



RULES AND REGULATIONS

PART VII

RULES AND REGULATIONS OF THE ARBITRATION COURT WITH THE EXCHANGE

Article 1. These Exchange Arbitration Rules are part of the Rules and Regulations of the Exchange and govern the terms and procedure for examination of claims against members or participants in the Exchange, as well as the status and functioning of the Arbitration Court with the Exchange and the proceedings in arbitration cases before the said Court.

Article 2. (1) An Arbitration Court shall function with the Exchange and shall be competent to examine disputes in connection with:

1. the conclusion and execution of Exchange transactions;
2. membership in the Exchange;
3. other cases related to trading in financial instruments or the activity carried out by the Exchange.

(2) The Chairperson of the Arbitration Court and the Deputy Chairpersons shall be elected by the Shareholders' General Meeting of the Exchange for a term of 3 (three) years and may be removed by the said General Meeting before the expiration of the term of office of the said Chairperson and Deputy Chairpersons.

Article 3. (1) The Arbitration Court with the Exchange shall be a special jurisdiction established in pursuance of Item 7 of Article 79 (2) of the MFIA.

(2) The Arbitration Court shall examine cases, conforming to the cognisance thereof by law, as well as cases related to the conclusion and execution of Exchange transactions and the consequences thereof, voluntary arbitration and other relations arising from these Rules.

(3) A dispute may be brought before the Arbitration Court, and the said dispute shall be examined and resolved on the merits, regardless of the fact that the same dispute is subject to a pending proceeding before a court of law or another special jurisdiction in Bulgaria or abroad.

(4) An arbitration agreement shall be opposable to other judicial acts according to the general principles of the applicable law.

(5) In case of a dispute over the applicability of the award and of the law, the consent of the party regarding the examination of the dispute shall be deemed prevailing.

(6) The Arbitration Court shall collect arbitration fees in accordance with a Tariff of Fees and Costs, which shall be endorsed by the Board and shall be a document separate from these Rules.

Article 4. (1) The Arbitration Court with the Exchange shall consist of a Chairperson, two Chairpersons and Arbitrator Judges.

(2) There shall be an Administrative Secretary, a Minute-Taker Clerk and a Record-Keeper with the Arbitration Court.

Article 5. (1) The Chairperson of the Arbitration Court shall organise the operation thereof and, to this end, shall:

1. ensure the prompt determination of cases;
2. direct the work of the Administrative Secretary and the record-keeping;
3. ensure the interaction of the Court with the management bodies of the Exchange;
4. organise the continuing education of the judges and of the administrative staff;
5. distribute the tasks for the overall organisation and management among the Deputy Chairpersons.

(2) In the absence of the Chairperson, the functions thereof shall be performed by the Deputy Chairpersons, conforming to the distribution referred to in Item 5 of the foregoing Paragraph.

Article 6. (1) In determining cases, Arbitrator Judges shall be equal in rights, autonomous and independent and shall conform only to the law and to these Rules.

(2) Arbitrator Judges shall be obligated to respect the confidentiality of any information that comes to the knowledge thereof in the course of or in connection with the performance of the functions thereof.

Article 7. The Administrative Secretary shall organise, direct and control work at the records office of the Court and, to this end, shall:

1. direct and control record-keeping;
2. see to compliance with the orders of the Chairperson, the Deputy Chairpersons, and of the arbitration panels;
3. keep a list of arbitrators and be responsible for the application of the Tariffs of Fees and Costs of the Arbitration Court;
4. be in charge of the logistical resources of the operation of the Court.

Article 8. The Minute-Taker Clerk shall:

1. draw up and certify the minutes of proceedings at the sessions of the Chairperson's Board and of the court panels;
2. ensure the implementation of the orders of the Court;
3. draw up the documents in connection with the payment of fees, remunerations of experts etc.;
4. compile the list of persons to be summoned and report on compliance to the Chairperson;
5. certify the appearance of persons in arbitration cases;
6. be responsible for the keeping of the records of the Court and of the separate panels.

Article 9. (1) Records shall be received at the Arbitration Court in the Bulgarian language, and any records in foreign languages must be accompanied by a certified translation into the Bulgarian language.

(2) Cases, case files and others shall be opened on the basis of records received at the Court, conforming to the order of the Chairperson.

(3) Case files shall be opened on the basis of records originally received at the court, with the exception of regular statements of claim.

(4) Case files shall be transformed into cases after the parties bring the documents into conformity with the requirements of the law, pay the fees due, and appoint regular and substitute Arbitrator Judges of their choice.

(5) The regular Arbitrator Judges appointed by the parties, sitting *in camera* on a day and at a time determined by the Chairperson, shall elect a Presiding Arbitrator Judge for the arbitration panel.

(6) Substitute Arbitrators shall intervene in the proceedings in case of a recusal of a regular Arbitrator or should an insurmountable obstacle prevent any of the regular Arbitrators from proceeding with the examination of the case.

Article 10. (1) The following books shall be kept at the Arbitration Court:

1. an incoming and an outgoing register;
2. an alphabetical index;
3. an inventory book for cases;
4. a book of private deliberations and of public sessions;
5. a book of evidence.

(2) The books shall be strung through, numbered, sealed and signed by the Chairperson.

(3) Incoming records shall be accepted by the Administrative Secretary, who shall assign an incoming number and a date of receipt to the said records.

Article 11. (1) The records received, once filed, shall be reported by the Administrative Secretary to the Chairperson not later than three days after the receipt of the said records, and the Chairperson shall endorse any such records immediately.

(2) Outgoing correspondence shall be signed by the Chairperson of the Court or by the Presiding Arbitrator Judge for the panel and by the Administrative Secretary.

Article 12. Proceedings in the cases referred to the Court shall follow the procedural provisions of the ICAA and the CCP.

Article 13. (1) Upon receipt of a statement of claim, the Chairperson of the Court shall verify the validity thereof and, if there are no defects, shall order that duplicate copies of the list of arbitrators,

the Tariff of Fees and Costs of the Arbitration Court and these Rules be transmitted to the claimant party, setting a time limit wherewithin the party must appoint a regular and a substitute arbitrator and must pay the fees due.

(2) After appointment of arbitrators and payment of the fees due, duplicate copies of the records shall be transmitted to the respondent party, which shall be set a time limit to appoint a regular and a substitute arbitrator and to give an answer to the claim.

(3) In case the claimant party fails to cure the defects within the time limit set and to pay the fees due, the Chairperson of the Court shall terminate the proceeding.

(4) A terminated proceeding may be resumed, acting on a new statement of claim and in compliance with the requirements of the law.

Article 14. (1) After commencement of the proceeding by the arbitration panel, the parties shall have the right to recusal, which shall be decided according to the procedure established by the CCP.

(2) In case an Arbitrator establishes the existence of any legal impediments to participation in the panel, the said Arbitrator shall be obligated to reclude himself or herself.

Article 15. (1) Cases shall be examined at the building of the Court.

(2) By way of exception, acting on a motion by a party and by a unanimous decision of the panel, where the circumstances of the case so necessitate, cases may be examined elsewhere as well.

(3) Cases shall be heard and decided in the Bulgarian language. A party which does not possess command of the Bulgarian language shall be obligated to appear with an interpreter.

Article 16. (1) In deciding of cases, the members of the panel shall enjoy equal rights, and decisions shall be rendered by a majority.

(2) Where a member of the panel holds a dissenting opinion, the said member shall reason the said opinion and shall enter the said opinion in the decision of the panel within three days after the rendition of the said decision.

Article 17. All records on the cases as instituted shall be filed in the order of receipt and shall be numbered so as to ensure the unimpeded reading of the text.

Article 18. (1) Any undecided cases shall be kept separately and shall be arranged conforming to the dates of examination thereof.

(2) Any closed cases shall be filed by an endorsement of the Chairperson and shall be kept separately in the order of the filing numbers thereof.

(3) Where a case is removed from the premises of the Court, the Administrative Court shall note the person whereto the said case has been delivered and the time of delivery in the relevant book.

Article 19. (1) It shall be inadmissible to make any marks, signs, underlining and other such on the court records, with the exception of the endorsements by the Chairperson of the Court and by the Presiding Arbitrator for the panel.

(2) Cases shall be made available only to the parties or to the authorised representatives thereof.

(3) Duplicate copies, abstracts, certifications and other such of the case records shall be prepared solely acting on a written request with permission from the Chairperson of the Court or from the Presiding Arbitrator for the panel.

(4) Original documents shall be returned solely where the need is proved and after the party presents a certified duplicate copy.

Article 20. (1) Pending cases shall not be made available to state bodies, to the parties or to third parties and shall not be attached to other cases.

(2) Any lost cases shall be restored according to the procedure established for this purpose by the Ministry of Justice.

(3) After the end of each year, the Administrative Secretary shall inventory the cases for the past period and shall report the result in writing to the Chairperson of the Court.

Article 21. (1) Cases shall be scheduled for examination in private deliberation by the Presiding Arbitrator for the panel not later than seven days after the election of the said Presiding Arbitrator.

(2) After performance of the steps prescribed in the private deliberation, the Presiding Arbitrator for the panel shall schedule an examination of the case in public session with the parties being summoned.

(3) The parties, the expert witnesses and the witnesses shall be summoned according to the procedure established by the CCP.

Article 22. (1) If duly summoned, the non-appearance of a party or a representative thereof shall not be an impediment to an examination of the case.

(2) In the event of non-appearance of a party or a representative thereof with reasonable excuse, the court panel shall adjourn the examination of the case until another date, of which the appearing party shall be presumed notified.

(3) A party may move for examination of the case in its absence, but if the panel determines that the appearance of the said party is of material relevance to elucidation of the factual situation in the matter of the case, the panel may order the said party to appear.

Article 23. (1) The proceeding before the arbitration panel shall commence by a proposal for a settlement by the Presiding Arbitrator.

(2) The parties may agree on a settlement before the decision of the Court is recorded, and the settlement, unless contrary to morals and to the law, shall be approved by the Court and shall be entered into the minutes of proceedings.

(3) The parties may furthermore agree regarding the applicable substantive law in case this is not contrary to the standards of international law and to the Constitution.

(4) Bulgarian law shall govern any disputes related to ownership of immovable property and rights *in rem* arising therefrom.

Article 24. (1) The minutes of proceedings at the sessions of the Court shall be prepared under dictation of the Presiding Arbitrator during the session itself and shall be signed by the said Presiding Arbitrator and by the Minute-Taking Clerk.

(2) The defences of the parties, after completion of the taking and verification of evidence, unless presented in writing, shall be included in the minutes in a summary.

Article 25. The decision of the arbitration panel shall be entered into the inventory book for cases and shall be transmitted to the parties in the order of summoning.

Article 26. (1) Each party may approach the court panel with a motion to interpret the decision or to correct an apparent error of fact.

(2) Interpreting the decision, the panel shall pronounce on all ambiguities declared by a new decision.

(3) In a proceeding for correction of an apparent error of fact, the court panel may pronounce sitting *in camera*, if the parties do not object in writing. Otherwise, the motion shall be examined according to the procedure established by the CCP.

Article 27. (1) After entry of the decision and notification of the parties, the case shall be filed by an endorsement of the Chairperson of the Court and shall be archived for a period of not less than ten years.

(2) Before the archiving of the cases, the Administrative Secretary shall verify whether all steps prescribed in the decision have been performed and shall report to the Chairperson of the Court.

(3) After the close of the cases entered into the books of the court, the said books shall also be kept according to the procedure established by the foregoing Paragraph.

Article 28. Annually, the Chairperson and the Deputy Chairperson shall summarise the caselaw of the Court and shall bring the said caselaw to the notice of the plenary panel of arbitrators.

SUPPLEMENTARY PROVISIONS

§ 1. The terms used in these Rules, which are not defined, shall be understood within the meaning within which they are used in the POSA, the MFIA, the MAMAFIA and the statutory instruments on the application thereof, respectively in general commercial legislation and in commercial practice.

§ 2. The following abbreviations are used in these Rules:

1. “the Exchange” – Bulgarian Stock Exchange – Sofia AD or, respectively, the regulated market organised by Bulgarian Stock Exchange – Sofia AD.
2. “the Board” – the Board of Directors of Bulgarian Stock Exchange – Sofia AD.
3. “CCP” – Code of Civil Procedure.
4. “POSA” – Public Offering of Securities Act.
5. “MFIA” – Markets in Financial Instruments Act.
6. “MAMAFIA” – Measures Against Market Abuse of Financial Instruments Act.
7. “ICAA” – International Commercial Arbitration Act.

TRANSITIONAL AND FINAL PROVISIONS

§ 1. These Rules shall be in force as from 16 June 2008.
