

**Approved by "APRICOT CAPITAL"
Closed Joint Stock Company
Sole Shareholder decision on 26 July 2023 N 07-23-3
Executive Director Vachik Gevorgyan**



26 July 2023

**"APRICOT CAPITAL"
CLOSED JOINT STOCK COMPANY
SECURITIES PORTFOLIO MANAGEMENT REGULATION**

Yerevan 2023



1. PURPOSE OF REGULATION

1.1. This Regulation defines the procedures and conditions for managing the securities and/or funds intended for investment in securities owned by Clients within the framework of the Securities Portfolio Management service provided by “Apricot Capital” CJSC (hereinafter referred to as the “Company”).

1.2. This Regulation has been developed in accordance with the RA Law on the Securities Market (hereinafter referred to as the “Law”), the RA Civil Code, as well as the normative legal acts adopted by the Central Bank of the Republic of Armenia.

2. DEFINITIONS

2.1. The terms used in this Regulation have the following meanings:

Securities Portfolio Management or Fiduciary Management: The management by the Company, in exchange for a fee, of securities, funds intended for investment in securities (hereinafter referred to as Funds), and securities and funds received as a result of Fiduciary Management, which are owned by the Client and entrusted to the Company for the benefit of the Client or third parties specified by the Client (the Beneficiary), in accordance with the instructions given by the Client.

Settlor: A person who, except in cases specified by the RA Civil Code, transfers securities and/or funds necessary for investment in securities (assets) owned by them to the Company for management.

Client: A person with whom the Company intends to conclude a Fiduciary Management agreement or who acts as the Settlor.

Beneficiary: A person for whose benefit the portfolio management is carried out. The Beneficiary may also be the Settlor. The portfolio manager cannot be the beneficiary.

Portfolio Manager: A person who, in accordance with the securities portfolio management agreement, manages the portfolio for the benefit of the Settlor or a person designated by them (the Beneficiary). For the purposes of this Regulation, the Portfolio Manager is the Company.

Partner Organization: A person through whose involvement and/or by using intermediary services the Company provides services to the Client.

Agreement: A document concluded between the Client and the Company for the use of fiduciary services, which regulates the legal relations between the parties concerning the fiduciary management of the Client's securities and funds, defines their rights and obligations, and includes other terms established by law and agreed upon by the parties.

Investment Declaration: A document that outlines the investment directions, conditions, and procedures for the funds subject to fiduciary management under the Agreement, including the investment structure and restrictions.

Fiduciary Management Object: Securities, derivative financial instruments, and funds that have been entrusted to fiduciary management, as well as all securities, derivative financial instruments, and funds acquired by the Company as a result of the operation of the fiduciary management agreement.

Investment Decision: A decision made by the Company regarding the execution of transactions with securities within the framework of securities portfolio management.

Employee: An employee of the Company who has the qualification for securities portfolio management.

Reporting Period: A quarter, meaning a period calculated on a quarterly basis from the beginning of the calendar year. The first reporting quarter for the parties is considered the period from the date of signing the Agreement to the last day of the relevant quarter.

2.2 Other terms used in this Regulation and its appendices have the meanings defined by the legislation of the Republic of Armenia.

3. GENERAL PROVISIONS

3.1. The transfer of the Settlor's assets to Fiduciary Management does not result in the transfer of ownership rights to the Company.

3.2. Assets entrusted to Fiduciary Management are separated from the Company's securities and funds and are kept in accounts opened with Partner Organizations, in

accordance with the procedure established by this Regulation.

- 3.3. The transfer of the Client's assets to Fiduciary Management grants the Company the right to use and possess them for the period specified in the Agreement, unless this Regulation or the Agreement partially or fully restricts any of these rights.
- 3.4. The Company conducts transactions related to the Client's assets entrusted to management in its own name, indicating that it is acting as the Portfolio Manager. This condition is considered fulfilled if, when performing actions that do not require written documentation, the Company informs the other party that it is acting as the Portfolio Manager, and in written documents, the designation "P.M." is added after the Company's name.
- 3.5. Securities portfolio management is carried out based on the investment restrictions defined in the Investment Declaration.
- 3.6. Within the framework of securities portfolio management, the Company does not guarantee any specific level of profitability.

4. PROVISION OF SECURITIES PORTFOLIO MANAGEMENT SERVICE

- 4.1. (Clause 4.1. repealed on 26.07.2023)**
4.2. (Clause 4.2. repealed on 26.07.2023)
4.3. (Clause 4.3. repealed on 26.07.2023)
4.4. (Clause 4.4. repealed on 26.07.2023)
4.5. (Clause 4.5. repealed on 26.07.2023)
4.6. (Clause 4.6. repealed on 26.07.2023)
4.7. (Clause 4.7. repealed on 26.07.2023)
4.8. (Clause 4.8. repealed on 26.07.2023)
4.9. (Clause 4.9. repealed on 26.07.2023)
4.10. (Clause 4.10. repealed on 26.07.2023)
4.11. (Clause 4.11. repealed on 26.07.2023)
4.12. (Clause 4.12. repealed on 26.07.2023)
4.13. (Clause 4.13. repealed on 26.07.2023)
4.14. (Clause 4.14. repealed on 26.07.2023)
4.15. (Clause 4.15. repealed on 26.07.2023)
4.16. (Clause 4.16. repealed on 26.07.2023)

4.17. The Company must offer its Clients a method that enables them to assess and compare the effectiveness of Securities Portfolio Management (portfolio return) against a meaningful benchmark defined by this Regulation.

4.18. The principles for evaluating the Securities Portfolio are described in Clause 5.2

of Appendix 3 of this Regulation. Based on the market value assessment of the securities included in the portfolio, the portfolio return is calculated using the methodology chosen by the Client within the calculation methods, including formulas, set forth in the internal procedures established by the Company's Director.

4.19. A meaningful benchmark must simultaneously meet the following conditions:

a) It should reflect the return of alternative investments, enabling the Client to compare the management efficiency with the performance of alternative investments. Specifically, the meaningful benchmark should represent the return of comparable financial market instruments, whose maturity, risk, investment country, and other essential characteristics match, are as close as possible, or are comparable to the limitations specified by the Client.

b) It should not be based on the Company's past performance or indicators influenced by the Company.

4.20. A meaningful benchmark may also be based on stock market indices, bank deposits, aggregated indicators reflecting the efficiency of securities portfolio management by other managers, the average return calculated for a specific group of similar instruments, and other similar indicators.

4.21. A meaningful benchmark is agreed upon with the Client and defined in the Investment Declaration. When setting a meaningful benchmark, the directions for managing and investing the Client's funds, the types of securities that may be included in the portfolio, and the transactions (including limitations) that may be executed within the scope of portfolio management are considered. Meaningful benchmarks may include:

- The refinancing rate announced by the Central Bank of Armenia,
- The average return rates of bank deposits in the Armenian banking system, categorized by currency and/or maturity,
- Government debt interest rates or their calculated average indicators,
- Stock market indices characterizing the country, region, or industry,
- Macroeconomic indicators characterizing the country, region, or industry,
- Other indicators proposed by the Client,
- A composite index constructed based on specific weights of the above-mentioned indicators.

4.22. In addition to the information specified in clause 4.1 of this Regulation, the Company must also provide Clients with the following information in accordance with the procedure defined in clause 4.2 of this Regulation:

- Information on the method and frequency of valuation of the Client's securities portfolio,
- Characteristics of the benchmark against which the management performance (the return of the Client's securities portfolio) will be compared,
- The types of securities that may be included in the portfolio and the transactions (including limitations) that may be executed with those securities within the scope of management.

5. INFORMATION REQUIRED FROM CLIENTS

5.1. The Company is obligated to request from the Client the necessary information regarding the Client's knowledge and experience in the field of investment activities, their financial situation, and investment objectives. This information enables the Company to offer an investment strategy and securities portfolio that best align with the Client's preferences. If the Company does not receive the specified information, it is not entitled to encourage the Client to invest in any security.

5.2. The information regarding the financial situation includes the following:

- 1) The Client's sources and amount of regular income,
- 2) Total assets and liquid assets,
- 3) Financial investments and real estate information,
- 4) Regular financial outflows.

5.3. The information regarding investment objectives includes the following:

- 1) The period during which the Client intends to hold the investment,
- 2) The Client's risk preference and its scope,
- 3) The purpose of the investment.

5.4. The information regarding the Client's knowledge and experience in investment activities includes the following:

- 1) Information about the investment services, securities transactions, and securities the Client has been involved with in any way,

2) The nature, volume, and frequency of securities transactions conducted by the Client, as well as the period during which those transactions were made,

3) The Client's level of education, professional background, and occupation.

5.5. In general, the Company may rely on the information provided by the Client unless it knew or could have known that the information was obviously outdated, inaccurate, or incomplete.

5.6. In cases where the Client does not provide the information specified in Clauses 5.2., 5.3. and 5.4. of this Regulation or provides insufficient information, the Company verbally warns the Client that such behavior prevents it from offering or recommending an investment strategy and securities portfolio that best align with the Client's preferences.

5.7. The Client is obliged to inform the Company of any changes to the information previously provided within 1 business day after becoming aware of the change.

6. SECURITIES PORTFOLIO MANAGEMENT AGREEMENT

6.1. The management of the securities portfolio is carried out based on a written agreement concluded between the Company and the Client.

6.2. The Company has the right to conclude an Agreement with the owner of the assets to be transferred under the securities portfolio management framework or, in cases provided for by the Civil Code of the Republic of Armenia, with another person.

6.3. Before concluding the Agreement, the Company is obliged to:

1) Provide the Client with the opportunity to familiarize themselves with the legal acts regulating the securities portfolio management activity, including this Regulation.

2) Inform the Client about the specifics of acquiring, accounting, disposing of securities, exercising the rights attached to them, and the associated risks, as well as applicable investor protection mechanisms (if available). Additionally, the Company must provide information on the risks related to anticipated transactions, considering the Client's experience and knowledge in the field of investments, as well as the price and volume of the securities subject to management.

3) Carry out other actions required by law and normative legal acts of the Central Bank of Armenia.

6.4. The Agreement is drafted by the Company and, after being validated by the Client, is submitted for approval to the Company's Director. Within one business day, it is then forwarded to the Company's accounting department for the necessary accounting entries. Within three business days from the moment the Agreement is mutually approved (comes into force and becomes binding for the parties), the Company must take the necessary actions to fulfill the obligations undertaken under clauses 9.1 and 9.4 of this Regulation.

6.5. Throughout the entire duration of the Agreement, the Company has the right to accept funds from the Client within the scope of providing securities portfolio management services.

6.6. If, under the Agreement, the Client's funds are to be transferred to the Company at different times, the Agreement shall be effective only for the funds actually transferred to the Company, starting from the moment they are received as defined in Clause 9.7 of this Regulation.

6.7. The securities and/or funds received as a result of the Fiduciary Management of the funds entrusted by the Client to the Company under the Agreement shall, from the moment they are received by the Company, become subject to the management of the securities portfolio without requiring amendments or additions to the Agreement, unless otherwise stipulated by this Regulation or the Agreement.

6.8. If the Client entrusts borrowed funds for Fiduciary Management, the duration of the Agreement cannot exceed the loan term of those funds.

6.9. The Client has the right, at their discretion, to partially withdraw their funds during the entire duration of the Agreement by submitting a written request to the Company (Appendix 2).

6.10. Upon receiving the request specified in Clause 6.9 of this Regulation, the Company shall take the necessary steps to return the Client's funds and shall transfer the funds to the account specified by the Client within a maximum of 3 business days.

6.11. The Agreement may be unilaterally terminated by the Client, provided that the Company is notified at least ten days in advance. Within three business days after the termination of the Agreement, the Company is obligated to transfer to the Client or

their representative the securities and funds belonging to the Client, except for those funds that, under agreements concluded by the Company with third parties, are subject to a later return period. In such cases, these funds shall be returned to the Client concurrently with their receipt from third parties, within one business day of their receipt.

6.12. The transfer of the Client's funds to the Company, as well as the return of the Client's funds as stipulated in Clauses 6.9 and 6.11 of this Regulation, shall be carried out in accordance with the "Asset Handover-Acceptance Act" (Appendix 1), which constitutes an integral part of the Agreement.

7. INVESTMENT DECLARATION

- 7.1. By signing the Investment Declaration, the Client provides the Company with instructions and restrictions for portfolio management.
- 7.2. The provisions of the Investment Declaration are mandatory for the Company and must be properly executed on an equal basis with the other provisions of the Agreement. The Company may not undertake actions that contradict the Investment Declaration.
- 7.3. The Investment Declaration is prepared in accordance with Appendix 3 and must include:
- 1) The directions and objectives of portfolio management, derived from the Client's willingness and ability to bear investment risks.
 - 2) Restrictions on the composition and structure of the investment portfolio (permissible ranges of the proportion of different types of assets).
- 7.4. If neither party to the Agreement submits a written request for modification of the Investment Declaration upon the expiration of its term, the validity of the existing Investment Declaration shall be deemed extended until the expiration of the Agreement.
- 7.5. The definition of the validity period of the Investment Declaration shall not prevent making amendments and/or additions to it during that period, including its suspension or termination for a certain period, if such actions are in the interests of the Client (and, if necessary, the Beneficiary).
- 7.6. The Settlor may request a review of the Investment Declaration from the Company

at any time. Within five business days from the receipt of such a request, the Company, in coordination with the Client, shall make amendments and/or additions to the Investment Declaration.

- 7.7. Amendments and/or additions to the Investment Declaration are made through a supplementary agreement, which is attached to the Agreement.

8. RISKS ASSOCIATED WITH SECURITIES PORTFOLIO MANAGEMENT AND MEASURES AIMED AT THEIR MITIGATION

8.1. (Clause 8.1. repealed on 26.07.2023)

8.2. (Clause 8.2. repealed on 26.07.2023)

8.3. (Clause 8.3. repealed on 26.07.2023)

- 8.4. Considering that risk is an objective reality of the market and cannot be entirely avoided, the Company emphasizes the importance of an effective risk management system. The goal of this system is to predict, mitigate, and/or minimize risks for both the Company and its Clients. In this regard, the Company implements the following key risk prevention measures:

- 8.4.1. Conducting a comprehensive analysis of securities issuers. The Company pays particular attention to factors such as a professional and experienced management team, a clear strategic vision and business plan, strong market potential, improving financial indicators, broad consumer demand, transparency, adherence to corporate governance principles, and a high level of financial reporting.
- 8.4.2. Diversifying the investment portfolio to minimize concentration risk.
- 8.4.3. Continuously monitoring risks associated with securities portfolio management and immediately informing the Client of any identified changes or potential changes (including the emergence of new risk types) that may exceed the Client's willingness and capacity to bear investment risks.
- 8.4.4. Keeping Clients informed about highly reliable investment instruments that offer an attractive risk-return balance.

8.4.5. Analyzing potential risks arising from securities portfolio management services. Identifying, assessing, and controlling risks is an integral part of the Company's strategic planning and investment performance evaluation.

9. REGISTRATION AND CUSTODY OF THE CLIENT'S FUNDS

9.1. The Company is obliged to make records for the funds received within the scope of the Securities Portfolio Management service separately from its own funds.

9.2. The Clients' funds under the Agreement are recorded by the Company in segregated accounts opened with Partner Organizations for the purpose of Fiduciary Management. At the Client's request, the funds may also be recorded in accounts opened in the Client's name with Partner Organizations, provided that the Company obtains the necessary authority over those accounts to carry out Portfolio Management.

9.3. The bank account agreement opened for the accounting of Clients' funds must explicitly state that the bank account is intended for the accounting of the Clients' funds of the Company.

9.4. The Company also maintains a separate internal accounting of the Clients' securities and funds.

9.5. If the Investment Declaration provides for the possibility of making investments in the securities market of the Republic of Armenia, the Client shall open a securities ownership account at the Central Depository of Armenia for the purpose of safekeeping those securities, with the account details being provided to the Company at the time of signing the Agreement.

9.6. If the securities entrusted for management are recorded in the Client's securities account, the Client authorizes the Company to have control over the securities in that account, thereby acting as an authorized representative.

9.7. Funds and/or securities subject to fiduciary management by the Company shall be considered received upon their crediting to the accounts specified in Clause 9.2 of this Regulation.

9.8. The minimum initial deposit of funds subject to transfer to the Company under the Agreement is set at 200 million AMD.

(Clause 9.8 amended on 20.09.2022)

9.9. In exceptional cases, the minimum amount specified in Clause 9.8 of this Regulation may be revised by the decision of the Company's Director.

9.10. The Settlor may provide additional funds for management throughout the term of the Agreement in accordance with the "Act of Transfer and Acceptance of Assets."

10. SECURITIES PORTFOLIO MANAGEMENT PROCESS

10.1. Securities Portfolio Management is carried out in the following stages:

10.1.1. Employees analyze financial markets and individual financial instruments based on accessible public information from various sources.

(Clause 10.1.1 amended on 14.10.2022)

10.1.2. Based on the aforementioned analyses, the Employee makes Investment Decisions, which, in accordance with the requirements of this Regulation, are registered in the electronic register maintained by the Company. The Employee prepares and submits purchase/sale orders for financial instruments based on the adopted Investment Decisions to Partner organizations for execution.

(Clause 10.1.2 amended on 14.10.2022)

10.1.3. (Clause 10.1.3 repealed on 14.10.2022)

10.1.4. (Clause 10.1.4 repealed on 14.10.2022)

10.1.5. (Clause 10.1.5 repealed on 14.10.2022)

10.1.6. Company employees conduct daily monitoring of current risks in Clients' securities portfolios. In cases of deviations in the portfolio structure from the Investment Declaration or the emergence of significant information regarding individual securities in the portfolio, the Employee conducts additional analysis, based on which Investment Decisions are made.

(Clause 10.1.6 amended on 14.10.2022)

10.1.7. For internal control purposes, the Company's Director performs ongoing oversight of the accounts opened with Partner organizations for the separate accounting of Clients' funds.

11. RESTRICTION OF THE COMPANY'S ACTIVITIES

11.1. The company is prohibited from:

- 1) Engaging in activities in violation of the rules regulating securities portfolio management, as well as the provisions of the Agreement, including entering into and executing transactions.
- 2) Accepting securities for portfolio management that, according to the applicable legislation of the Republic of Armenia, cannot be the object of securities portfolio management.
- 3) Pledging or providing guarantees secured by the securities accepted for portfolio management without a written agreement concluded with the client.
- 4) Using the funds accepted for portfolio management in any way for its own benefit and/or for the benefit of a third party or delegating ownership rights over them to a third party, unless otherwise provided by the Agreement.

11.2. The Company also provides the services stipulated in the Agreement to third parties, which may result in a conflict of interest between the Company and the Client, as well as among different Clients of the Company.

11.3. Within the framework of the Agreement, in order to prevent conflicts of interest between the Company and the Client and to minimize possible negative outcomes, the Company undertakes to adhere to the principle of prioritizing the Client's interests over its own while carrying out its professional activities.

11.4. In order to prevent conflicts of interest between different Clients and to minimize possible negative outcomes, the Company undertakes to adhere to the principles of equality and fairness toward Clients while carrying out its professional activities, taking into account the terms stipulated in the Agreement and the Investment Declaration signed with each Client.

11.5. When executing transactions at its own expense, the Company shall give priority to transactions executed with the funds accepted for the management of the Securities Portfolio, based on the Client's interests and the requirements of the Investment Declaration.

11.6. When executing transactions through Clients' accounts, the Company shall adhere to the principle of fair distribution of transactions, without granting priority rights to any Client. When making investments in Securities, the Company shall

ensure that participation opportunities are provided to all Clients for whom the given Security is appropriate and/or designated by the Investment Declaration. If the volume of Securities acquired by the Company is insufficient to ensure full participation for all Clients in a given offering, the Company shall allocate investments proportionally based on the volume (quantity) of the respective Security specified in the investment decision prepared for each Client.

12. MANAGEMENT FEE AND PERFORMANCE FEE FOR SECURITIES PORTFOLIO MANAGEMENT

12.1. In return for the provision of securities portfolio management services under the Agreement, the Settlor pays the Company in accordance with the tariffs established by the latter.

12.2. The tariffs for securities portfolio management are defined by the Agreement concluded between the Company and the Client.

(Clause 12.2 amended on 20.09.2022)

12.3. The securities portfolio management fee (Management Fee) is calculated as of the last calendar day of each month and/or the Agreement termination date using the following formula:

$$MF = AUM * MTR,$$

where: MF is the Management Fee,

AUM is the Client's average daily value of the investment portfolio entrusted to the Company for Fiduciary Management during the month¹,

MTR is 1/12th of the annual securities portfolio management fee set by the Company (expressed as a percentage).

(Clause 12.3 was amended on September 20, 2022)

12.4. The Agreement concluded between the Company and the Settlor also defines the payment of a success fee based on the increase in the value of the Client's investment portfolio during the quarter, expressed as a percentage. Moreover, the "High Water Mark" principle is applied, which excludes the possibility of calculating

¹ In case of termination of the Agreement, when calculating AUM (the average daily value of the investment package for the month), the value of the investment package is considered zero for the calendar days from the day following the termination date until the last calendar day of the reporting month, as well as for the calendar days from the first day of the calendar month until the date of signing the Agreement.

a success fee for covering losses recorded in previous periods as a result of the Client's portfolio management.

12.5. The management fee and the success fee shall be paid within the timeframe specified in the Agreement.

12.6. The management fee, the success fee, as well as all other necessary expenses incurred by the Company in relation to portfolio management services, shall be transferred by the Settlor to the bank account specified by the Company or shall be debited by the Company on a non-acceptance basis from the assets available in the Settlor's investment portfolio.

13. REPORTS PROVIDED TO CLIENTS, THEIR SUBMISSION PROCEDURE AND FORMAT

13.1. The company is obligated to provide the client, upon request at any time, as well as quarterly, with a report on the management of the securities portfolio via email, postal mail, or in person. The report must include at least the following:

- 1) The name of the Company,
- 2) The unique identifier of the account opened for the Client's securities portfolio management,
- 3) At the beginning and end of the reporting period:
 - a. The list of securities included in the portfolio and the portfolio's value, including the actual value of each security in the portfolio,
 - b. The balance of the client's monetary funds.
- 4) The annual return of the securities portfolio during the reporting period,
- 5) During the reporting period, the fees charged, providing a breakdown at least by management fees and transaction-related costs.
- 6) Comparison of management returns with the benchmark previously agreed upon with the Client (if such a benchmark exists).
- 7) Dividends, interest, and other payments received on securities included in the securities portfolio during the reporting period.
- 8) Corporate actions related to securities included in the securities portfolio (conversion of securities due to issuer's stock split, consolidation, or reorganization).

13.2. The report specified in clause 13.1 of this Regulation shall be provided within five business days from the receipt of the Client's request (if such a request is made) and no later than the 15th day of the month following each quarter.

13.3. If the Client has opted to receive a portfolio management report for each transaction, then, in addition to the report specified in clause 13.1 of this Regulation, the Company is obliged to provide the Client with a report on each transaction (order) executed within the framework of portfolio management via email, mail, or in person, no later than the end of the business day following the transaction execution.

13.4. The report provided to Clients as defined in clause 13.3 of this Regulation includes at least the following information:

- 1) The name of the Company,
- 2) The Client's first and last name (or the name in the case of a legal entity) or the Client's identification number,
- 3) The transaction date, specifying the year, month, and day in sequence,
- 4) The transaction time, specifying the hour and minute in sequence,
- 5) The type of order placed by the Client (market, limit, etc.),
- 6) The place of execution of the transaction (indicating the name of the stock exchange, the name of another regulated market, or "unregulated market"),
- 7) The security's identification number, issuance number (or, if unavailable, the issuer's name and security type; in the case of a derivative instrument, its description),
- 8) The type of transaction specified in the order (buy, sell),
- 9) The nature of the order if the specified transaction type is neither buy nor sell (subscription of securities, option execution, etc.),
- 10) The number of securities (for volume-based securities, the nominal value),
- 11) The unit price (not applicable for volume-based securities),
- 12) The total volume,
- 13) The total amount of commissions or other charges deducted, and, upon request of a non-professional Client, a breakdown of these charges (for each fee),
- 14) The terms and deadlines for payments by the Client, if the Client was not informed of them in advance (bank account number, etc.),
- 15) Information on whether the Company, an entity within its group, or another Client of the Company acted as the counterparty to the transaction, provided that the

transaction was not executed on a regulated market ensuring counterparty anonymity.

13.5. In cases where reports are sent to the Client via email, the moment of submission is considered to be the time when the respective report is registered as a sent email in the outgoing correspondence section of the Company's email system.

13.6. In cases where reports are sent to the Client by mail, the moment of submission is considered to be the date indicated on the receipt issued by the postal service. The receipt is attached to the copy of the report kept at the Company and is filed in the "Reports Provided to Clients" folder.

13.7. Reports provided in person are issued to the Client in two copies. The Client is required to sign one copy of each report, confirming its receipt. The signed copy is returned to the Company and filed in the "Reports Provided to Clients" folder. The moment the Client signs the copy retained by the Company is considered the moment of report submission.

13.8. The termination of the Company's Securities Portfolio Management license does not constitute a basis for failing to provide the report to the Client. The portfolio management license may be deemed invalid solely in accordance with the procedure established by Law.

14. PROCEDURE FOR RECORDING INVESTMENT DECISIONS

14.1. The Company is obliged to maintain a register of investment decisions made within the framework of providing portfolio management services, in which entries must be made immediately upon the adoption of the investment decision, but no later than the end of the given working day.

14.2. Investment decision records must include at least the following information:

- 1) The Client's name and surname (or entity name),
- 2) The type of transaction specified in the decision (purchase, sale),
- 3) The nature of the decision, if the transaction specified in the decision is not a purchase or sale (e.g., securities subscription, option execution, etc.),
- 4) The type of order given in accordance with the decision (market, limit, etc.),
- 5) The security's identification number (or, if unavailable, the issuer's name and type of security; in the case of a derivative instrument, its description),
- 6) The quantity of securities,

- 7) The unit price,
 - 8) The total volume,
 - 9) Any special instructions provided by the Client (if applicable),
 - 10) The exact time of the investment decision, including year, month, day, hour, and minute,
 - 11) The name and surname of the Employee making the investment decision.
- 14.3. The investment decision register is maintained by the Company in electronic format.

15. FINAL PROVISIONS

15.1. Amendments and additions to this Regulation are approved by the General Meeting of the Company's Shareholders (if a Board has not been formed within the Company) and take effect from the moment of approval by the Meeting.

(Clause 15.1 amended on 20.09.2022)

Appendix 1

Act of Handover and Acceptance of Assets

Yerevan

" ____ " ____ " ____ "

Pursuant to the " ____ " Securities Portfolio Management Agreement, the Settlor, _____

(Full name and passport details (if a legal entity, then the name of the organization and the full name and passport details of the authorized representative))

represented by _____, transfers/accepts, and
(Full name and passport details of the authorized representative)

The Portfolio Manager, "APRICOT CAPITAL" CJSC, represented by the Director _____, acting in accordance with the Civil Code of the Republic of Armenia, the RA Law "On Securities Market," other applicable legal acts, as well as the Portfolio Manager's charter, accepts/transfers the following assets:

1. Funds intended for investment in securities: _____ AMD.
2. Securities:

N	Issuer Name	Security Type	Security Identification number (Issue Number)	Quantity (For Volume Securities – Nominal Value)	Market Value (AMD)
Total Market Value (AMD) _____					

Portfolio Manager

Settlor

"APRICOT CAPITAL" CJSC

Address

TIN

Account Number

Director

Name/Surname

Passport details

Account Number

Means of communication

Seal

Appendix 2

Partial Withdrawal Request

To "APRICOT CAPITAL" CJSC
Director Mr _____

Request

I hereby inform you that, due to personal reasons, I wish to partially withdraw from management the amount of _____ (specify the amount in numbers and words) AMD (USD and/or other currency) from the funds entrusted under Securities Portfolio Management Agreement N _____. Please inform me about the possibility and timeframe for executing the transaction.

My banking details are as follows:

Bank Name:

Account Number:

Securities Account Number:

Client _____/name, surname/
Signature

" " " " "

PORTFOLIO MANAGER'S NOTES

The request has been accepted: _____

The person accepting the request: _____/ Name, surname, and signature /

Appendix 3

INVESTMENT DECLARATION N

Yerevan

" " " " "

1. GENERAL PROVISIONS

1.1 The Investment Declaration (hereinafter referred to as the Declaration) defines the purpose, directions, and structure of the investment portfolio for the funds entrusted to the Company by the Settlor (hereinafter referred to as the Founder).

2. INVESTMENT OBJECTIVE

2.1 The objective of Settlor's investment is to form and/or manage a securities portfolio aimed at increasing its value.

3. DURATION OF THE DECLARATION

3.1 The validity period of this Declaration is set until «_____»
«_____» _____.

4. INVESTMENT DIRECTIONS AND PORTFOLIO STRUCTURE

4.1 The Company may invest the entrusted funds in the following financial instruments:

- Shares and other securities granting rights equivalent to those attached to shares
- Units of investment funds
- Government and corporate Eurobonds
- Depositary receipts
- Other debt securities
- Derivative instruments
- Other instruments

4.2 The portfolio structure that the Company must maintain throughout the entire term of the Securities Portfolio Management Agreement:

Portfolio structure by asset types

- | | |
|-------------------------------------|---------|
| <input type="checkbox"/> Cash funds | _____ % |
| <input type="checkbox"/> Securities | _____ % |

Portfolio structure by currency

- | | | |
|--|-------|---|
| <input type="checkbox"/> AMD (Armenian Dram) | _____ | % |
| <input type="checkbox"/> USD (US Dollar) | _____ | % |
| <input type="checkbox"/> EUR (Euro) | _____ | % |
| <input type="checkbox"/> Other currency | _____ | % |

Portfolio structure by type of security

- | | | |
|---|-------|---|
| <input type="checkbox"/> Stocks | _____ | % |
| <input checked="" type="checkbox"/> Corporate bonds | _____ | % |
| <input type="checkbox"/> Government bonds | _____ | % |
| <input type="checkbox"/> Other securities | _____ | % |

4.3 No restrictions are imposed on the maturity of the financial instruments specified in clause 4.1 of the Declaration.

5. OTHER PROVISIONS

5.1 In case the change in the market price of Assets results in non-compliance with the conditions set by the Declaration, the Company is obliged to adjust the structure of the Assets to comply with the Declaration within a maximum of 1 month.

5.2 The market valuation of securities is conducted in Armenian Drams. The market value of securities quoted in foreign currency is determined based on the average exchange rate formed in currency markets and published by the Central Bank of Armenia as of the valuation date. The methods for determining the fair (market) value of securities are as follows:

- a. For Armenian government (treasury) bonds and bonds issued by the Central Bank of Armenia, the market value is calculated based on the yield curve.
- b. The market value of securities listed on a regulated market is determined as the price (closing price) or yield (closing price or yield) of the last confirmed transaction on the exchange as of the reporting date, provided that the time between the transaction date and the reporting date does not exceed one month.
- c. For securities that have not been traded on a regulated market or where the last transaction occurred more than one month ago but have a market maker, the market value is calculated based on the quotes provided by the market maker. Specifically, for long positions, the price or yield at which the security can be sold is used, while for short positions, the price or yield at which the security can be bought is applied.

d. If none of the methods outlined in points "a" to "c" above are applicable to a security, meaning no quoted market price is available, the security is valued using a method agreed upon with the client. This may include pricing models, the discounted cash flow technique, or other methodologies deemed appropriate for market price estimation.

5.3 A meaningful benchmark is established at _____.

6. SIGNATURES OF THE PARTIES

Company	Settlor
"APRICOT CAPITAL" CJSC	Name/Surname
	Passport details
Address	Account number
TIN	Communication means
Account number	
Director	
_____	_____
Seal	

Appendix 4
(Appendix 4 repealed on 26.07.2023)