

Approved by
"Apricot Capital"
Closed Joint Stock Company
Sole Shareholder decision on 23 January 2025
No. 23/01/2025
Executive Director Vachik Gevorgyan



**“APRICOT CAPITAL”
CLOSED JOINT STOCK COMPANY**

REGULATION ON CUSTODY

YEREVAN 2025



CHAPTER 1. SUBJECT OF REGULATION

1. The Regulation on Custody of “Apricot Capital” CJSC (hereinafter referred to as the Regulation) is developed in accordance with the legislation regulating the securities market of the Republic of Armenia, the normative legal acts adopted by the Central Bank of the Republic of Armenia, and governs the terms and procedures related to the securities custody operations carried out by the Custodian.

CHAPTER 2. CONCEPTS USED IN THE REGULATION

2. The main concepts used in the Regulation are:
 - 1) **"Law"** – the Law of the Republic of Armenia on the Securities Market;
 - 2) **"Custodian"** – "Apricot Capital" CJSC, which operates based on the relevant license issued by the Central Bank of the Republic of Armenia;
 - 3) **"Client"** - a person with whom the Custodian has entered into a Custody Agreement or, in accordance with the Regulation on the Brokerage (Dealer) Activities of "Apricot Capital" CJSC, Brokerage services provision and brokerage account maintenance agreement (hereinafter referred to as the Brokerage Services Agreement). The Custodian’s Clients may include individuals, legal entities, the state or communities who are the owners of securities entrusted for Custody or have other property rights over those securities (such as a fiduciary manager or pledgee), as well as other custodians, including when the latter acts as a nominee holder on behalf of the Custodian;
 - 4) **"Nominee Holder"** - a person in whose name securities owned by other persons (nominee holders) are registered in the register of nominal securities holders, held in the Central Depository or with another custodian (including in a foreign central depository or with a foreign custodian), without transferring ownership rights. A nominee holder may be a legal entity that has obtained a license for Custody activities, as well as foreign custodians who, in accordance with the laws and other legal acts of their country, are authorized to hold and manage securities accounts on behalf of other persons;
 - 5) **"Custody Agreement"** - an agreement under which the rights and obligations of the Client and the Custodian arise, related to the provision of Custody services by the Custodian to the Client within the scope of Custody activities. This agreement includes, as an inseparable part, the present Regulation, the Tariffs, the Custodian’s Regulation on Client Classification and Information Exchange (hereby referred to as Regulation on Client Classification and Information Exchange), and the Custodian’s Personal Data Protection Policy (hereby referred to as Personal Data Protection Policy);

- 6) **"Custody Account"** – the complete set of electronic records maintained by the Custodian regarding the Client, securities and cash held in the Client's account, the rights and restrictions related to those securities, income received from the securities, the dates and deadlines for the acceptance and recording of securities, and other information as required by legislation;
- 7) **"Instruction"** – an instruction submitted by the Client to the Custodian regarding the execution of Operations;
- 8) **"Operation"** - an action performed based on the Client's Instruction, a request from the Issuer, or a request from other persons specified by the legislation of the Republic of Armenia, resulting in the opening of a Custody Account, changes to the information in the Custody Account, the closure of the Custody Account, changes to the balance of the Custody Account (for Clients who have signed a Brokerage Services Agreement, changes to the balance of the Brokerage Account), registration of other information, and/or provision of information;
- 9) **"Simple Transfer"** - the transfer of securities from one account to another, where the recipient's confirmation or consent is not required;
- 10) **"Free of Payment"** or **"FOP Transfer"** - a type of transfer of securities from one Custody Account to another, requiring matching Instructions from both the transferring and receiving parties for the transfer and receipt, respectively;
- 11) **"Delivery versus Payment"** or **"DVP Transfer"** - a type of transfer of securities from one account to another, where the simultaneous transfer of securities and cash, which serve as the means of settlement for the securities and the DVP transfer, is executed in the respective accounts based on matching Instructions from the transferring and receiving parties for the transfer and receipt, respectively;
- 12) **"CDA"** – "Central Depository of Armenia" Open Joint-Stock Company;
- 13) **"Central Bank"** – the Central Bank of the Republic of Armenia;
- 14) **"Issuer"** - any person whose issued securities are the subject of Custody, as well as the Ministry of Finance of the Republic of Armenia and the Central Bank;
- 15) **"Foreign Custodian"** – a person authorized to perform securities Custody activities outside the territory of the Republic of Armenia;
- 16) **"Foreign Security"** - a security that is not a bond issued by the Ministry of Finance or the Central Bank of the Republic of Armenia, and whose issuer is not a resident of the Republic of Armenia;
- 17) **"Opening of a Custody Account"** - the entry of initial information about the Client into the back office system of the Custodian, which enables the execution of any operation involving securities owned by the Client;
- 18) **"Closing of a Custody Account"** – the entry of such records into the back office system of the Custodian that make it impossible to perform any operation on that account, except for providing information;

- 19) **"The registration of the collateral or other encumbrance on securities"** The registration and cessation of collateral on securities and other third-party rights, as well as the entry of relevant information regarding the securities into the Custodian's database ;
- 20) **"Transfer of Securities"** – the transfer of securities based on the corresponding Instruction, to the Custody Account held with the Custodian as well as to custody/securities account held with another custodian;
- 21) **"Conversion of Securities"** – an operation carried out with the purpose of exchanging securities of one class for securities of another class, in accordance with the conversion procedure established by the issuer;
- 22) **"Cancellation (Redemption) of Securities"** – an operation carried out to remove securities from the Custody Account, resulting from the cancellation of the issuance of the securities (which has been declared void) and in other cases, including in the event of redemption of the securities;
- 23) **"Split (Consolidation) of Securities"** – an operation carried out with the purpose of converting securities of a certain class into a greater (smaller) number of securities of the same class, thereby reducing (increasing) the nominal value of each security by the corresponding factor;
- 24) **"Payment of Income from Securities"** – an operation carried out by receiving income paid by the issuer of certain securities and then distributing that income to the Clients who own the respective securities;
- 25) **"Blocking of Securities"** – an Operation that results in the prohibition or restriction of securities transfers in cases, procedures, and timeframes defined by the Regulation and/or legislation;
- 26) **"Termination of Securities Blocking"** – the entry of records regarding the removal of the Blocking of securities;
- 27) **"Change of Information in the Custody Account"** – the modification of the personal data of the Client and their authorized representatives in the Custodian's database;
- 28) **"Tariffs"** – the "Brokerage Services Tariffs" of "Apricot Capital" CJSC, which are an inseparable part of the Custody Agreement, and/or special tariffs agreed upon with the Client, if applicable;
- 29) **"Agent"** – a person through whose involvement and intermediary services the Custodian carries out Operations, including another custodian, a foreign custodian, or a registrar, with whom the Custodian maintains a nominee account where the securities entrusted to the Custodian are recorded either collectively or separately;
- 30) **"TP (Trading Platform)"** – any regulated market, as well as any organization, system, or other means intended for organizing the trading of financial instruments, which, in accordance with certain rules, ensures the buying and selling of securities and provides the means and opportunity for settlement as a result of such transactions.

33) **"Securities Safekeeping"** – The registration of rights over the Client's securities held in the nominee account opened by the Custodian with Agents, by making relevant record entries in the Custody Accounts.

3. Other concepts used in this Regulation have the meanings defined by the Law of the Republic of Armenia on the Securities Market, as well as by the normative legal acts on it adopted by the Central Bank of the Republic of Armenia and other normative legal acts.

4. Concepts used in this Regulation but not defined in Clause 2 of the Regulation shall have the meanings assigned to them in the Law and other legislative acts adopted based on it, as well as in the Regulation on the Brokerage (Dealer) Activities of the Custodian. In cases where no specific definition is provided, the interpretation of these concepts shall align with international business customs, unless a particular case clearly dictates otherwise.

5. Unless otherwise clearly follows from the specific context of any provision of this Regulation, the principles of interpretation of its provisions are as follows:

5.1. A mention, citation, or reference to any document (including, but not limited to, the Agreement, Regulation, Tariffs, Personal Data Protection Policy) implies acknowledgment of the current version of that document, encompassing all amendments and additions, unless explicitly stated otherwise in the reference, citation, or mention;

5.2. Unless otherwise indicated, all references to individual clauses pertain to clauses within the Regulation;

5.3. The names of the Regulation's chapters are indicative and do not impact the interpretation of their content;

5.4. Concepts defined in the singular number denote the plural number of the same, and vice versa, unless the specific application of the concept dictates otherwise.

CHAPTER 3. GENERAL PROVISIONS

6. The Custodian conducts Custody activities in accordance with the Civil Code of the Republic of Armenia, the Law, other normative legal acts adopted based on them, and the procedures established by this Regulation.

7. This Regulation is a public document, which any interested party may review.

8. The object of Custody activities may include any securities issued and circulated in the Republic of Armenia, as well as foreign securities.

9. Entries made by the Custodian regarding securities confirm the rights of the Clients over the securities. The ownership rights of the securities entrusted for Custody are considered transferred from the moment the corresponding entry is made in the Client's Custody Account.

10. Entrusting securities for Custody does not result in the transfer of ownership rights of the securities to the Custodian.

11. The Custodian makes entries in the Custody Account only in the presence of documents that serve as the basis for making such entries.
12. The Custodian ensures the separate record keeping of the rights to securities belonging to itself and to the Clients by opening a securities account for its own securities and a nominee account (for securities belonging to the Clients) with Agents authorized to perform securities Custody activities within or outside the territory of the Republic of Armenia.
13. The Custodian ensures the separate record keeping of rights to securities belonging to each Client by opening a separate Custody Account for each Client.
14. The Custodian regularly performs reconciliations and adjustments between its own records and the information regarding the Client's assets held by other parties where the Client's assets are stored.
15. Securities owned by Clients are subject to separate record keeping from those securities that are used, controlled, or managed by a person who is not the owner of the securities, based on authority defined by law or an agreement such as a mandate, agency, commission, or fiduciary management agreement with the securities owner. Securities with restrictions on rights are also subject to separate record keeping. In addition to ownership rights, the rights of persons with other property rights to the securities are subject to separate record keeping.
16. Custody activities also include the provision of services to the Client for the purpose of exercising rights arising from the securities, in cases and in the manner specified in the Custody Agreement.
17. The Custodian performs the functions of the Client's tax agent in cases defined by the legislation of the Republic of Armenia. The Client hereby confirms that they are duly informed and agree that in cases where the Custodian is not the Client's tax agent, the Client assumes the risk of non-performance or improper performance of their tax obligations. Moreover, in the case of income derived from bond coupons issued in the Republic of Armenia, the issuer (or the Custodian, if the bonds are issued by the Custodian) is the tax agent in accordance with the regulations of Armenian legislation. The Custodian is not liable in any and all cases where income from securities issued outside the Republic of Armenia (foreign securities) has been or will be paid. by the issuers of those securities with a deduction for taxes paid or payable on such income.

CHAPTER 4. SERVICES PROVIDED BY THE CUSTODIAN

18. Within the scope of Custody activities, the Custodian offers the following services (hereinafter also referred to as "Services"):
 - 18.1. Opening, managing, and closing Custody Accounts,
 - 18.2. Registration of rights to securities,
 - 18.3. Acting as the Nominee Holder of the Client's securities with Agents, Securities safekeeping,

- 18.4. Acceptance of securities for Custody and registration, and removal from registration,
- 18.5. Transfer of securities,
- 18.6. Transfer of information and documents by the issuer or other custodian to the Client, as well as by the Client to the issuer or other custodian, for the purpose of exercising rights arising from securities,
- 18.7. Preparation and provision of statements regarding operations in the Custody Accounts and information about the Client,
- 18.8. Reflection of corporate actions of issuers related to the securities registered in the Client's Custody Account—conversion of securities, cancellation (maturity) of securities, splitting and consolidation of securities, payment of income from securities,
- 18.9. The registration of collateral or other encumbrances on securities assigned to the Client's Custody account, as well as the blocking and termination of blocking of securities,
- 18.10. Provision of extracts on Custody Account and statement (reports) on Operations,
- 18.11. Change of Information in the Custody Account.
19. The provision of Services to the Client and the opening of a Custody Account for the Client are carried out in accordance with the legislation of the Republic of Armenia, based on this Regulation and the Custody Agreement. The Custody Agreement is concluded in writing. Moreover, for those Clients with whom the Custodian has entered into a Brokerage Services Agreement, the Services listed in this Regulation are provided through a brokerage account opened based on that agreement, without the need to conclude a Custody Agreement or open a Custody Account.
20. The template of the Custody Agreement is determined by the decision of the head of the executive body of the Custodian.
21. Before the conclusion of the Custody Agreement and the opening of the Custody Account, the Client is obliged to submit the documents required by the Custodian's "Anti-Money Laundering and Counter-Terrorism Financing" procedure.
22. Upon the conclusion of the Custody Agreement, a Custody Account is opened for the Client.
23. The conclusion of the Custody Agreement and the opening of the account with the Custodian do not oblige the Client to immediately deposit securities into the account.
24. The Custodian does not pay interest to the Client on the balance of the Custody Account unless otherwise stipulated by the Tariffs or the agreement/contract concluded with the Client.

CHAPTER 5. GENERAL TERMS FOR THE IMPLEMENTATION OF CUSTODY OPERATIONS

25. The Custodian carries out Custody operations electronically.
26. The opening, management, closure of Custody Accounts, as well as the execution of operations with Custody Accounts, are carried out by entering information into the relevant fields of the Back office system.

27. The opening and management of the Custody Account are carried out in accordance with the requirements of the " Custodial Activities of Securities " regulation 33, approved by the Board of the Central Bank of Armenia on February 6, 2007 (hereinafter referred to as Regulation 33).

28. The Custodian performs Operations based on the Instructions of the Client, their authorized representative (including a brokerage firm or fiduciary manager), another registrar or custodian, the Custodian's employees, and other persons specified in the Custody Agreement.

29. The following documents may serve as Instructions:

29.1. An instruction provided by the Client, their authorized representative, the Central Depository, another registrar or custodian, the custodian's officials, and other persons specified in the Custody Agreement or by Armenian legislation, completed in accordance with the requirements of this Regulation, either in paper form, by email, or via an electronic communication network,

29.2. An instruction provided by the Client or their authorized representative, completed in accordance with the requirements of the Custodian's "Regulation on Brokerage (Dealer) Activity", either in paper form, by email, or via an electronic communication network, if the Client is utilizing brokerage services offered by the Custodian,

29.3. In the case of the transfer of rights over securities as a result of a non-civil transaction (based on a legally effective judicial act, criminal judgment or decision), the documents stipulated by law and other legal acts that substantiate the transfer.

30. By submitting an Instruction, the Customer acknowledges that, regardless of technical and other circumstances beyond the Custodian's control, it is possible that the sent Instruction may not reach the Custodian, may arrive with a delay, may be sent by a third party without proper authorization, or may be known to such third parties by other means, including network disruptions, unauthorized network access, unauthorized use of passwords, and other methods and ways. The Customer hereby agrees that the Custodian is not liable in any case for any damages incurred by the Customer as a result of the events mentioned in this paragraph, and that any Instruction received from the Customer's email address specified in the Custody Agreement will be considered by the Custodian as an Instruction properly received from the Customer.

31. The Customer's paper Instruction must be submitted in at least one copy, and this copy will remain with the Custodian. The Customer, at their discretion, may also submit a second copy of the Instruction, requesting it to be returned with the note "Instruction Accepted" marked on it.

32. The Customer is obligated to take all necessary measures and implement proper controls to prevent unauthorized persons (persons without the appropriate authority) from gaining access to or using their authorized electronic addresses or other communication means/methods. In all cases, the Customer assumes all legal risks and consequences (including the risk of exceeding authority or authorization) arising from unauthorized access or illegal availability of their communication means/methods.

33. If a security registered in the Customer's Custody account is owned by multiple persons (co-owners), then the Custody operation related to the security is carried out based on an instruction signed by all co-owners or an instruction provided by a person authorized by them.

34. Based on the received information, documents, and clarifications, including but not limited to the conclusion issued by the Custody's Internal Monitoring Unit, the Custodian has the right to refuse the execution of the Customer's instructions, applications, and/or inquiries. For the actions set forth in this clause, the Custodian may extend the time limits for performing the actions as defined in this Regulation for as long as necessary to obtain the required information/legal opinion.

35. In cases where the initiative for executing a Custody operations belongs to the Custodian (in particular, when, as defined by legal acts, the Custodian makes entries based on the information provided by the Issuer, the Central Depository, another custodian, or an individual, in accordance with the procedure specified in the Custody agreement), the basis will be the documents confirming the fact of the transfer of securities.

36. The Client is obliged to present any changes to the information included in their securities account to the Custodian within the timeframe specified in the Custody Agreement.

37. The Custodian performs Operations related to changes in the information of the issuer of the securities or the registry of the securities in the Client's Custody Account based on the notification received from the respective issuer or Agent, within one working day from the receipt of the relevant documents.

38. The Custodian performs operations related to providing the list of registered securities owners based on a request received from the issuer or Agent, within one working day from the receipt of the request.

39. The custodian performs the registration of securities in accordance with the principles of securities registration specified in Regulation 33. The conversion, splitting, and consolidation (combining) of securities registered in the Customer's custodial account takes place within one working day from the receipt of the relevant decisions from the issuer.

40. The acceptance of securities for safekeeping in the Customer's custodial account, transferred by other custodians and persons, is carried out based on the Customer's instruction, unless otherwise specified in this Regulation. This is ensured within one working day from the receipt of the corresponding instruction.

41. The Operations on the Client's account, in accordance with this Regulation, is subject to rejection if the Client's Custody Account (or, in the case of Clients who have entered into a Brokerage Services Agreement, the Brokerage Account) does not have sufficient assets to make payments for those transactions, or if the assets in the Client's Custody Account (Brokerage Account) are encumbered by the rights of other parties or are blocked.

42. Any application or complaint from the Customer related to the custodial process is reviewed in accordance with the procedure set out in the Custodian's "Customer Complaint Handling Procedure.

CHAPTER 6. OPERATIONS RELATED TO SECURITIES TRANSFER

43. The types of Operations carried out by the Custodian in connection with the transfer of securities are as follows:

43.1. Simple Transfer,

43.2. Delivery versus payment or DVP transfer,

43.3. Free of Payment or FOP transfer.

44. For the execution of the securities transfer Operation via Simple Transfer, the Client must present to the Custodian the securities transfer instruction (except in cases defined in this Regulation, where the Instruction for transfer of securities by Simple Transfer may be presented by another person) with the following information:

- 1) The names and surnames (or designations) of the transferring and receiving parties.
- 2) The Custody account numbers of the transferring and receiving parties.
- 3) The issuer's name and the ISIN (International Securities Identification Number) or SIN (Securities Identification Number) of the securities being transferred..
- 4) The quantity of securities being transferred.
- 5) Essential details regarding the grounds for the securities transfer Operation, including the transaction signing date, the price per security unit, and the amount of monetary consideration for the transaction (if applicable).
- 6) Information about the final beneficiary of the securities transfer (if the securities are being transferred to the nominee account).

45. The transfer/receipt instruction for securities based on the DVP (Delivery Versus Payment) principle includes the following information:

- 1) Names and surnames (or designations) of the transferring/receiving and receiving/transferring parties.
- 2) Information about the ultimate beneficial owner of the securities transfer/receipt (if the securities are transferred to/from a Custody Account).
- 3) Custody account number of the transferring/receiving party.
- 4) ISIN or SIN of the securities being transferred.
- 5) Quantity of securities being transferred.
- 6) Amount payable.
- 7) Currency of the payable amount.
- 8) Transaction date (if applicable).
- 9) Settlement date.
- 10) Any additional information required for the settlement (if applicable).

46. The instruction for the transfer/receipt of securities based on the "FOP transfer" principle includes the following information:

- 1) The names and surnames (or designations) of the transferor/recipient and recipient/transferor.
- 2) The Custody Account number of the transferor/recipient.
- 3) The ISIN or SIN of the securities to be transferred.
- 4) The quantity of securities.
- 5) The date of the transaction (if applicable).
- 6) The settlement date.
- 7) Any additional information required for the settlement (if applicable).

47. The transfer of securities held in the Custody Account of the Client to the Custody Account of another Client or to a person who is not a Client of the Custodian is carried out in the following cases:

47.1. At the initiative of the Client:

- a) Sale of securities through the Custodian (when utilizing the brokerage services provided by the Custodian). In this case, the transfer of securities takes place within one working day after submitting the sales document (sales agreement) and the Client's Instruction.
- b) Sale of securities by other means – based on the sales document (sales agreement) and the Client's Instruction, within the timeframes set by the terms of the transaction.
- c) Transfer of securities for other reasons – within three working days after receiving the Instruction for the transfer, unless a longer transfer period is specified in the Instruction.

47.2. Based on a court decision with Simple Transfer based on the copy of the legally binding judicial act, decision or criminal judgment, as well as the corresponding decision by the enforcement authority (if such a decision exists), the transfer of securities is carried out within three working days after receiving the necessary documents, unless a longer transfer period is specified.

47.3. Based on a donation (gifting) for FOP (Free of Payment) transfer – upon the request of the interested party, the transfer is carried out within three working days after receiving the donation agreement (gift agreement), other information specified by the Custodian's internal legal acts, and the Instruction for the transfer of securities.

47.4 Based on inheritance with Simple Transfer – after receiving the documents certifying the inheritance (the heir provides the certificate of inheritance rights and/or a copy of the relevant court decision, as well as copies of the documents that served as the basis for inheritance recognition under Armenian legislation, and other information specified by the Custodian's internal legal acts), the securities are transferred within three working days after receiving the application for the transfer.

47.5. Transfer of pledged securities – based on the copy of the pledge agreement and the Instruction for the transfer of securities, the transfer is carried out within three working days after receiving the necessary documents.

47.6. Transfer of securities in connection with the closure of the Custody Account.

48. A securities transfer Operation through the Custodian can only be carried out if the necessary information and documents required by this Regulation or other applicable legal acts have been provided and there are no obstructing circumstances (including technical ones) independent of the Custodian.

49. Instructions for the transfer of securities based on the "Delivery Versus Payment" and "Free of Payment" principles may be revoked and/or unilaterally modified by the Custodian until the matching with the instruction entered by the counterparty, after which any changes can only be made with the consent of both parties.

CHAPTER 7. THE REGISTRATION OF THE COLLATERAL ON SECURITIES AND TERMINATION OF REGISTRATION

50. The registration and termination of the collateral on securities and other rights of third parties are carried out in accordance with the current legislation of the Republic of Armenia and the provisions of the collateral agreement on securities.

51. To register the collateral on the securities, the Client-collateral provider must submit the following information:

- 1) The name of the issuer of the securities subject to collateral and their ISIN or SIN.
- 2) The Custody account numbers of the collateral provider and collateral receiver.
- 3) The quantity of securities subject to collateral.
- 4) The date of termination of the collateral (if applicable).
- 5) The name, surname, series and number of the identification document of the pledgee, for a resident individual: the public services (social card) number or if not available, the certificate confirming the absence of the public services number; for a non-resident individual, an equivalent identification number (if applicable), and for legal entities: the name, state registration number, tax identification number (TIN) or equivalent number (if applicable), address, and contact details of the pledgee.
- 6) The instruction for the collateral of securities.
- 7) The securities collateral agreement.
- 8) Other information and documents required by the internal legal regulations of the Custodian.

52. In the case of collateralization of securities, transactions operations involving securities are carried out only on the basis of instructions signed jointly by the collateral receiver and the collateral provider, except in cases where the Client-collateral provider fails to fulfill its obligations towards the collateral receiver. In such cases, operations involving securities under collateral are carried out in accordance with the terms of the corresponding securities collateral agreement.

53. The operation resulting from the subsequent collateral of securities is registered by the Custodian if it is not prohibited by the terms of issuance of the collateralized securities and/or the

securities registration declaration.

54. For the transfer of securities under collateral in relation to extrajudicial enforcement, the Client-collateral receiver submits the following original documents or duly certified copies to the Custodian:

- 1) The agreement/consent allowing for the extrajudicial enforcement of the securities under collateral;
- 2) Information (documents) proving proper notification to the collateral provider or other debtor (if the collateral provider is not the debtor) in accordance with the procedure prescribed by the Civil Code of the Republic of Armenia;
- 3) The transfer instruction for the securities as prescribed by the Regulation;
- 4) Other documents required by the Civil Code of the Republic of Armenia (if such documents are required);
- 5) Any other documents or information as prescribed by the Custodian's internal legal regulations (if applicable).

55. In the case of the transaction referred to in Clause 54 of this Regulation, the Custodian, within five working days, verifies the submitted documents and ensures that the requirements set by the regulation and Armenian legislation are met. If the requirements are fulfilled, the Custodian carries out the corresponding Instruction. Otherwise, the execution of the Instruction is rejected.

56. The termination of the collateral on securities may occur in the following cases:

- 1) On the date of termination of the collateral;
- 2) Upon the submission of the Client-collateral provider's instruction and a document confirming the agreement of the collateral receiver;
- 3) If the securities serving as collateral, of the given class and/or type, are cancelled or revoked.
- 4) Based on a relevant decision of a court, enforcement officer of judicial acts, or another authorized body;
- 5) In other cases provided by Armenian legislation.

57. The collateralization of securities and the instruction for the removal of the collateralization of securities are executed by the Custodian within three working days from the submission of the relevant INstruction, unless otherwise specified by this Regulation.

CHAPTER 8. CANCELLATION, BLOCKING, AND TERMINATION OF SECURITIES BLOCKING

58. The Custodian performs the operation of cancellation of securities within one working day from the receipt of the relevant documents in the following cases:

- a) In the case of liquidation of a joint-stock company;
- b) In the case where the issuance of securities is deemed to be failed;
- c) In the case of the redemption of securities;

d) In other cases specified by the legislation of the Republic of Armenia (for foreign securities, according to the legislation of the country registering the securities).

59. The Custody account may be blocked based on the Client's instruction, by a court decision (as well as based on a corresponding decision made by an enforcement officer in the presence of such a decision), within 3 (three) working days from the receipt of the necessary documents, or at the initiative of the Custodian. The account may be blocked at the Custodian's initiative if the Client fails to fulfill their obligations under the Custody Agreement.

60. The blocking of the Custody account is terminated based on the Client's instruction, by a court decision (as well as based on a corresponding decision made by an enforcement officer in the presence of such a decision), within 1 (one) working day from the receipt of the necessary documents, upon expiration of the blocking period, or at the initiative of the Custodian by providing the Client with the relevant certificate.

61. If the Custody account has been blocked not at the Client's initiative, the blocking cannot be terminated at the Client's initiative.

CHAPTER 9. CLOSURE OF THE CUSTODY ACCOUNT, TERMINATION OF THE CUSTODY AGREEMENT

62. The Custody Agreement may be terminated:

- 1) At the Client's request – on the 20th day of providing the corresponding notice, based on this Regulation and a written request for the closure of the Custody Account or termination of the Custody Agreement (Instruction). If there are securities in the Client's Custody Account, the Custody Agreement can only be terminated at the Client's notification after the transfer of the relevant securities and the submission of an instruction to close the Custody Account, provided the balance of the Custody Account is zero;
- 2) At the Custodian's request – with prior notification to the Client at least 10 (ten) days in advance. Starting from the moment of the notification mentioned in this clause, the Custodian may refuse to accept any Client Instructions related to the opening of new positions. If there are securities in the Client's Custody Account, the Custody Agreement can only be terminated based on an instruction/letter from the Client to the Custodian to transfer the securities. If the Client does not submit the instruction/letter referred to in this clause or provides incomplete/incorrect information, the Custodian may charge a penalty of 0.1% of the market value of the securities in the Client's Custody Account for each day. If the Client does not submit the required instruction/letter within 3 (three) months from the sending of the notification or provides incomplete/incorrect information, the Custodian may charge a penalty equal to 50% of the market value of the securities in the Client's Custody Account. If, within 3 (three) months from the application of the penalty mentioned in this clause, the Client fails to submit the required instruction/letter or provides incomplete/incorrect information, the

Custodian may charge a penalty of up to 50% of the market value of the securities in the Client's Custody Account, but no more than the assets available in the Custody Account;

- 3) At the Custodian's initiative – in case of unilateral termination of the Custody Agreement by the Custodian, with prior notification to the Client at least 10 (ten) days in advance, if the Client's Custody Account has had a zero balance during the last 6 (six) months;
- 4) In case of the Custodian's liquidation or revoking of its Custody license;
- 5) In case of cessation of operations at the locations for safekeeping securities;
- 6) In cases specified by the legislation of the Republic of Armenia.

63. The Custody Agreement may be terminated, and the Custody Account may be closed only if the relevant Custody Account has a zero balance of securities.

64. In the cases specified in Clause 62 of this Regulation, the termination of the Custody Agreement shall be carried out only after the Client has paid for the Custody services and reimbursed the Custodian's actual expenses (if applicable).

65. In any case specified in this Regulation, the termination of the Custody Agreement is the basis for closing the Client's Custody Account.

66. In the event of termination of the Custody Agreement for any reason, the Custodian shall, within the time limits established by the laws of the Republic of Armenia, ensure the closure of the Client's Custody accounts, as well as, in accordance with the Client's instructions/notices, return of securities to the Client by transferring the specified securities to the accounts indicated by the Client. The Client is required to give the instructions/notices referred to in this paragraph at least 2 (two) working days prior to the termination of the Custody Agreement or cessation for any other reason, and to pay for the execution of these instructions.

67. If the Custody Agreement is terminated at the initiative of the Client, the latter is obligated to reimburse the Custodian for all expenses incurred up to the moment of the termination of the Custody Agreement.

CHAPTER 10: PROVISION OF REPORTS, EXTRACTS, AND REFERENCES TO CLIENTS, RECORDING OF OPERATIONS

68. The informational operations defined by Subclauses 18.6, 18.7, and 18.10 of Clause 18 of this Regulation are related to the preparation and provision of extracts, reports, or other documents concerning Custody Accounts, as well as information on the execution of Operations. Specifically, the Custodian provides extracts, reports, and other statements regarding the opening of Custody Accounts and each operation performed through such accounts, and responds to inquiries from Clients and other persons defined by law.

69. At the Client's request, the Custodian provides any information regarding the Client's Custody Accounts maintained by the Custodian, including information about closed securities accounts, within three years from the date of closure.

70. The Client has the right to receive the following information from the Custodian:

- 1) A reference regarding the balance of their Custody Account, including information on the balances of all securities held in the Custody Account.
- 2) A report on the operations carried out through the Custody Account.
- 3) A statement regarding the collateral registered in the Custody Account.
- 4) Information prescribed by law and other legal acts.

71. Upon the completion of each Operation, but no later than the end of the next working day following the day of the Operation, the Custodian provides the persons specified in this Regulation with a report, extract, notification, or statement regarding the execution or rejection of the record entry.

The reports, extracts, or statements mentioned in this Clause are provided to the Client either in paper or electronic format, at the addresses specified in the Custody Agreement (in the case of Clients who have entered into a Brokerage Services Agreement, the Brokerage Services Agreement).

72. The operation execution report must at least include the following information:

- Information on the service fee charged for the operation,
- Custody Account number,
- Account holder's name and surname, identification document number, residence and/or registration address for individuals, and for legal entities, the name, taxpayer identification number, or other identification number issued by the relevant state authority, and location (postal address),
- Date and brief content of the operation,
- Date and time of report preparation,
- Distinct code and quantity of securities involved in the transaction, nominal value, and currency (if the Operation has resulted in any changes to the balance of securities information).

73. The Custodian provides information regarding Clients and their accounts to the Issuer, CDA, Central Bank, and other persons defined by law, based on a request submitted in the manner prescribed by law. This information is provided within 3 (three) working days from the date of receiving the request, unless a longer period is specified in the request.

CHAPTER 11: FEES FOR CUSTODY OPERATIONS

74. For Custody Operations, the Custodian collects fees from the Client according to the Tariffs. All

expenses incurred by the Custodian in relation to the operations performed for the Client are reimbursed by the Client at their actual cost.

75. The Tariffs may be unilaterally changed by the Custodian and come into effect on the 21st day following the date of notifying the Client about the change and/or publication on the Custodian's official website.

76. The Client is obligated to reimburse the Custodian for operational expenses incurred in the execution of the Client's Instructions and/or related to the execution of communications, which may arise from the necessity of concluding transactions with third parties through the involvement of the Custodian's Agents, particularly fees charged by Trading Platforms (TP) and/or other intermediaries from the Agents (excluding standard commission fees charged at predefined rates stipulated in agreements with Agents), which may vary depending on the TP, type, volume, and other factors. These expenses are reflected in the Tariffs. The reports provided to the Client reflect both the specified expenses and the charges/ deductions made by the Custodian for their reimbursement.

77. The Client is obliged to make the payments specified in this Regulation and the Custody Agreement, including reimbursements of expenses, payment of interests, penalties, and fines, as well as the settlement of any other financial obligations owed by the Client to the Custodian. Payments as mentioned in this Clause are made from the cash available in the Custody Account of the Client (in the case of Clients who have signed a Brokerage Services Agreement, from the cash available in the Brokerage Account) without prior notice to the Client at the end of each working day in the amount payable for the operations of the given day.

78. If the Client does not make the payments as stipulated in this Regulation and the Custody Agreement within the specified deadlines, the Client hereby authorize the Custodian to sell the securities held in the Client's Custody Account at their marketable price, using best efforts to realize them under the most favorable conditions for the Client.

CHAPTER 12: WARRANTIES AND REPRESENTATIONS

79. Within the framework of the Custody Agreement and this Regulation, the Custodian guarantees that:

79.1. Is duly authorized and has the legal capacity to enter into a Custody Agreement with the Client.;

79.2. Has all necessary licenses and permits required to provide Custody services;

79.3. The persons signing the Custody Agreement on behalf of the Custodian are duly authorized to do so, thereby creating, modifying, and terminating rights and obligations arising from the Custody Agreement on behalf of the Custodian;

80. By signing the Custody Agreement, the Client confirms and represents the following:

80.1. The Client is duly authorized and legally competent under the laws of their country of registration (personal law) and is entitled to enter into a Custody Agreement, acquiring rights and obligations in their own name.

80.2. The person signing the Custody Agreement on behalf of the Client is duly authorized to do so in accordance with applicable law and the Client's charter and internal legal documents (for legal entities), and such signature/confirmation creates, modifies, and terminates legally binding rights and obligations for the Client.

80.3. Prior to signing/ratifying the Custody Agreement, the Client has reviewed the contents of the Custody Agreement, the Regulation, Tariffs, the Custodian's Statement on Potential Risks Related to Investment Services, Regulation on Client Classification and Information Exchange, Personal Data Protection Policy, as well as other internal legal acts and documents published on the Custodian's official website and agrees to them. The Client has also reviewed and understands the content of all Instructions submitted/represented within the framework of the Custody Agreement, including decisions regarding the acquisition, disposal, and management of securities. For each Instruction submitted, the Client affirms that they are informed and possess all necessary information for making decisions regarding the Instructions, including but not limited to informational sheets, prospectuses, terms, restrictions, and conditions associated with the securities, and meets all applicable requirements for submitting Instructions, acquiring/disposing of securities, and managing them.

80.4. acknowledges and agrees that the acceptance for execution or execution of the Instruction given by them and transmitted by the Custodian to the Agents may be refused, taking into account the inability of the Agents to ensure the execution of the given Instruction or if the relevant Agents impose or apply prohibitions/restrictions that make the execution of the Instruction impossible.

CHAPTER 13: LIABILITY

81. The Custodian and the Client are liable under the procedure established by the legislation of the Republic of Armenia for the non-performance or improper performance of their obligations undertaken under the Custody Agreement and this Regulation.

82. The Parties are liable for the credibility of their warranties and representations specified in Chapter 12 of the Regulation and are obligated to compensate the other Party for damages caused as a result of such warranties and representations not corresponding to reality. The Parties are released from liability for the non-performance or improper performance of their obligations under this agreement if it was caused by the other Party's failure to comply with warranties and representations, specified in Chapter 12 of the Regulation.

83. The Custodian is not liable for damages caused to the Client due to the insolvency or

bankruptcy of third parties, including agents engaged by the Custodian during the transaction process, persons selected as custodians to account for the Client's assets, or the counterparties of operations, as well as for the non-performance or improper performance of obligations arising from transactions, including transfer instructions for securities. This includes damages resulting from sanctions or restrictions imposed by the entities specified in Clause 87 of these Regulation, if the Custodian was unaware and could not have been aware of the existence or inevitability of such circumstances at the time of establishing contractual relations with those entities, unless the Client was informed of such circumstances and did not raise any objections to the Custodian establishing contractual relations with the respective party.

84. The risk of non-performance or improper performance of obligations by the counterparty in transactions executed based on the Client's Instructions is borne by the Client. The Custodian assures that it will make its best efforts to demand proper performance from the counterparty but provides no guarantees or assumes any obligations in this regard.

The Parties hereby acknowledge that, considering the execution of Instructions may occur in regulated markets, primarily through a chain of Agents and their sub-agents, and that the Custodian merely transmits the Client's Instructions to the Agents for execution, who, in turn, may transmit them to their sub-agents, the Custodian is not in a position to exercise due diligence in selecting such sub-agents. Therefore, the Custodian is released from liability for the non-performance of obligations by third parties under transactions executed based on the Instructions. The Parties further agree that the Custodian will only be deemed to have failed to exercise due diligence if, when selecting or having the opportunity to select the Agents executing or transmitting the Instructions, it chose a party whose insolvency or bankruptcy, or the inevitability thereof it was aware of at the time of making such a choice.

85. The Custodian is not liable for damages caused to the Client due to the actions or inactions of TPs, as well as for the failure or improper execution of final settlement involving securities held in the Client's Custody Account by the transaction counterparties, regardless of the reasons. Additionally, the Custodian is not liable for any damages caused to the Client due to technical malfunctions of any kind (including in cases where the Services are provided to the Customer through the Custodian's software and any technical malfunction occurs) unless it is proven that such malfunctions and damages resulted from intentional actions by the Custodian.

86. The Custodian is not liable for the disclosure of confidential information provided by the Custodian to persons who have received such information from the Custodian in accordance with the procedure established by law, if such disclosure occurs within the scope of third parties.

87. The Custodian is not liable for damages suffered by the Client that arise in situations where it becomes factually impossible for the Custodian to execute or transmit Instructions, for any reasons beyond its exclusive, full, and complete control, including circumstances related to third parties and external factors. This includes damages resulting from the non-performance or improper performance of Instructions due to sanctions imposed by the Central Bank, UN Security Council,

OFAC, EU, IMF, and/or other bodies, regardless of the time of reaching the consequences.

88. The Custodian is not liable for damages suffered by the Client due to the failure or improper performance of obligations by the other party in Operations executed based on the Client's Instructions, including cases where the transaction is canceled (e.g., due to sanctions or restrictions imposed by the bodies specified in Clause 87 of this Regulation). In such cases, the risk of non-return of the Client's securities transferred for the transaction is borne by the Client.

89. In any case, the Custodian's liability to the Client is limited to situations where intentional misconduct or gross negligence is demonstrated, resulting in the breach of Instructions and entering into transactions without the necessary legal grounds as specified in this Regulation, and only to the extent of the actual damages caused.

90. The Custodian and the Client are released from liability for the full or partial non-performance of obligations under the Custody Agreement if such non-performance is the result of an event of force majeure that arose after the Custody Agreement was signed and which neither Party could foresee or prevent. For the purposes of the Custody Agreement, force majeure events include natural disasters, accidents, fires, mass disturbances, strikes, military actions, legal and regulatory acts that directly or indirectly prohibit the activities specified in the Custody Agreement, and decisions or orders by state bodies that hinder the performance of obligations under the Custody Agreement, as well as other events beyond the control of the Parties.

91. The party to the Custody Agreement that cannot fulfill its obligations due to the impact of force majeure must notify the other party within 3 (three) working days from the occurrence of the force majeure event through electronic communication, and take all necessary actions to minimize the damages incurred by both parties.

92. If the condition specified in Clause 91 of the Regulation is not fulfilled, the relevant party to the Custody Agreement loses the right to invoke such conditions.

93. After the force majeure event has been resolved, both parties shall continue performing their obligations under the Custody Agreement/Regulation as stipulated.

CHAPTER 14: OTHER PROVISIONS

94. Disputes arising between the Custodian and the Client in connection with the Custody Agreement and/or Regulation shall be subject to resolution by the competent courts of the Republic of Armenia, in accordance with the procedure established by Armenian law. The Custody Agreement is governed by the law of the Republic of Armenia.

95. From the moment of signing the Custody Agreement in accordance with the procedure specified in Clause 19 of the Regulation by the Client, the Regulation, becomes an integral part of the Custody Agreement and remain in effect until its termination based on the grounds specified in the Custody Agreement or the legislation of the Republic of Armenia. However, the Custody

Agreement will continue to be in effect until the full and proper fulfillment of all obligations and responsibilities undertaken by the Parties under the Custody Agreement, with respect to those obligations/responsibilities.

96. This Regulation may be amended and supplemented by approval of the Custodian's shareholders' general meeting (if a board has not been formed) and enters into force from the date of approval by the meeting.

97. The Custodian has the right to make changes and additions to this Regulation without the prior consent of the Client.

98. Changes and additions made to this Regulation shall take effect for Clients on the 21st day following the date of notification of the change and/or publication of the Regulation on the Custodian's official website.

99. The Custodian is obliged to notify Clients of changes to the Regulation by making the text accessible on the Custodian's premises and/or posting it on the Custodian's website, and/or sending it to the email addresses provided by Clients 20 days before the moment it comes into force.

100. The Custodian acts as a data processor in accordance with the Law on Personal Data Protection of the Republic of Armenia. Hereby, the Client consent the processing of their personal data by the Custodian in accordance with the Personal Data Protection Policy.