

***The Rules Governing  
the Services Rendered by  
Securities Offering Advisors***

In order to speed up the examination process of the applications for securities offering and formation of public joint stock companies and enhancement of information quality in this respect, the rules for the use of services rendered by the securities offering advisors are approved by the board of directors of the Securities and Exchange Organization.

**Article 1:** All the terms defined in article 1 of the Securities Market Law ratified in November 2005 shall have the same meanings as used herein. Other terms are defined as follows:

1. **Briefing report** means a report which is prepared on the issuer's responsibility so as to examine the technical, economic and financial aspects of the proposed project and plan for securities issue.
2. **Offering advisor** means a legal entity which has been licensed by the Organization and provides advisory services regarding the issue and offer of securities.

**Article 2:** The following legal entities shall, upon obtaining the required authorizations from the Organization, be entitled to provide services as offering advisors:

1. Investment banks,
2. The auditing institutes trusted by the Organization on the condition that they are not acting in the capacity of auditor or legal inspector for the issuer being the subject of advisory services or for its co-group companies.
3. Reputable firms, institutions and organizations well-known in the areas of financial, technical, economic and managerial consultancy at the discretion of the Organization.

**Article 3:** Issuers shall be entitled to use the services rendered by the offering advisors so as to accomplish the procedures of registration, issue and offer of securities and complete the required documentation with legal authorities.

**Article 4:** The offering advisory services shall be provided on the basis of a contract which is made between the issuer and the offering advisor in compliance with the existing rules. A copy of this contract shall, upon an agreement reached between the issuer and the offering advisor be sent to the Organization. The contract, upon endorsement of the Organization as regards adherence to the rules herein under articles 5, 6, 7 and 8 for its execution, shall be deemed to have been absolute and qualified for entry into force. The condition for its entry into force after the contract has been endorsed by the Organization shall be stipulated in the text mutually agreed upon between the issuer and the offering advisor.

**Article 5:** The following items fall within the range of services rendered by the offering advisor. The contract made between the issuer and the offering advisor may include all or parts of such services. Under any circumstances, the offering advisor shall be obligated to perform items 1 through 7 as described below:

1. To examine the issuer's finance project and give counseling on the proper method of financing,
2. To provide advisory services on the rules and regulations of securities offering and the issuer's legal duties,
3. To give the necessary guidelines for preparing the briefing report,
4. To survey the information and documents for preparing the briefing report and, where necessary, obtaining the opinions expressed by experts or competent legal authorities as regards the said report,
5. To give final approval of the briefing report in reliance on the examinations carried out and the opinions expressed by experts or competent legal authorities,
6. To prepare the registration statement or apply to exempt from registering under-the-issue securities,
7. To act as the issuer's legal representative with the authorities of competent jurisdiction so as to follow up the legal procedures for securities issue,

8. To prepare the briefing report,
9. To conduct marketing researches for under-the-issue securities and provide counseling services to the issuer regarding the size of securities, requirements of issue, method of sale or subscription, timing for securities issue and offer as well as advising the issuer to appoint the right agent for securities offering,
10. Marketing and sale of securities,
11. To establish the sales or subscription price,
12. To handle underwriting or undertake to purchase the securities in the process of issue,

**Note:** If the performance of the services under this article necessitates using the services of experts or competent legal authorities, the offering advisor shall be entitled to employ its own personnel who are in possession of legal authorizations for such purpose.

**Article 6:** The fees for the services rendered by the offering advisor shall, depending on the type of service referred to under article 5 of the existing regulations, be established in the contract made between the issuer and the offering advisor. The limits of the fees paid for each type of the services stated herein are as follows:

1. Rendering services for items 1 to 7, up to the amount of 250 million Rials in total,
2. Rendering services for item 9, up to the amount of 250 million Rials,
3. Rendering service for item 10 equivalent to two percent (2%) of the securities sold,
4. Rendering services for item 11, up to the amount of half percent the value of the securities priced,
5. Rendering services for item 12, up to the amount of seven percent (7%) of the value of the securities subscribed,
6. Rendering services for item 8, up to the amount of 300 million Rials.

**Article 7:** The authorized ceiling for the offering advisor to accept advisory services under article 5 of the existing rules shall be set by the Organization.

**Article 8:** The issuer and offering advisor shall have to specify in the contract text the time-limits for fulfillment of obligations and service provision under the rules herein as well as the functions and scope of responsibilities for the contracting parties on the basis of the agreement mutually reached.

**Article 9:** The existing rules comprising 9 articles and one note were approved by the board of directors of the Organization on July 6th, 2008 and shall enter into force as of the approval date.