

“Approved”

State Committee for Securities of the
Republic of Azerbaijan
Resolution № 04-q
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Chairman

R. Aslanly

Regulations on stabilization of prices of investment securities

1. General provisions

- 1.1. These Regulations have been prepared in accordance with Article 12 of the Law of the Republic of Azerbaijan “On Securities Market”.
- 1.2. These Regulations determine the terms of purchase of investment securities (hereinafter - securities) by the issuer or underwriter in order to stabilize their prices after placement by public offering, and the requirements for disclosure of related information.
- 1.3. After the placement of securities by the public offering method, their prices are stabilized through the purchase of those securities by the issuer or underwriter.

2. Terms of purchase of securities during their stabilization

- 2.1. Purchase of securities aimed at stabilization of their prices (hereinafter - the purchase) shall be carried out on the basis of the terms of purchase approved by the body established by the charter of the issuer that made the decision on the issue of these securities.
- 2.2. The purchase terms shall include the following:
 - 2.2.1. maximum number of securities to be purchased;
 - 2.2.2. maximum amount of funds to be spent on the purchase;
 - 2.2.3. start and end dates of purchase operations.
- 2.3. The term of securities purchase operations shall start from the date of acceptance of these securities for trading on the stock exchange and shall not be later than 30 calendar days.
- 2.4. When purchasing securities, an issuer or underwriter can not purchase the securities at a price higher than the last transaction concluded on those securities or higher than the price of current orders included in the trading system of the stock exchange.
- 2.5. When an issuer or underwriter purchases securities through any derivative financial instrument, the purchase price of that derivative financial instrument shall not exceed the price of the last transaction concluded on that financial instrument.
- 2.6. If a prospectus or information memorandum relating to the investment securities issued provides for possibility of entering by the issuer or underwriter into transactions aimed at stabilizing prices of the investment securities, the issuer or underwriter shall enter into the

transactions aimed at stabilizing the prices of the investment securities after trading in publicly offered investment securities commence.

3. Disclosure of information

3.1. 2 (two) business days before the beginning of the purchase of securities, the issuer or underwriter shall submit and disclose the following to the State Committee for Securities of the Republic of Azerbaijan (hereinafter - the Committee):

3.1.1. a statement on the implementation of the securities purchase for the purpose of stabilizing the market price;

3.1.2. information about start and end dates of purchase operations;

3.1.3. name of the underwriter who will make the purchase.

3.2. Within 2 (two) business days after the expiration of the purchase period, the issuer or underwriter shall submit and disclose the following information to the Committee:

3.2.1. start and end dates of purchase operations;

3.2.2. price of securities obtained during the purchase period (on each day);

3.2.3. amount of the funds spent on the purchase.

4. Restrictions related to the purchase

4.1. The following is prohibited during the purchase period:

4.1.1. sale of these securities by the issuer, underwriter and members of their governing bodies;

4.1.2. purchase transactions during the period of delay in disclosure of inside information by the issuer.