withdrawal of orders during subscription and refund of excess amount paid by subscribers;
 - 2.27.3. Minimum and/or maximum amount of subscription (of the number or total quantity of securities to make an investment).
- 2.28. In case bonds are placed via an auction, the procedure for conducting the auction;
- 2.29. Conditions of repayment of the value of bonds and procedure for supply of bonds to investors;
- 2.30. Information on how to send notifications to investors about the start of placement of bonds and whether the placement could start before the notice;
- 2.31. Bonds' offer prices;
- 2.32. The amount of taxes and expenses to be paid by the buyer of bonds;
- 2.33. Information on the underwriter (name, license and address) that places bonds with or without obligation, service fee.
- 2.34. Information on regulated markets issuer's securities are listed;
- 2.35. Information on marketmaker(s);
- 2.36. Credit ratings assigned to the issuer or its debt securities because of issuer's request or cooperation with the issuer in the rating process.