

Rules and Regulations of the Arbitration Court

**RULES AND REGULATIONS OF THE ARBITRATION COURT
OF THE TALLINN STOCK EXCHANGE**

I. GENERAL PROVISIONS

§ 1. Court of Arbitration. Jurisdiction of the Court of Arbitration

(1) The Court of Arbitration of the Tallinn Stock Exchange (hereinafter referred to as the “Arbitration”) shall be a permanent independent court of arbitration established for the purpose of resolving disputes arising on the Tallinn Stock Exchange (hereinafter referred to as the Exchange) with respect to transactions, listing of securities or other matters related to the Exchange, provided the parties have entered into an Arbitration Agreement (as defined in § 2 of these Rules and Regulations).

(2) Upon the application of the Management Board of the Exchange or a member thereof, as well as the issuer whose securities are listed on the Exchange, or a member firm, the Arbitration Council shall provide its judgement in interpreting the Rules and Regulations of the Exchange.

(3) The Arbitration Council shall make a decision with regard to the referral of the dispute to Arbitration.

§ 2. Arbitration Agreement

(1) The resolution of disputes by the Arbitration shall be subject to a valid agreement between the parties for referring disputes meeting the requirements set forth in § 1 of these Rules and Regulations to the Arbitration (hereinafter referred to as the Arbitration Agreement).

(2) The Arbitration Agreement shall be concluded in writing and may be included in the Contract constituting the basis for dispute, as well as in any other document signed by a party or the parties, in letters, telefaxes or other documents exchanged between the parties.

(3) The Arbitration Agreement shall also be deemed to be duly executed and the Arbitration competent to resolve the dispute, if the parties have informed the Exchange in advance of their consent to come under the jurisdiction of the Arbitration.

(4) Invalidity of a contract containing the Arbitration Agreement shall not result in the invalidity of the Arbitration Agreement contained therein.

§ 3. Scope of the Rules and Regulations

(1) Resolution of disputes in the Arbitration shall be conducted on the basis of these Rules and Regulations and in conformity with the provisions of legal acts governing the activities of courts of arbitration.

(2) The parties to a dispute shall have the right to agree about the number of arbiters, the manner of appointing thereof or procedural norms applicable upon the resolution of the dispute, other than those prescribed in these Rules and Regulations.

II. STRUCTURE OF ARBITRATION

§ 4. Arbitration Council

- (1) An arbitration council shall be established for managing the activities of the Arbitration and executing other duties prescribed by these Rules and Regulations (hereinafter referred to as the Arbitration Council).
- (2) The Arbitration Council shall have a chairman to coordinate the activities of the Arbitration Council and deputy chairman/men to perform the duties of the chairman in his/her absence. The Arbitration Council may have a secretariat of technical staff.

§ 5. Members of Arbitration Council and Election Thereof

- (1) The Arbitration Council shall consist of 5 members to be elected for the period of two years.
- (2) The powers of the Arbitration Council members shall take effect as of the day following the day of termination of the powers of the previous members of the Arbitration Council. In the event new members of the Arbitration Council have not been duly elected by the day of termination of the powers of the previous members of the Arbitration Council, the powers of the latter shall be valid until the election of new members of the Arbitration Council.
- (3) One half of the members of the Arbitration Council shall be elected by the general meeting of the shareholders of the Exchange and one half of the members of the Arbitration Council shall be elected by the Estonian ER@.
- (4) Members of the Arbitration Council to be elected by the general meeting of the shareholders of the Exchange shall be elected in accordance with the order of electing members of the Supervisory Board of the Exchange as set forth in the articles of association of the Exchange.
- (5) Persons that have the necessary preliminary knowledge and experience as well as a spotless reputation may be elected members of the Arbitration Council. A member of the Arbitration Council shall have sufficient preliminary knowledge of the securities market and the provisions of the Rules and Regulations of the Exchange.
- (6) The Arbitration Council shall elect the chairman and his/her deputy/deputies in its first meeting.

§ 6. Meeting of the Arbitration Council

(1) The Arbitration Council shall perform its duties by means of resolutions adopted in the meetings of the Arbitration Council. The resolutions of the Arbitration Council shall be final and not subject to appeal.

(2) The Arbitration Council shall hold its meetings as the need arises. The meeting shall be convened by the chairman of the Arbitration Council, upon his/her absence, by a deputy appointed by the latter. Members of the Arbitration Council shall be given at least five days' notice in writing of the meeting. The notice shall contain information about the issues to be discussed in the meeting.

(3) The meeting shall have the right to include as an exception in the agenda an issue, the inclusion of which has not been previously made known, if at least 2/3 of the members participating in the meeting vote for the inclusion.

(4) The meeting shall be chaired by the chairman of the Arbitration Council or upon his/her absence, by the deputy chairman of the Arbitration Council.

(5) The meeting of the Arbitration Council shall be competent to pass decisions, if at least half of the members of the Arbitration Council participate. Each member of the Council shall be entitled to one vote. The resolutions of the Arbitration Council shall be passed by a simple majority of votes. When votes of each side are equal, the chairman or the deputy chairman chairing the meeting, if the latter is absent, shall have the casting vote.

(6) A member of the Arbitration Council shall not participate in voting if the questions concern approval or appointment of him/her as an arbiter, or his/her release from the office of arbiter, or other questions related to his dispute settlement activities are being decided.

(7) Meetings of the Arbitration Council shall be recorded in minutes. The chairman of the meeting and the person keeping minutes shall confirm the correctness of the minutes with their signatures. The minutes of the meetings shall be kept in the seat of the Exchange.

(8) The Management Board of the Exchange shall determine the principles and extent of remuneration payable to the members of the Arbitration Council and its chairman and his/her deputy.

§ 7. Arbiter

(1) A court consisting of three arbiters is formed or one arbiter is appointed for resolving a dispute in accordance with the order set forth in these Rules and Regulations (a court formed of arbiters for the resolution of the dispute, as well as the appointed arbiter shall be hereinafter referred to as the Court. A member of the Court shall be hereinafter referred to as the Arbiter.

(2) Persons that have the necessary preliminary knowledge and experience as well as a spotless reputation may act as Arbiters. An arbiter shall have sufficient preliminary knowledge of the securities market and the provisions of the Rules and Regulations of the Exchange.

(3) The candidate for Arbiter elected by a party shall be confirmed by the Arbitration Council and the member of the Court shall acquire the status of the Arbiter as of his/her confirmation by the Arbitration Council. If the Arbitration Council refuses to confirm the candidate elected by the party,

the latter shall select another candidate for Arbiter.

(4) An arbiter confirmed by the Arbitration Council shall acquire the status of Arbiter as of his/her confirmation by the Arbitration Council.

(5) The status of Arbiter shall terminate as of the termination of the arbitration proceedings, withdrawal or replacement of the Arbiter or the cancellation of the powers of the Arbiter by the Arbitration Council.

(6) An Arbiter shall be independent and impartial.

(7) To be appointed as Arbiter the latter shall submit to the Arbitration Council his/her written consent and a statement of independence and impartiality.

§ 8. Grounds for Withdrawal of An Arbiter

(1) An Arbiter shall not have the right to review a case and is to be withdrawn, if he/she is personally, either directly or indirectly, interested in the resolution of the dispute or if other circumstances cause suspicions as to his/her independence and impartiality.

(2) Circumstances causing justified suspicions in the qualifications of the Arbiter shall serve as a basis for his/her withdrawal.

(3) An Arbiter must immediately notify the parties of the circumstances emerging in the course of the proceedings, which may serve as grounds for his/her withdrawal.

§ 9. Order of Withdrawing An Arbiter

(1) A party must submit an application for the withdrawal of an Arbiter within 10 days of the day that it learned of the circumstances serving as grounds for withdrawal. Upon failure to do so, the party shall lose the right to submit an application for withdrawal. A party, who, prior to the appointment of an Arbiter knew, or should have known of circumstances that serve as grounds for withdrawal, loses the right to apply for withdrawal of the Arbiter, appointed by itself, on such grounds.

(2) All members of the Court, including the Arbiter to be withdrawn, shall make a decision with regard to the withdrawal immediately after the submission of the application. If the Court consists of one Arbiter, the latter shall review the application. The resolution about the application for withdrawal shall be immediately made known to the parties of the dispute and the Arbitration Council.

(3) The interested party shall have the right to appeal the resolution rejecting the application for withdrawing an Arbiter within ten days of receiving the resolution, with the Arbitration Council. The resolution of the Arbitration Council about withdrawal of the Arbiter or rejection thereof, shall be final.

§ 10. Termination of Powers of Arbiters

If the Arbiter fails to perform his/her duties as Arbiter or on justified grounds is unable to perform thereof without delay, the Arbitration Council may, upon the application of the interested party, terminate the powers of the Arbiter. The Arbitration Council shall send the parties copies of the resolution terminating the powers of the Arbiter.

§ 11. Replacement of Arbiter

(1) If an Arbiter was withdrawn or his/her powers were canceled prior to termination of the court proceedings, the Arbiter shall be replaced in accordance with the order of his/her election or appointment. The replacement of an Arbiter shall not render the acts and decisions of the Court made prior to the replacement of the Arbiter invalid.

(2) Upon the application of the interested party the Arbitration Council shall have the right to declare the acts and decisions of the Court made prior to the replacement of the Arbiter invalid, if it has reason to believe that the impartiality of the Court requirement was violated in the course of making thereof. The application for declaring an act or decision invalid, must be filed with the Arbitration Council within 10 days following the day that the party learned about the decision to withdraw an Arbiter or terminate his/her powers.

III. COURT**§ 12. Number of Arbiters**

Unless the parties have agreed about the number of Arbiters resolving the dispute, a Court of three Arbiters shall resolve the dispute. One Arbiter shall resolve the dispute if the Arbitration Council has so decided, given the nature of the dispute, the sum claimed or other circumstances.

§ 13. Formation of Court

(1) In the event the dispute is resolved by one Arbiter, he/she shall be appointed by the Arbitration Council. In all other cases each party shall select one Arbiter and the Arbitration Council shall appoint the third Arbiter, who shall also serve as chairman of the Court.

(2) A party to the dispute shall have the obligation to select a candidate for Arbiter within 10 days following the receipt of the relevant proposal from the Arbitration Council and forward the name of its candidate together with his/her written consent and statement of impartiality and independence to the Arbitration Council. If the party to the dispute fails to perform its duties pertaining to the selection of an Arbiter within the scheduled time, as well as in the case when the Arbitration Council has twice rejected the candidate for Arbiter selected by the party, the Arbitration Council shall confirm the candidate for arbiter.

(3) The Arbitration Council shall have the obligation to adopt a resolution with regard to confirmation of the candidates submitted, within 15 days as of the receipt of the documents required in Section 2 of § 13 of these Rules and Regulations for the last candidate for Arbiter.

(4) If the dispute is to be resolved by one Arbiter, the Arbitration Council shall appoint the Arbiter

within 15 days of receiving the application for suit. The Arbitration Council shall appoint the Arbiter that serves as chairman of the Court within 15 days following the confirmation of the last candidate for Arbiter. In all other cases the Arbitration Council shall appoint the Arbiter within 15 days following the day that it learned about the need to appoint an Arbiter.

IV. ARBITRATION COURT PROCEEDINGS

§ 14. Rights and Obligations of Parties in Arbitration Court Proceedings

- (1) The parties shall have equal rights in the administration of court proceedings.
- (2) The parties shall have the right to participate in the arbitration court proceedings either personally or through an agent. Participation in person shall not relieve the party of the right to own a representative.
- (3) The parties shall have the right to present to the Court explanations, evidence and opinions that they consider necessary for the resolution of the dispute.
- (4) A party shall have the obligation to present all documents and information it has made available to the Court, simultaneously to the other party of the dispute.
- (5) A party to the dispute shall have the obligation to guarantee that the other party is informed of the witnesses the first party plans to engage in the arbitration court proceedings at least three working days before the relevant session of the arbitration, unless the Court has determined a longer period. The Court shall not consider the statements made by witnesses that were engaged in the arbitration court proceedings by violating the provisions of this Section.
- (6) A party to the dispute shall have the obligation to guarantee that the other party is informed of the evidence the first party plans to present to the Court at least three working days before the relevant session of the arbitration, unless the Court has determined a longer period. The Court shall not consider the evidence that were presented to the Court by violating the provisions of this Section.
- (7) In addition to the rights prescribed in this Section, the parties shall have other rights prescribed in these Rules and Regulations as well as rights granted by the Court in the course of the arbitration court proceedings.
- (8) The parties shall have the obligation to use the rights they are entitled to in the arbitration court proceedings in good faith.

§ 15. Procedural Rules

- (1) If the parties have not concluded an agreement with regard to the procedural rules, including the permissibility, relevance, contents and significance of evidence, the court proceedings shall be conducted in the manner determined by the Court, by taking into account the provisions of these Rules and Regulations.
- (2) In matters not regulated by these Rules and Regulations the Court shall have the right to apply the provisions of legal acts governing civil court proceedings in the Republic of Estonia and proceed from the principles contained therein.

(3) The Court sessions shall be held in Tallinn. The Court sessions shall be held in Estonian. In case a participant in the court proceedings has no knowledge of the Estonian language, the Court shall allow, upon the application and at the expense of the relevant participant, an interpreter to participate in the court proceedings.

(4) Every material, document and all information shall be submitted to the Court in original form in Estonian or in certified copies in Estonian. The Court may allow the above documents to be submitted in other languages as well. The party submitting the materials, documents or information shall bear the costs related thereto.

§ 16. Beginning of Court Proceedings

- (1) The Arbitration Council shall start the court proceedings upon receipt of the application for the lawsuit submitted by the plaintiff and on condition that the plaintiff has paid the required registration fee.
- (2) After receipt of the application of the lawsuit (§7) the Arbitration Council shall begin to form the Court.

§ 17. Application for a Lawsuit

(1) To initiate arbitration court proceedings plaintiff shall submit a written application for a lawsuit to the Arbitration Council and the defendant, which shall contain the following data:

- 1) Arbitration Agreement or other circumstances, pursuant to which the plaintiff can turn to the Arbitration for resolving a dispute;
- 2) Plaintiff's and defendant's names, addresses, numbers of means of communication, representatives' names, if any, and their mailing addresses;
- 3) Plaintiff's claim and the sum claimed;
- 4) Grounds for lawsuit and circumstances used by the plaintiff to justify its claim, evidence the plaintiff shall or plans to produce;
- 5) Proposal with regard to the number and person(s) of the Arbiter(s);
- 6) Other data regarded relevant by the plaintiff.

§ 18. Protest

(1) After sending the application of the lawsuit to the defendant, the Arbitration Council will demand submission of a written protest by the defendant to the Arbitration Council and the plaintiff by the scheduled date, which shall contain the following data:

- 1) Opinion of the defendant about its recognition of the lawsuit;
- 2) Arguments of the defendant to the lawsuit and evidence supporting the arguments;
- 3) Other circumstances regarded relevant by the defendant.

§ 19. Counter Suit

(1) Until the making of the decision the defendant shall have the right to submit a counter suit for joint review with the original lawsuit.

(2) The counter suit shall be filed in accordance with the rules for filing a lawsuit prescribed in these Rules and Regulations.

(3) The Court shall accept the counter suit for joint review with the original lawsuit, if both arise from the same legal relationship.

§ 20. Right to Change Opinions Presented

A party shall have the right to change and supplement the opinions and explanations presented in the application for the lawsuit or in the protest. A party shall have the right to change the grounds or object of the lawsuit or counter suit increase or decrease the amount of its claim, abandon the lawsuit or counter suit.

§ 21. Terms for Court Proceedings

(1) The Court shall determine the terms for court proceedings, unless such terms have been determined in the Arbitration Agreement concluded between the parties and these Rules and Regulations.

(2) In determining the terms for court proceedings the Court shall proceed from the need to resolve the dispute as soon as possible, by guaranteeing the parties the right and opportunity to fully explain its opinions and present all materials and evidence relevant to the case to the Court.

(3) The right to perform any procedural acts shall terminate upon the termination of the term and applications and other documents filed after the expiry of the term shall not be reviewed by the Court and are returned. The Court shall not consider evidence presented with a delay. The Court may extend the terms determined by the Court or agreed between the parties or renew expired terms upon justified grounds.

(4) A party shall be deemed to have received notices or documents if sent by registered mail to the address recorded as its seat in the official register prescribed by legal acts or if forwarded by facsimile transmission to a fax number registered as a means of communication in such official register, or if handed over to the party against his/her signature.

(5) All documents and notices sent in accordance with the provisions of the preceding Section shall be deemed as having been received on the third working day following their mailing, if sent by mail, upon the transfer against signature, if delivered personally, and upon their forwarding, if sent by facsimile transmission.

§ 22. Consequences of Failure to Act

(1) Failure to submit the protest by the scheduled date shall not mean recognition of the lawsuit and shall not be an obstacle in proceeding.

(2) Failure of a party to appear in the session shall not be an obstacle in proceeding or making a

decision, on condition that the party has been duly informed of the session or the need to produce evidence.

§ 23. Preliminary Session

(1) The Court shall have the right to conduct a preliminary session in order to determine and explain to the parties the rules of the arbitration court proceedings and the rights and obligations of the parties.

(2) The parties shall explain their claims and opinions to the Court, list all pieces of evidence and all witnesses they intend to engage in the proceedings to support their case.

(3) If the parties apply for the case to be resolved in the preliminary session or if, subject to the presence of the parties to the dispute, the Court finds that all the circumstances relevant for the case have been determined and the resolution of the case is possible, the arbitration court session may be held immediately after the preliminary session and the case may be resolved therein.

§ 24. Arbitration Court Session

(1) The Court shall determine whether or not an arbitration court session shall be held for the resolution of the dispute.

(2) The parties shall have the right to apply for the dispute to be resolved without holding an arbitration court session. Both parties to the dispute shall have the obligation to file the relevant application in writing.

(3) Despite the application of the parties to resolve the dispute without holding an arbitration court session, the Court shall have the right to decide that an arbitration court session is necessary for resolving the dispute.

§ 25. Conduct of Arbitration Court Session

(1) The Court shall have the right to postpone the arbitration court session, if it establishes that the reviewal of the case is impossible in the arbitration court session due to circumstances that cannot be eliminated during this session.

(2) The Court shall determine the order of reviewing the case in the arbitration court session.

§ 26. Evidence and Evaluation Thereof

(1) Each party must prove the circumstances that form the basis for its claims and arguments.

(2) The Court shall have the right to request additional evidence at its own initiative.

(3) The Court shall make a decision with regard to the permissibility, relevance and applicability of evidence.

§ 27. Expert

(1) In matters requiring specialist knowledge, the Court shall have the right to ask for the opinion of an expert appointed by the Court.

(2) The parties shall have the right to request that an expert be involved in the proceedings and ask the expert questions.

§ 28. Confidentiality

(1) All matters pertaining to the arbitration court proceedings are confidential and their disclosure is subject to prior written permission of the parties.

(2) In addition to the Arbiters only the parties, their representatives, interpreters, experts and witnesses shall be allowed to be present at the arbitration court session. Upon the permission of the Court other persons relevant to the case may be present at the arbitration court session.

§ 29. Obligation of the Parties to Assist in the Proceedings

(1) The parties shall have the obligation to use their rights and perform their obligations in the arbitration court proceedings in good faith and to assist in the arbitration court proceedings by duly carrying out the procedural acts requested by the Court and timely submission of the documents prescribed by the Rules and Regulations or required by the Court.

(2) The parties shall not be allowed to engage any activities that obstruct the arbitration court proceedings, including unjustified delay in producing documents or evidence prescribed by the Rules and Regulations or required by the Court, in performing procedural acts, as well as making ungrounded claims.

V. DECISION

§ 30. Applicable Law

(1) In resolving the dispute the Court shall proceed from the provisions of the legal acts of the Republic of Estonia and the Rules and Regulations of the Exchange, as well as from customs that, given the circumstances, may be regarded as obligatory norms of conduct by a party or the parties to the dispute.

(2) The Court shall have the right to apply the equity principle in resolving the dispute.

§ 31. Decision

(1) The Arbiter shall make a decision in the event one Arbiter is engaged in resolving the dispute.

(2) If the Court consists of three Arbiters, the decision shall be made by a simple majority of votes of the Arbiters. When votes on each side are equal the Arbiter acting as chairman of the Court shall have the casting vote.

(3) Subject to the consent of the court members the chairman of the Court may be granted the right to

resolve a procedural issue single-handedly. The right to distinguish procedural issues from issues of substance rests with the Court.

§ 32. Finality of the Arbitration Court Decision

The decision made by the Court shall be final and not subject to appeal, except in case the legal acts prescribe otherwise.

§ 33. Interim and Partial Decision

(1) The Court may make interim and partial decisions.

(2) An interim decision shall be made in procedural issues. An interim decision may be executed in writing.

(3) A partial decision shall be made in issues of substance, by resolving a claim joined in a unified proceedings by a separate decision and continuing the proceedings with regard to the unresolved claims.

(4) A partial decision shall be executed in accordance with the order prescribed in § 36 of these Rules and Regulations.

§ 34. Agreement by Parties

If the parties come to an agreement with regard to the resolution of the dispute in the course of the proceedings, the Court shall terminate the proceedings and execute the agreement as its decision.

§ 35. Limits of Lawsuit

Unless agreed otherwise by the parties the Court may not exceed the limits of the claims made by the parties in making the decision.

§ 36. Substance and Form of the Decision

(1) The decision of the Court shall be executed in writing.

(2) The decision of the Court shall consist of the introduction, description and resolution. The Court or Arbitrator shall have the right to present explanations in the decision.

(3) The introduction of the decision shall state the names of Arbitrators that made the decision, the time of making the decision, the place of court, the names of parties and their representatives.

(4) The description of the decision shall state the claim of the plaintiff and arguments of the defendant.

(5) The motivation of the decision shall state the circumstances, evidence disclosed in the course of the proceedings, which form the basis for the conclusions made by the Court, explanations which formed the basis for rejecting the evidence by the Court, as well as references to the applicable legal acts.

(6) The resolution of the decision shall state the position of the Court with regard to full or partial satisfaction or non-satisfaction of the claim, as well as the position of the Court with regard to the size, distribution of arbitration costs and the distribution of the parties' costs related to arbitration.

(7) The decision shall be signed by all Court members or by the Arbiter who resolved the dispute single-handedly.

§ 37. Term of making the Decision

The Court shall make its decision within 7 days following the reviewal of the case in the last session, or as soon as possible after the reviewal of the materials pertaining to the case if the session was not held.

§ 38. Stepping Into Force of the Decision

The decision of the Court shall step into force as of the day of making the decision.

§ 39. Issuance of the Decision

The Court shall issue a copy of the decision to the parties on the next working day following the making of the decision.

§ 40. Keeping of Materials Pertaining to the Case

- (1) All acts in the proceedings of arbitration shall be recorded in minutes.
- (2) After making the decision the materials pertaining to the case shall be handed over to the Exchange for safekeeping. The Management Board of the Exchange shall arrange for the keeping of the materials pertaining to the case within five years following the day of making the decision.

§ 41. Termination of Proceedings

The arbitration proceedings terminates with the making of the decision, except in the case the decision needs explanation or amendment or an additional decision is needed.

§ 42. Additional Decision

- (1) Upon the application of the parties or upon its own initiative the Court may make an additional decision about the claim with regard to which the parties provided evidence but with regard to which no decision was made.
- (2) The application for additional decision must be filed with the Court within 7 days following the receipt of the copy of the decision. The other party must be simultaneously informed thereof.
- (3) The Court may make an additional decision upon its own initiative within 7 days following the day of making the decision.
- (4) The additional decision shall be executed in accordance with the order prescribed in § 36 of these Rules and Regulations.

§ 43. Correction of Errors in the Decision

- (1) Upon the application of the parties or upon its own initiative the Court may correct errors in
-

writing and calculation, as well as other obvious inconsistencies, which have no effect on the contents of the decision.

(2) Unless the parties have agreed about a different term the parties shall have the right to file an application with the Court for correcting errors within 30 days following the receipt of the copy of the decision, by informing the other party thereof.

(3) The Court may correct errors upon its own initiative within 30 days following the day of making the decision.

VI. ARBITRATION COSTS

§ 44. Registration Fee

The party initiating arbitration court proceedings must pay a registration fee to the Arbitration. The arbitration court proceedings shall not commence before the settlement of the registration fee.

§ 45. Arbitration Fee

(1) The arbitration fee shall be used to cover the fees of Arbiters, costs of court proceedings and administrative expenses of the Arbitration.

(2) The arbitration fee shall be determined by the Arbitration Council in accordance with the Regulations for Determining the Arbitration fee, set forth as appendix to these Rules and Regulations, on the basis of the sum claimed and taking into account the complexity of the dispute and the expected time for resolving thereof.

(3) After determining the Arbitration fee, the Arbitration Council shall make the proposal to the parties to share the Arbitration fee in equal parts.

(4) If the defendant does not pay the share of the Arbitration fee determined by the Arbitration Council, the latter makes the proposal to the plaintiff to pay the whole Arbitration fee. If the plaintiff fails to do so, the application for a lawsuit shall not be reviewed.

(5) If the plaintiff fails to pay the share of the Arbitration fee determined by the Arbitration Council, the application for a lawsuit shall not be reviewed.

(6) If the resolution of the dispute turns out to be more expensive than expected by the Arbitration Council or if the plaintiff increases the sum claimed or if the defendant files a counter suit, the Arbitration Council shall make the proposal via the Arbiters to pay an additional Arbitration fee. If the parties fail to do so in accordance with the order prescribed in Subsections 3 to 5 of this Section, the proceedings shall be suspended until the payment of the additional Arbitration fee.

(7) The Court shall start to discuss the substance of the case only after the Arbitration fee has been duly paid.

§ 46. Sum Claimed

(1) The last closing price of the securities prior to filing the lawsuit shall be regarded as the sum claimed. The sum of nominal values of the securities constituting the object of dispute shall be regarded as the sum claimed in the case of new issue, whose closing price has not been registered yet, as well as in case the last closing price of the securities is lower than the sum of nominal values of the securities constituting the object of dispute, as well as in other cases where the sum claimed cannot be determined in any other manner. In case of dispute the Arbitration Council shall determine the sum claimed.

(2) In case of multiple claims the sum claimed shall equal the sum of all claims.

(3) The Court shall have the right to adjust or determine the sum claimed if the party has determined the latter inaccurately or has failed to determine the sum claimed.

§ 47. Distribution of Arbitration Costs

(1) The party in whose favor the decision was made shall claim the registration fee and arbitration fee paid by it from the other party.

(2) If the claim was partly satisfied, the Court shall claim from the defendant in favor of the plaintiff the registration fee and the Arbitration fee paid by the latter in proportion with the amount of the claim satisfied; and in favor of the defendant, the fees in proportion of the amount of the claim that was not satisfied. In case the claim was partly satisfied, the Court may leave the distribution of the amounts paid unchanged.

(3) If the proceedings are terminated prior to making the decision, and if the proceedings are terminated as a result of agreement by the parties, which is formulated in a decision, the registration fee and the Arbitration fee paid by the parties shall not be refunded.

VII. RECONCILIATION PROCEEDINGS

§ 48. Initiation of Reconciliation Proceedings

- (1) The parties to the disputes shall have the right to resolve the dispute by means of reconciliation prior to the beginning of the arbitration court proceedings and in case the arbitration court proceedings have started already, at any time prior to the making of the decision by the Court.
- (2) A party to the dispute may make a proposal for initiating the reconciliation proceedings prior to the beginning of the arbitration court proceedings or thereafter. The proposal for initiating the reconciliation proceedings must be given in writing to the other party and the Arbitration Council.
- (3) After receiving the application for a lawsuit, the Arbitration Council may make a proposal to the parties for resolving the dispute by means of reconciliation.
- (4) If the party that received the proposal for initiating the reconciliation proceedings refuses to start the reconciliation proceedings or fails to respond to the proposal within 5 working days following the receipt of the proposal, the reconciliation proceedings shall be deemed as failed.

§ 49. Reconciliation Proceedings

- (1) After the parties have expressed in writing their desire to participate in the reconciliation proceedings, the Arbitration Council shall appoint a reconciliator (hereinafter referred to as the Reconciliator), in accordance with the order of prescribed for appointing an Arbitrator, and informs the parties to the dispute thereof.
- (2) The Reconciliator shall carry out the reconciliation proceedings at his/her own discretion, proceeding from the principles of impartiality, equality and justice.
- (3) The Reconciliator shall have the right to request additional data, evidence and documents from the parties.

§ 50. Confidentiality of the Reconciliation Proceedings

The participants in the reconciliation proceedings shall undertake to observe the principle that the reconciliation proceedings and matter pertaining to the latter, shall be confidential.

§ 51. Termination of the Reconciliation Proceedings

- (1) Reconciliation proceedings shall terminate with confirmation of the written agreement concluded by the parties about the resolution of the dispute by the Arbitration Council. The agreement must be signed by all parties to the dispute and the Reconciliator shall submit the latter to the Arbitration Council.
- (2) The reconciliation proceedings shall terminate if the Reconciliator submits a written notice to the Arbitration Council about failure of the parties to come to an agreement about resolving the dispute. The notice submitted by the Reconciliator need not contain any explanations.

§ 52 Reconciliation Fee

(1) After the Arbitration Council has received the agreement of the parties to the dispute to participate in the reconciliation proceedings, the Arbitration Council shall determine the reconciliation fee. The Arbitration Council shall forward the notice about the size of the reconciliation fee to the parties to the dispute together with the notice about the appointing of the Reconciliator.

(2) In determining the size of the reconciliation fee the Arbitration Council shall proceed from the nature of the dispute and the sum that constitutes the object of dispute, as well as from the fact that the reconciliation fee shall be used to cover the fee of the Reconciliator, the costs of the reconciliation proceedings and the administrative costs of the Arbitration. In case the original reconciliation fee is not sufficient, the Arbitration Council shall have the right to require that parties to the dispute pay an additional reconciliation fee in equal parts.

(3) The parties to the dispute shall pay the reconciliation fee in equal parts, unless agreed otherwise by the parties. The parties shall cover independently all other costs related to their participation in the reconciliation proceedings.

(4) If the reconciliation proceedings were initiated after the beginning of the arbitration court proceedings and the parties had paid the arbitration fee by the beginning of the reconciliation proceedings, the Arbitration Council shall have the right to use the arbitration fee already paid by the parties, fully or partly, to cover the reconciliation fee, by taking into account the complexity of the dispute and the time spent on its resolution. In case the parties fail to come to an agreement about the resolution of the dispute in the course of the reconciliation proceedings the Court may require additional payment of the arbitration fee to the extent that it was used to cover the reconciliation fee.

§ 53. Conflict of Interests of the Reconciliator

(1) The Reconciliator may not participate as an arbiter or representative of the parties in a court or arbitration court proceedings between the same parties in a dispute over the same object, unless the parties have granted their consent thereto.

(2) A person who is directly or indirectly interested in the resolution of the dispute and a person whose independence or impartiality can be doubted because of other circumstances, may not act as Reconciliator.

§ 54. Evidential Impact of Reconciliation Proceedings

Unless the parties have agreed otherwise the following cases shall not have evidential or binding impact in the arbitration proceedings or court proceedings:

- 1) opinions expressed or statements made by a party in the course of the reconciliation proceedings with regard to the potential resolution of the dispute;
- 2) proposals made by the Reconciliator;
- 3) readiness expressed by a party to accept the proposal made by the Reconciliator for resolving the

dispute.

VIII. AMENDMENTS TO THE RULES AND REGULATIONS

§ 55. Amendments to the Rules and Regulations

These Rules and Regulations may be amended by resolution of the members of the Arbitration Council, if approved by at least $\frac{3}{4}$ of the members of the Arbitration Council.

Appendix to the

Rules and Regulations of
the Tallinn Stock Exchange

REGULATIONS FOR DETERMINING THE ARBITRATION FEE

1. The arbitration fee shall consist of and shall be used to cover the arbiters' fees, costs of proceedings and administrative costs of the Arbitration. The Arbitration Council shall determine the allocation of the arbitration fee between the above fees and expenses, in accordance with the principle that the arbiters' fee shall form (70-75%) of the arbitration fee.
2. The arbitration fee shall be determined by the Arbitration Council in accordance with these Regulations on the basis of the sum claimed and taking into account the complexity of the dispute and the expected time for resolving thereof.
3. By way of exception, the Arbitration Council shall have the right to establish a higher or lower arbitration fee than set forth in these Regulations.
4. The rates for arbitration fees shall be the following (in EEK):

Sum claimed	Rate of arbitration fee	
	The lowest	The highest
1. up to 50,000	8%, but at least EEK 3,000	20%
2. 50,001-100,000	5%	10%
3. 100,001-500,000	4%	8%
4. 500,001-1,000,000	2%	5%
5. 1,000,001-5,000,000	1%	3%
6. 5,000,001-10,000,000	0.5%	1.5%
7. 10,000,001 -	0.25%	0.4%