

“APPROVED”

By the decision of general meeting of shareholders of

"APRICOT CAPITAL" Closed Joint-Stock Company

Director: Vachik Gevorgyan



November 18, 2022

"APRICOT CAPITAL" CJSC

THE REGULATIONS OF BROKERAGE (DEALING) ACTIVITIES

Yerevan, 2022

1. GENERAL TERMS

- 1.1. The regulations of the brokerage (dealing) activities (hereinafter referred to as the Regulations) of "APRICOT CAPITAL" CJSC (hereinafter referred to as the Company) are developed in accordance with the legislation on the securities market of the Republic of Armenia, in particular the Law of the Republic of Armenia "On the Securities Market", and other normative legal acts adopted on its basis and in accordance with the Charter of the Company.
- 1.2. The main concepts used in this Regulation are:
 - 1) **Law** - the Law of the Republic of Armenia "On the Securities Market",
 - 2) **Central bank** – Central bank of the Republic of Armenia,
 - 3) **Responsible person** - The executive director of the company, the deputy executive director or the head and member of another similar body, the employees providing investment services within or on behalf of the Company.
 - 4) **Brokerage activity** - Carrying out securities transactions on behalf of the client or the Company and on expense of the client,
 - 5) **Dealing activity** - Carrying out securities transactions on Company's behalf and expense,
 - 6) **Client** – a person who signed a brokerage services provision Agreement with the company,
 - 7) **Agent** – a person whose involvement and mediation services are used by the Company to provide brokerage services to the Client,
 - 8) **Order** - A document, electronic or voice message submitted by the Client to the Company and serving as a basis for transaction execution at the expense of the Client's Funds by the Company or transmission to the third parties, the purpose of which is the alienation, acquisition or transfer of a Financial Instrument by the Client.
 - 9) **Notice** - any delivery, exchange of information, notification, submission of the Order, which takes place within the framework of the Agreement concluded between the Client and the Company.
 - 10) **Transaction** - Financial instrument alienation and/or purchase transaction, which is performed based on the Order submitted by the Client to the Company: except for cases of forced closing of the Brokerage Account positions in the cases defined by the Regulations.
 - 11) **Settlement** - fulfillment of mutual obligations defined by the current terms of Transaction conclusion.
 - 12) **Financial Instrument** - Any financial instrument freely circulating on the trading platforms of the RA financial market and/or foreign financial markets, including securities (bonds, shares, pies, depositary receipts, etc.), money market instruments, derivatives, currency, precious metals, etc.
 - 13) **Trading platform** - any regulated market, as well as an organization, system or other means intended to organize trades of Financial instruments, which

provides the opportunity and means to carry out the purchase/sale of financial instruments and final settlement of the transaction according to certain rules.

- 14) **Brokerage account** - an account holding the Client's Funds opened at the Company on behalf of the Client for the purpose of carrying out brokerage transactions with financial instruments,
- 15) **Funds** - funds (of any currency) and/or securities, which the Client provided to the Company for the purpose of ensuring the execution and final settlement of their Order or which arose (received) as a result of the execution of the Client's Order.
- 16) **Agreement** - Agreement which is concluded between the Client and the Company for the provision of brokerage services and has these Regulations as an integral part of it,
- 17) **Margin** - the ratio of the Client's own funds to the total amount of the transaction when performing a short sale or a margin purchase of financial instruments, expressed in percentage.
- 18) **Fiduciary duty** - It is the duty of the Company to act in the best interest of the Client, exercising good faith and reasonableness,
- 19) **Custody Regulations** - The Company's Regulation of Custodial Services, which is an integral part of the Agreement.

(Clause 1.2 updated on 18.11.2022)

Other concepts used in this Regulation have the meaning defined by the Law and the normative legal acts adopted by the Central Bank based on it.

2. INFORMATION PROVIDED TO AND REQUIRED FROM THE CLIENT

- 2.1. Before signing the Agreement, the Company provides the Client with information in accordance with Regulation 4/07 "Requirements for the Activities of Investment Service Providers" approved by the Central Bank Council Decision No. 113-N of April 8, 2008:
 - 1) About the company and the investment services provided by it,
 - 2) About types of securities and possible risks,
 - 3) About the place (means) of concluding the transaction (regulated market or unregulated market),
 - 4) About costs and commissions arising during the provision of services.
- 2.2. The above mentioned information is presented to the Client orally or in a standard form (in the form of a booklet).
- 2.3. Prior to the conclusion of the Agreement the Company classifies Clients as professional or non-professional related to any or all of the investment services, or to any transaction or securities type (class).
- 2.4. When carrying out the classification of clients the Company is guided by the Regulation 4/07 "Requirements for the Activity of Investment Service Providers" approved by the Central Bank Council Decision No. 113-N of April 8, 2008 and of

the Company's "Regulations of Securities Portfolio management" requirements defined in points 4.5 - 4.16.

- 2.5. In case of providing brokerage services, the Company requests information from the Client only about the Client's knowledge and experience regarding the provided investment service or security, which should enable the Company to assess whether the given investment service or security meets the Client's requirements. If the Company, based on the information provided by the Client, finds that the given investment service or security does not meet the Client's requirements, the Company warns the Client about it. That warning can be presented to clients in a standard way.
- 2.6. If the Client does not provide the information specified above or provides insufficient information, the Company warns the Client that such behavior does not allow to assess whether the given investment service or security meets the Client's requirements. This warning can be presented to clients in a standard way.
- 2.7. When carrying out the actions mentioned in point 2.5 of these Regulations, the Company determines whether the Client has the necessary knowledge and experience in the field of investment activity to understand the risks arising from the given investment service or security. An investment service provider may assume professional Clients to have that necessary knowledge and experience.
- 2.8. A person providing investment services may rely on information provided by the Client, unless he or she knew or could have known that the information was clearly out of date, inaccurate or incomplete.

3. THE AGREEMENT

- 3.1. Before signing the Agreement, the Company must provide the client with the opportunity to get acquainted with the legal acts regulating the provision of investment services.
- 3.2. The agreement defines:
 - 1) Rights and responsibilities of the Company and the Client,
 - 2) The remuneration calculation and payment procedure for investment services,
 - 3) The procedure, terms and form of providing reports and other documents to the Client,
 - 4) The procedure for communication with the Client, as well as the reliable means of information exchange for the given Client,
 - 5) Liability of the parties for non-compliance with the requirements of the Agreement,
 - 6) The procedure for resolving disputes between the parties,
 - 7) The validity period of the Agreement, the procedure of amendments and additions, termination of the Agreement, including the right of the Client to unilaterally terminate the Agreement informing the Company at least 10 days prior to the termination,

- 8) The procedure for returning the Client's Funds in case of termination of the Agreement,
 - 9) Other mandatory information required by the RA legislation.
- 3.3. In addition to the information specified in point 3.2 of these Regulations, the Agreement may also contain other provisions that do not conflict with the Law, normative legal acts and internal rules and regulations of the Company.
- 3.4. The head of the company's executive body establishes a sample form of the Agreement by his decision.
- 3.5. The conclusion of the Agreement and further customer service are carried out in compliance with the procedures established by the Company's "Regulation of Anti-money laundering and combating terrorism financing".
- 3.6. Upon conclusion of the Agreement a Brokerage account is opened for the Client.
(Clause 3.6 updated on 18.11.2022)
- 3.7. The notice about the brokerage account opening is presented to the Client by a reliable means of information exchange specified by the Client during the conclusion of the Agreement.
(Clause 3.7 updated on 18.11.2022)

4. ORDERS SUBMISSION AND TRANSACTIONS EXECUTION PROCEDURE

- 4.1. The Company executes the Client's Orders or transmits them to third parties for execution only in the cases when the Client's Brokerage account has sufficient funds and securities for the final settlement of the transaction specified in those Orders and for the repayment of the Client's obligations to the Company, except for the cases when a Margin Transaction Order it is performed or transmitted.
- 4.2. Acceptance of an Order, execution and/or transmission of an accepted Order is rejected if:
- 1) it was not presented in the manner defined by the Agreement and/or these Regulations,
 - 2) The Company, as a result of performing the actions to verify the identity of the Client defined by the Agreement and these Regulations, has serious doubts about the authority of the person to submit the Order,
 - 3) Agents refuse to accept and/or execute the Order submitted by the Client, taking into account their lack of ability to ensure the conclusion/execution of transactions in certain markets and trading platforms,
 - 4) It has become objectively impossible for the Company to fulfill the Order or transmit it for fulfillment for any reason beyond its control,
 - 5) Certain prohibitions or restrictions are established or applied by the relevant trading platforms or Agents that make the execution of the Order impossible.

- 4.3. In order to achieve a better overall result, the Company may consolidate the Client's Order or a transaction executed on its behalf with an Order of another of its Clients and execute them consolidated if:
- 1) it does not give a worse result for any of the Clients than if their Order was executed separately;
 - 2) it is generally for the interests of the Client.
- 4.4. If the Company consolidates its Client's order with a transaction executed on Company's behalf, then in the case of partial satisfaction of the consolidated order, preference is given to the Client, unless otherwise defined by the Agreement.
- 4.5. To execute a transaction, the Client submits an Order to the Company, which must contain the essential terms of the transaction. The Order also indicates the type of the Order (market, limit, stop limit, etc.), as well as the dates of validity (to be executed) of the Order (until the end of the trading session (DAY), good-till-cancel (GTC) or good till the specified date (GTD)). If the validity period of the order is not specified, it is valid until the end of the first trading day of Order submission or the day after submission on the given trading platform.
(Clause 4.5 updated on 20.09.2022)
- 4.6. The basis for a transaction execution is the Order submitted by the Client in written or non-written form, which must contain the essential terms of the transaction.
- 4.7. The Order in written form is submitted by the Client via e-mail (with mandatory confirmation by the Client by a phone call, and the time of receiving the order is considered the time of the first received information), through the software terminal, a phone application provided by the Client, and in paper form at the Client choice (see Appendix 1):
(Clause 4.7 updated on 14.10.2022)
- 4.8. In case of submission of an Order in a non-written form, the responsible employee authorized to accept the Order fills in and signs the prescribed form of the Order based on the information received in a non-written form not later than the end of the given working day, indicating the time of receiving the information (not the date of completion of the Order) to the minute and their name, surname. In such case, it is noted in the Order that it was submitted by the Client in a non-written form.
- 4.9. When submitting an Order by e-mail (with mandatory confirmation by the Client by a phone call), through a software terminal, phone application provided by the Company, the Client acknowledges that, taking into account technical and other circumstances beyond the Company's control, it is possible that the Order sent may not reach the Company, may arrive late, may be sent by or made known to unauthorized third parties by other means, including network failures, unauthorized access to the network, unauthorized use of passwords and other means and methods. The Client acknowledges that the Company is under no circumstances responsible for the losses suffered by the Client as a result of the events mentioned in this point, and the Company considers the Order received from the Client's e-mail address

specified in the Agreement as received from the Client, in case of mandatory confirmation by the Client by phone.

- 4.10. In case the Client submits the Order by the means of electronic communication, the Client can make sure that the Company has received the Order through a phone conversation with an authorized employee of the Company.
- 4.11. Orders placed over the phone are recorded by the Company and the Client gives the consent to the recording of their communications with the Company. When accepting an Order by phone, the responsible employee of the Company has the right to ask the person who contacted him/her the necessary questions, including the valid conditions of the Agreement, other questions necessary for the identification of the Client, and accept the Order only in case of proper identification of the Client. With the help of appropriate technical means, the Company registers the fact of the submission of the Order by the Client and certifying its content, including the time of submission, successively filling in the day, month, year, hour and minute. At the same time, these technical means should prevent the registered information from being modified in any way. When submitting the Order by phone, the Client pronounces the conditions specified in Clause 4.12 of these Regulations, after which the responsible employee repeats them, and the Client confirms the fact that the responsible employee correctly understood the terms of the Order by pronouncing the phrase "I confirm".
- 4.12. In case of submitting an Order in paper form (see Appendix 1), the Order is made in 2 copies by the Client, one copy remains with the Company, and the other copy is returned to the Client in person, by mail or by email with the marking "Order accepted" and the signature of the responsible employee authorized to accept the Order. The Client submits a single copy of the Order by e-mail, through a software terminal provided by the Company, through a phone application, and this copy remains with the Company, and the Client is notified via electronic communication that the Order has been accepted.
(Clause 4.12 updated on 20.09.2022)
- 4.13. The Company has the right to refuse acceptance of the Client's Order in the following cases:
- 1) In case of lack of the data provided for identification or suspicion of inconsistency of the identity document of the Client or his authorized representative,
 - 2) In case of non-compliance of the submitted Order with the RA legislation, these Regulations and/or the requirements of the Agreement.
- 4.14. The Client has the right to submit a Notice to withdraw the given Order. The Notice is accepted for execution, if the Transaction of the Order has not yet been satisfied and/or executed by the Company. The Notice of withdrawal of the Order is considered accepted from the moment the Notice reaches the Company. In case the Transaction

of the Order gets executed during the period from the moment of receiving the Client's withdrawal Notice until the Company confirms the request to withdraw the transaction from the corresponding trading platform, the Notice about the withdrawal of the Order is not executed by the Company.

- 4.15. The Company has the right to refuse the execution of the accepted Order also in cases, if after accepting the Order turns out that there are not enough Funds in the Client's accounts (except for Margin Transactions) to execute the Order and collect the fees set for the execution of that Order, moreover, the Company has the right to charge the Funds available in the Client's Brokerage accounts in order to ensure the Final Settlement of the Transaction executed on the basis of the Order submitted by the Client, without notifying the Client in advance. The order may not be fulfilled even if the funds available in the Client's accounts are encumbered by the rights of other persons or are pledged/frozen.
- 4.16. In case of refusal to fulfill the Order, the Company immediately informs the Client about it by e-mail, through the software terminal provided by the Company, phone application or by phone by sending an appropriate notification.
- 4.17. Depending on the type of market (exchange, over-the-counter, regulated or not) and location, the nature of the transaction and the terms of execution, the Company's director may set deadlines for the submission and withdrawal of the Order, which are subject to publication on the official website of the Company and in violation of which the submitted Order or withdrawal Notice is not executed. The specified deadlines are an integral part of these Regulations and are binding on the parties.
- 4.18. In case of minimum quantitative/volume limitations of Financial Instruments bought/sold per Order by trading platform or Company Agents for transaction execution, these limitations also apply to Client Orders, about which the Company informs the Client.
- 4.19. The Client acknowledges that the range of Financial Instruments to be purchased with Orders, the volumes of Transactions, the deadlines for submission of Orders are limited by the list of securities, volume restrictions (limits) and time limits for the submission (execution) of Orders specified by the Agents and trading platforms ensuring the execution of said Transactions. Moreover, the Market order submitted after the end of the trading day in the given trading platform and before the start of the next trading day is subject to execution or transmission for execution only during the trading day defined by the rules of the given trading platform.
- 4.20. In the event of a conflict between the interests of the Company and the Client, the Company gives priority to the interests of the Client, guided by Fiduciary Duty.
- 4.21. The Client may submit an Order to conclude a Margin transaction by e-mail (with mandatory confirmation by the Client via phone call), software terminal, phone application provided by the Company and receive a loan in the form of money or securities from the Company for this purpose, if such opportunity is defined in the Agreement signed with the Company.

- 4.22. In case the Client's own Funds in the Brokerage Account are less than the required maintenance margin, the Company informs the Client via e-mail, through the software terminal, phone application provided by the Company about the need to replenish the required Margin Maintenance Amount in the Brokerage Account.
- 4.23. The Company has the right not to accept and execute the Client's further Orders until the Client's own Funds in the Brokerage Account exceed the required Margin maintenance amount.
- 4.24. In case the sum of Financial instruments bought and sold by the Client (long and short positions) in the latter's Brokerage account are less than the required minimum margin, in order to satisfy the Client's obligations, the Company reserves the right to close the Client's open position without seeking the Client's consent by buying/selling the relevant Financial Instrument.
- 4.25. The purchase and sale of securities is carried out on the principle of Delivery versus payment (DVP) or Free delivery.
- 4.26. Orders submitted by the Clients have the priority to be executed first over the Company's dealing orders.
- 4.27. Transactions in the regulated market are executed and regulated in accordance with the Law, the normative legal acts adopted on its basis and the rules established by the operator of that market.
- 4.28. Transactions in the unregulated market are concluded and executed by the Company in accordance with the Law and the normative legal acts adopted on its basis.
(Clause 4.28 updated on 20.09.2022)
- 4.29. The difference between the funds available in the brokerage accounts (to the extent that they are not encumbered by the accepted and/or executed Order, the rights of the Company or third parties) and the amounts payable to the Company in accordance with the Agreement is the indefinite obligation of the Company towards the Client.
- 4.30. Except for the cases of ensuring the Final Settlement of the Transaction executed on the basis of the Client's Order, funds can be withdrawn from the Brokerage accounts based on the legally binding judgments of the courts, as well as in the cases defined by the legislation and/or the Agreement signed with the Client.
- 4.31. The same persons who are authorized to submit Orders to the Company in accordance with the Agreement signed with the Client have the authority to make a transaction on the Brokerage Account.

5. SUBMISSION OF REPORTS TO CLIENTS

- 5.1. If the Company has executed the client's Order, it must immediately provide the client a Report of Order execution, but no later than by the end of the next working day after the conclusion of the transaction.
- 5.2. The report of Client's Order execution includes:

- 1) Company name,
- 2) Client's name, surname (in the case of a legal entity) or client identification number,
- 3) The date of conclusion of the transaction, sequentially indicating the day, month, year,
- 4) The time of conclusion of the transaction, sequentially indicating the hour and the minute,
- 5) Type of Order executed by the Client (market, limit, etc.),
- 6) The place of conclusion of the transaction (the name of the stock exchange, the name of another regulated market or "non-regulated market" is indicated),
- 7) The Securities Identification Code, the issue number (in case of absence, the name of the issuer and the type of securities, and in case of a derivative instrument, its description),
- 8) The type of transaction specified in the order (purchase, sale),
- 9) The nature of the order, if the type of transaction specified in the order is not purchase or sale (execution of securities subscription, option, repo, reverse repo, etc.),
- 10) Quantity of securities (nominal value in case of volume securities),
- 11) Unit price (in the case of volume securities, it is not filled in),
- 12) Total volume,
- 13) Total amount of commissions or other fees to be charged, and in case of a non-professional client also a detailed breakdown of that amount (for each payment) upon their request.
- 14) The conditions and period of making payments by the client, if the client was not informed about them in advance (bank account number, etc.),
- 15) Information about the fact that from the client's point of view the other party to the transaction was the Company, any other person belonging to the latter's group, or another client of the Company, if the transaction was not carried out in such a regulated market that ensures that one party to the transaction will be unknown to the other party,
- 16) Date of submission of the report.

(Clause 5.2 updated: 09.20.2022)

5.3. (Clause 5.3 expired on 18.11.2022)

5.4. If the client's Order is executed in parts, the Company shall submit to the client the report of the execution of the Order by each part.

5.5. The reports defined by this Regulation are submitted to the client by hand delivery, and in case of Client request, By sending the information to the Client through a reliable means of transmission.

(Clause 5.5 updated on 20.09.2022)

6. THE FEATURES OF THE DEALING OPERATIONS

6.1. Execution proposals of the Transactions carried out on behalf and at the expense of the Company (hereinafter: Dealing transaction) are drawn up by a suitably qualified employee of the Company (hereinafter Dealer) and submitted for approval by the head of the Company's executive body.

6.2. Before executing a Dealer transaction, the Dealer ensures that the necessary funds and securities are available to the relevant accounts of the Company.

6.3. After the execution of the Dealer transaction, the Dealer submits a Report to the head of the Company's executive body about execution of the transaction, and transmits information to the accounting department of the Company for the implementation of the accounting formulations arising from the Dealer transaction.

7. REGISTRATION OF ORDERS AND TRANSACTIONS

7.1. The Company's brokerage orders and transaction records include relevant information related to all transactions made with Financial Instruments.

(Clause 7.1 updated on 20.09.2022)

7.2. The records mentioned in Clause 7.1 of this Regulation must be executed immediately after receiving the Orders, but not later than the end of the given working day.

7.3. Records of each order submitted by the client shall include at least the following information:

- 1) Client's name, surname (in the case of a legal entity) or client identification number
- 2) The type of transaction specified in the order given by the client (purchase, sale),
- 3) The nature of the order, if the type of transaction specified in the order is not purchase or sale (order for subscription of securities, order for option exercise, etc.),
- 4) The type of order placed by the client (market, limit, etc.),
- 5) The Securities Identification Code (in case of absence, the name of the issuer and the type of securities, and in case of a derivative instrument, its description),
- 6) Quantity of securities,
- 7) Unit price,
- 8) Total volume,
- 9) Special instructions given by the client (if any),
- 10) The exact time of receipt of the order given by the client, sequentially indicating the day, month, year, hour and minute,
- 11) The name and surname of the responsible person registering the order.

7.4. Transaction registrations must be conducted in such a way or means that the following conditions are met:

- 1) At the request of the Central Bank, these records must be available and accessible to the Central Bank and it must be possible to decipher each stage of each transaction.
- 2) if changes or additions are made to those records, they must be made in such a way that it is possible to identify the original content of those records and each change or addition, and
- 3) unauthorized use of these registrations by third parties should be excluded.

7.5. The Company maintains records of each Order submitted by the Client.

7.6. Records about completed transaction must be made immediately after executing the Client's Order, but not later than till the end of the given working day.

7.7. Registrations made in accordance with clause 7.6 of this Regulation include the following information:

- 1) Client's name, surname (name) and/or client identification number,
- 2) The date of conclusion of the transaction, sequentially indicating the day, month and year,
- 3) The time of conclusion of the transaction, specifying the hour and the minute in sequence,
- 4) Transaction type (purchase, sale),
- 5) The nature of the transaction, if the type of transaction is not purchase or sale (securities subscription, option exercise, repo, reverse repo, etc.),
- 6) The Securities Identification Code (in case of absence, the name of the issuer and the type of securities, and in the case of a derivative instrument, its description),
- 7) Quantity of securities (in the case of volume securities, the nominal value),
- 8) Unit price (in the case of volume securities is not filled in),
- 9) Total volume,
- 10) The other side of the transaction,
- 11) The place of conclusion of the transaction (the name of the stock exchange, the name of another regulated market or "non-regulated market" is indicated),
- 12) The name and surname of the responsible person performing the transaction.

7.8. In case of repo and reverse repo transactions, in addition to the information specified in clause 7.7 of this Regulation, the following must also be recorded:

- 1) Date of transaction completion ,
- 2) Date of modification of the transaction data (if the conditions of the previously concluded transaction were changed),
- 3) The amount of direct repo transaction,
- 4) The amount of the reverse repo transaction,

- 5) Annual repo rate,
- 6) Period of transaction in days.

8. CHARGABLE FEES FOR PROVIDED BROKERAGE SERVICES

8.1. For the services provided under the Agreement, the Company charges fees from the Client in accordance with the rates for the provision of Brokerage services defined by the head of the Company's executive body.

8.2. Tariffs may be changed unilaterally by the Company and shall enter into force 11 days after the date of notifying the Client of such change and/or publishing it on the Company's official website.

(Clause 8.2 updated on 18.11.2022)

8.3. The Client shall be bound to reimburse all operational expenses of the Company related to execution or routing for execution of the Client's Orders, which may arise due to the need to involve third parties to ensure execution of transactions and final settlement, in particular, fees charged by TPs and/or other intermediaries from Agents (except for regular commission fees charged in accordance with Agreements concluded between the Company and the Agents), which vary by TP, type and value of transaction, etc. Such expenses shall be bound to be included among the charges for provision of brokerage services. The reports submitted to the Client shall reflect both the specified expenses and charges and deductions made by the Company for reimbursement of such expenses.

8.4. If the Company acts also as the Client's tax Agent in accordance with the legislation, the Broker shall charge and transfer the applicable taxes payable by the Client.

8.5. The Company shall charge the fees, reimbursements of costs, interest, penalties and fines specified in these Regulations and the Agreement and the amount of any other type of financial obligations of the Client to the Company from the Funds available in the Client's Brokerage Account, and the Client is obliged to ensure the availability of the relevant Funds in the Brokerage Account.

(Clause 8.5 updated on 20.09.2022)

8.6. The brokerage operations executed by the Company in international markets do not include fees (except for clearing fees) charged by parties other than the Agents of the Company (TPs, stock exchanges, custodians, etc.). All such fees, if payable, shall be charged from the Client's Funds.

8.7. In response to the request of the Client, the Broker shall provide sources of information related to the fees referred in clause 8.6 of this Regulation.

9. PROCEDURE FOR PROVIDING LOANS (MARGIN) TO CLIENTS FOR EXECUTING SECURITIES TRANSACTIONS

9.1. The company can provide loans to Clients for executing securities transactions, provided that the Company is a party of such transaction.

9.2. The Company can provide Clients the following types of loans:

- 1) Short sale of securities, in which case the Client of the Company sells the securities borrowed from the Company
- 2) Purchase of securities on margin, in which case the Client purchases securities through the Company, borrowing a part of the amount necessary for the purchase from the Company.

9.3. The minimum amount of the Margin while providing the types of loans mentioned in Clause 9.2 of this Regulation is defined 25 (twenty-five) percent.

9.4. The exact Margin size for each Financial instrument, as well as the interest rates applied to loans provided in cash and securities, are available to the Clients on the Company's official website and/or in the software terminal provided by the Company.

(Clause 9.4 updated on 20.09.2022)

9.5. Provision of loans to Clients for executing securities transactions is implemented on the basis of the Agreement.

9.6. In special cases, depending on the specifics of the execution of orders transferred by the Agents from the Company, the Company has the right to implement foreign currency conversion and/or conclude short-term exchange rate swap agreements through the Agent at the Client's account without the Client's instructions (automatically) in order to ensure funds in the currency necessary for the execution of the Client's Order.

9.7. In case of conclusion of swap operations mentioned in Clause 9.6 of this Regulation, the Company shall submit a Report to the Client including the essential conditions of that transaction within one working day.

(Clause 9.7 updated on 20.09.2022)

10. STEPS TAKEN TO ENSURE THE CLIENTS' FUNDS PROTECTION

10.1. In order to ensure the protection of Client funds, the Company undertakes the following actions.

- 1) Separate accounting: The Company maintains separate accounts for each Client, as well as for its own and its clients' Funds,
- 2) Internal control. Functions of the Company's internal audit include monitoring risks related to the Company's operational activities, minimizing the risk of accidental errors and abuses by the Company's employees.
- 3) Applying a clear order execution policy,
- 4) Application of the policy of limiting the conflict of interests of the Company and Clients, as well as the Company's various Clients,
- 5) Participation in investor compensation, fund guarantee or other similar schemes (if any).

(Clause 10.1 updated on 20.09.2022 and 18.11.2022)

10.2. The Company has the right to use the Client's Funds for its own benefit, if it is provided by the Agreement signed between the Company and the Client.

10.3. If the Agreement signed between the Company and the Client stipulates that the Company has the right to use the funds of the Client for its own benefit, the Agreement should also define:

- 1) Limits on the use of funds,
- 2) Dates of use of funds (if any),
- 3) The rate of the amount to be paid by the Company to the Client for the use of funds, the procedure for its calculation and the periodicity of payments (if such payment is defined).

10.4. The Company has the right to pledge the Client's funds on its behalf only on the basis of a written Agreement with the latter.

11. FUNDS ACCOUNTING, CUSTODY AND FINAL SETTLEMENT OPERATIONS

11.1. The Client's funds intended for provision of services by the Company or received as a result of such services shall be transferred by the Company to the Client's Brokerage account in accordance with the laws of the Republic of Armenia, other normative legal acts, the rules of the Settlement system operator and the Regulated securities market operator, this and the Company's Custodial Regulations and in the manner and within the terms stipulated by the Agreement.

11.2. The Broker does not pay interest to the Client for the balance of the brokerage account.

11.3. Operations with brokerage accounts are executed on the basis of the Client's Orders. Moreover, the Order is considered an instruction to execute a transaction through the Brokerage account to appropriate extent.

11.4. The Brokerage and Securities accounts can be debited without The Client's Order subject to the existence of a valid and effective court judgement as well as in other cases defined by law and the Agreement signed between the Company and the Client.

11.5. Company has the right, at its discretion, to refuse depositing Funds into the Brokerage Account, if according to the Company's internal assessment and taking into account the nature and riskiness of the executing Transactions (sealable) by the Client using these Funds, the presence of funds in the Brokerage Account may result significant losses for the Client and (or) the Company.

11.6. The Company can keep the Client's Funds on bank and other cash accounts opened in the name of the nominee and the Company with other (including foreign) financial institutions, pursuant to the RA legislation or the transaction jurisdiction and relevant signed Agreements. While executing Transactions, the Company shall be authorized to combine the Client's funds with other Clients' funds and the Company's own funds,

however, at all times subject to separate book-keeping of the funds of the Client, other clients and the Broker's own funds by proper maintenance of internal accounting system.

11.7. The procedures for the execution of custodial and settlement operations necessary for the execution of brokerage services, operations with the Client's accounts are defined by the relevant Agreement, the regulation for the execution of Custodial services, this Regulation and other internal legal acts of the Company.

11.8. The Company also provides custodial services to Clients who use brokerage services without opening securities accounts defined by the Regulations for the Provision of Custodial Services, and in that case all custodial operations are performed through the Client's Brokerage account.

11.9 According to this Regulations the Transaction Order issued by the Client to execute a transaction is also an Order to execute a relevant Custodial operation with the Client's Brokerage accounts, particularly:

11.10. acceptance/crediting of securities to the account,

11.11. transfer/debiting of securities from the account.

11.12 The Company shall perform final settlement without further instructions received from the Client. The parties agree that the Order is also automatically an Order for settling the Client's Funds.

11.13. According to this Regulation, The Client is obliged to provide the Company with the Funds necessary for the Final Settlement by ensuring the availability of the relevant Funds in the Client's account.

(Section 11 is completed on 18.11.2022)

12. ORDER EXECUTION POLICY

12.1. The Company's Order Execution Policy is approved by the Company's general meeting of shareholders (if the Company does not have a board).

(Clause 12.1 updated on 18.11. 2022)

12.2. The Company's Order Execution Policy includes information on the various places and means of executing transactions, as well as the factors that are taken into consideration while choosing places for each class of securities.

12.3. Before signing the Agreement, the Company informs the clients about the Order Execution Policy and, by signing the Agreement, the latter give their consent to apply this policy to them.

(Clause 12.3 updated on 18.11.2022)

12.4. The Company revises the Order execution Policy in such cases when has been made such a significant change that it can no longer provide an opportunity to execute the Client's Orders through the transaction venue selected in accordance with this Policy under the best possible conditions for the Client.

(Section 12 updated on 18.11.2022)

13. POLICY FOR THE LIMITATION OF CONFLICTS OF INTEREST BETWEEN THE COMPANY AND CLIENTS, AS WELL AS THE COMPANY'S DIFFERENT CLIENTS

13.1. In case of possible conflicts of interest arising while providing brokerage services to the clients the Company is guided by the requirements of the Company's Regulation of Exclusion and Prevention of Conflict of Interest.

(Section 13 updated on 18.11.2022)

14. FINAL PROVISIONS

14.1. The information provided to the client, the information required from the client, the Orders submitted by the client and the Reports submitted to the clients can be in Armenian, and at the option of the Client, in other languages (English, Russian).

14.2. Amendments and additions to these Regulations are approved by the Company's general meeting of shareholders (if the Company does not have a board) and enter into force upon approval by the meeting.

(Clause 14.2 updated on 20.09.2022), (Section 14 updated on 18.11.2022)

Appendix 1

Trade Order N_____

Client Brokerage Account Number	
Time of accepting the order (hour/minute/day/month/year)	
Transaction type	<input type="checkbox"/> Buy <input type="checkbox"/> Sell
The nature of the order, if the transaction type specified in the order is not a purchase or sale	<input type="checkbox"/> Securities subscription <input type="checkbox"/> Option execution <input type="checkbox"/> Specify other nature
Order type	<input type="checkbox"/> Market <input type="checkbox"/> Limit <input type="checkbox"/> Stop <input type="checkbox"/> Stop Limit
Limit price (currency)	
Stop price (currency)	
Time In Force	<input type="checkbox"/> Day Order (DAY) <input type="checkbox"/> Good-till-Cancel (GTC) <input type="checkbox"/> Good-till-Day (GTD) _____
The Security Identification Number (in the case of a derivative, its description)	
Exchange symbol	
Quantity of Financial Instrument (volume)	
Special Instructions (if available)	
The Authorized Person's _____ Name Surname _____ Signature / Seal	Order accepted by` _____ Name surname _____ Signature

(Appendix 1 updated on 20.09.2022)