

## **Bulgarian Stock Exchange - Sofia AD**

### **Arbitration Court**

## **RULES AND REGULATIONS**

### **of Organization and Procedure**

**Article 1.** (1) The Arbitration Court with the Bulgarian Stock Exchange - Sofia AD is a special jurisdiction established in pursuance of Item 1 of Article 26 (1) of the Public Offering of Securities Act.

(2) The Arbitration Court shall examine cases, conforming to the cognizance 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 the Exchange Rules and Regulations.

(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 enforceable against other judicial acts according to the general principles of the applicable law.

(5) Should the applicability of the award and of the law be contested, the consent of the party regarding the examination of the dispute shall be deemed prevailing.

**Article 2.** (1) The Arbitration Court with the Bulgarian Stock Exchange - Sofia AD shall consist of a Chairperson, two Deputy Chairpersons and Arbitrator Judges.

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

**Article 3.** (1) The Chairperson of the Arbitration Court shall organize the operation thereof and, to this end, shall:

1. ensure the prompt deciding 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. organize the continuing education of the judges and of the administrative staff;
5. distribute the tasks for the overall organization 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 4.** (1) Upon deciding cases, Arbitrator Judges shall be equal in rights, autonomous and independent and shall conform only to the law and to the Exchange Rules and Regulations.

(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 5.** The Administrative Secretary shall organize, direct and control the work at the records office of the Court and, to this end, shall:

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

**Article 6.** 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 implementation of the orders of the Court;
3. draw up the documents in connection with the payment of the fees, the remunerations of expert etc.;
4. compile the list of persons to be summoned and report on compliance to the Presiding Arbitrator Judge;
5. certify the appearance of persons in the matter of arbitration cases;
6. be in charge of the keeping of the records of the Court and of the separate panels.

**Article 7.** (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) Records received at the Court shall be constituted, conforming to the order of the Chairperson, as cases, case files and others.

(2) Records originally received at the Court, with the exception of regular statements of claim, shall be constituted as file cases.

(3) File cases 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.

(4) The 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.

(5) Substitute Arbitrators shall join the proceeding in the event of a challenge of a regular Arbitrator or should an insurmountable obstacle prevent any of the regular Arbitrators from proceeding with examination of the case.

**Article 8.** (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 executive and open 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 9.** (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 Arbitrator Judge presiding the panel and by the Administrative Secretary.

**Article 10.** The cases referred to the Court shall be proceeded with conforming to the adjective provisions of the International Commercial Arbitration Act and the Code of Civil Procedure.

**Article 11.** (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 transcripts of the list of arbitrators, the tariff and the present Rules and Regulations be transmitted to the claimant party, and shall set 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, transcripts 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 respond 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 12.** (1) After commencement of the proceeding by the arbitration panel, the parties shall have the right to challenge, which shall be decided according to the procedure established by the Code of Civil Procedure.

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

**Article 13.** (1) The 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, a case may be examined elsewhere as well.

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

**Article 14.** (1) Upon 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 state reasoning of the said opinion and shall enter the said opinion in the decision of the panel within three days after the said decision is made.

**Article 15.** All records on the cases as instituted shall be filed conforming to the order of receipt and shall be numbered so as to ensure the unimpeded reading of the text.

**Article 16.** (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 Secretary shall note the person whereto the said case has been delivered and the time of delivery in the relevant book.

**Article 17.** (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 the Presiding Arbitrator of the panel.

(2) The cases shall be made available only to the parties or to the authorized representatives thereof.

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

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

**Article 18.** (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 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 20.** (1) Cases shall be scheduled for examination in an executive session by the Presiding Arbitrator of the panel not later than seven days after the election of the said Arbitrator.

(2) After performance of the actions prescribed in the executive session, the Presiding Arbitrator of the panel shall schedule an examination of the case in an open session with summoning of the parties.

(3) The parties, the experts and the witnesses shall be summoned according to the procedure established by the Code of Civil Procedure.

**Article 21.** (1) If duly summoned, the non-appearance of a party or a representative thereof shall not be an impediment to examination of the case.

(2) In the event of non-appearance of a party or a representative thereof for cogent reasons, 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 motion that the case be examined in its absence, but if the panel determines that the appearance of the said party is of material relevance for elucidation of the factual situation in the matter of the case, the panel may order the appearance of the said party.

**Article 22.** (1) The proceeding before the arbitration panel shall open 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 law, shall be approved by the Court and shall be entered in 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 23.** (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 collection and verification of evidence, unless presented in writing, shall be included in the minutes in a summary form.

**Article 24.** 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 25.** (1) Each party may approach the court panel with a motion to interpret the decision or to correct an apparent error of fact.

(2) Upon interpretation of 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 Code of Civil Procedure.

**Article 26.** (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 archiving of the cases, the Administrative Secretary shall verify whether all actions prescribed in the decision have been performed and shall report to the Chairperson of the Court.

(3) The books of the court after close of the cases entered therein shall also be kept according to the procedure established by the foregoing paragraph.

**Article 27.** Annually, the Chairperson and the Deputy Chairpersons shall summarize the caselaw of the court and shall bring the said caselaw to the notice of the plenary panel of arbitrators.

The present Rules and Regulations were adopted by the Board of Directors of the Bulgarian Stock Exchange - Sofia at a meeting evidenced by Minutes of Proceedings No. 28 dated 24 September 2004, and the seal of the Exchange has been affixed thereto.