

Approved by the sole shareholder of
“Apricot Capital” Closed Joint-Stock Company
by Decision No. 07-23-2 dated 24.07.2023
Executive Director Vachik Gevorgyan



24 July 2023

"APRICOT CAPITAL"
CLOSED JOINT STOCK COMPANY

REGULATION

ON SECURITIES UNDERWRITING

Yerevan 2023



1. GENERAL PROVISIONS

- 1.1. This regulation defines the rules for providing Securities Underwriting services by “Apricot Capital” Closed Joint-Stock Company (a licensed investment company under the legislation of the Republic of Armenia, License No. 0022, TIN: 02871135, Address: RA, Yerevan, V. Sargsyan 10, 110 premises).
- 1.2. The Underwriter provides the Services in accordance with the Civil Code of the Republic of Armenia, the RA Law "On the Securities Market," the normative legal acts adopted based on them, the Agreement, and the Underwriter's internal legal acts.
- 1.3. This Regulation is an integral part of the Agreement. The Agreement and this Regulation together constitute a valid and enforceable document that fully reflect the agreement and intent of the Parties (the Underwriter and the Issuer) and contain provisions binding on the Parties. In case of any contradiction between the provisions of the Agreement and this Regulation, the provisions of the Agreement shall prevail.
- 1.4. This Regulation is a public document that any interested party may review. It shall be published on the official website of the Underwriter.
- 1.5. The key terms used in this Regulation are as follows:

Prospectus: A document containing information about the Issuer and its Securities as required by Law and other legal acts, based on which the public offering of Securities and/or their admission to trading on a regulated market is carried out.

Derivative Financial Instrument: Transactions defined under Article 3, Clause 3 of the Law.

Business Day: Any calendar day that is not a Saturday, Sunday, or a public holiday/non-working memorial day as defined by RA legislation.

Secured Securities: Securities backed by assets and secured mortgage bonds as provided by Law.

Offering Program: A document adopted by the Issuer's authorized management body, based on which the Issuer plans to carry out continuous issuances of the same type and/or class of non-equity Securities over a certain period.

Securities Offering: Any form of communication addressed to persons that contains an offer to sell Securities or an invitation to make an offer to purchase Securities.

Public Offering of Securities: An offer of Securities addressed to more than 100 persons who are not qualified investors or to an indefinite number of persons.

Public Underwriting of Securities: The placement of Securities through a public offering.

Underwriting of Securities: The initial sale of Securities by the Underwriter to the Investor.

Security: Instruments defined under Article 3, Clauses 1-2 and 5-7 of the Law.

Chief Executive Officer: The sole executive body of the Underwriter, responsible for the day-to-day management of the Underwriter's activities as prescribed by Armenian legislation and the Underwriter's charter.

Firm commitment Underwriting: A type of Securities underwriting where the Underwriter:

- Purchases the Issuer's Securities with a pre-agreed commitment to resell them within a specified timeframe.
- Undertakes the obligation to purchase any unsold Securities within a specified period.

Issuer: A person or entity that has issued Securities and has entered into or intends to enter into an Agreement with the Underwriter for the organization of their underwriting.

Regulation on Advisory Services: An internal legal act of the Underwriter, approved by the authorized body of the Company, which defines the procedures and conditions for providing advisory services related to investments in Securities

and other advisory services to clients.

Council: The governing body of the Underwriter, which, within the scope of its authority defined by Armenian legislation and the Underwriter's charter, carries out the overall management of the Underwriter.

CB: The Central Bank of Armenia.

Services: The underwriting services provided by the Underwriter to the Issuer under the Agreement.

Program Prospectus: A document published by the Issuer or Underwriter instead of a Prospectus in the case of a public offering of non-equity Securities issued under an Offer Program, as well as in the case of a public offering of Secured Securities.

Regulation 4/06: The Regulation No. 4/06 "Criteria for Considering Qualified Investors and the Procedure for Registering Persons as Qualified Investors," approved by the decision of the Board of the Central Bank.

Regulation 4/07: The Regulation No. 4/07 "Requirements for the Activities of Persons Providing Investment Services," approved by the decision of the Board of the Central Bank.

Regulated Market: A system of organizational, legal, and technical means that is directly or indirectly accessible to the public and regularly facilitates, provides, ensures, or conducts the meeting of offers for the purchase and sale of Securities and Derivative Financial Instruments. The regulated market includes the stock exchange and other regulated markets.

Reporting Issuer: An Issuer whose securities of any class are admitted to trading on a Regulated Market operating in the Republic of Armenia.

Investor: A person who owns or intends to acquire a Security.

Best efforts underwriting: A type of securities underwriting in which the Underwriter assists the Issuer in the placement of securities in accordance with the procedure established by Armenian legislation without assuming the

obligation to purchase any unsold securities of the Issuer.

Agreement: The Securities Underwriting Agreement concluded between the Underwriter and the Issuer.

Underwriter: "Apricot Capital" Closed Joint-Stock Company, an investment company.

Underwriter's Official Website: The website www.apricotcapital.am, where the Underwriter publishes information required by Armenian legislation, as well as other necessary information.

Underwriting Execution Report: The report provided by the Underwriter to the Issuer, as specified in the relevant section of the Agreement.

Reliable Means of Information Exchange: Hand delivery, communication via the email addresses and phone numbers specified in the relevant clause of the Agreement, and, upon prior mutual agreement between the Underwriter and the Issuer, other electronic communication channels (e.g., mobile applications). It also includes postal/courier delivery of documents, hand delivery with a receipt acknowledgment signature, and publication of documents on the Underwriter's official website. These means of information exchange qualify as such within the meaning of Regulation 4/07.

Law: The Law of the Republic of Armenia "On the Securities Market."

- 1.6. In the absence of definitions for other terms used in this Regulation, they shall have the meanings defined in the Law and other legal acts adopted based on it. If not defined therein, they shall be interpreted in accordance with international business practices, unless a specific case clearly implies a different meaning.
- 1.7. Unless a specific context of this Regulation clearly implies otherwise, the principles for interpreting its provisions are as follows:
 - 1.7.1. Any reference to, quotation from, or citation of a document—including but not limited to the Agreement—implies reference to, quotation from, or citation of its current version, including all amendments and supplements,

unless explicitly stated otherwise in the respective reference, quotation, or citation.

1.7.2. All references to clauses refer to the clauses of this Regulation unless explicitly stated otherwise.

1.7.3. The headings of the chapters are for guidance purposes only and do not affect the meaning and/or interpretation of their content.

1.7.4. Terms defined in the singular form also imply the plural form of the same term, and vice versa, unless otherwise required by the specific context of use.

1.7.5. Any reference to a person also includes their lawful successor, representative, or legal heir as defined by laws and other legal acts.

1.7.6. The words "this" and its derivatives, expressions formed with them, and other words with similar meaning refer to the clause in which they appear, except for the expression "this Regulation," which refers to the entire document, and "this section," which refers to a specific section of this Regulation.

1.8. Amendments and additions to this Regulation shall be made unilaterally by the Underwriter, provided that the Issuer is notified of such amendment or addition in accordance with the procedure established by the Agreement.

2. DESCRIPTION AND PROCEDURE FOR SERVICE PROVISION

2.1. The Agreement and this Regulation govern the legal relations related to the provision of underwriting services by the Underwriter to the Issuer.

2.2. The services are provided in accordance with the legislation of the Republic of Armenia, this Regulation, other internal legal acts of the Underwriter, and the Agreement.

2.3. Before signing the Agreement, a letter of intent may be concluded between the Underwriter and the Issuer, defining the main terms on which the services will be provided.

- 2.4. Before signing the Agreement, the Underwriter conducts a due diligence review of the Issuer's overall condition. The procedure, conditions, and scope of the due diligence review are defined in the letter of intent.
- 2.5. The scope of Services is defined in the Agreement and may include:
- 2.5.1. Implementation of Firm commitment or Best efforts Underwriting of Securities,
 - 2.5.2. Provision of Services related to the organization of the issuance and underwriting of Securities.
- 2.6. At the Issuer's preference, the Underwriter may provide the Issuer with Services for the public or private underwriting of Securities.
- 2.7. The underwriting by the Underwriter may be carried out:
- 2.7.1. On a regulated market (stock exchange) through the organization of auctions,
 - 2.7.2. Outside the regulated market through Investors' subscription.
- 2.8. The underwriting of Securities on the stock exchange is carried out in accordance with the rules of the stock exchange.
- 2.9. Over-the-counter underwriting is carried out in accordance with the Law and other normative legal acts adopted based on it. The specific features of executing over-the-counter transactions are defined by the Agreement.
- 2.10. When organizing off-market underwriting through Investor subscription as defined in clause 2.7.2 of this regulation, the Underwriter, based on the Agreement, opens and maintains a register of applications for the acquisition of the Issuer's Securities, which includes:
- 2.10.1. The date and time of application submission,
 - 2.10.2. The Investor's name and surname (or entity name),
 - 2.10.3. The Investor's passport (or state registration certificate) details,
 - 2.10.4. The Investor's address (both permanent and current residence),
 - 2.10.5. The price, quantity, and total amount of Securities specified in the

instruction,

2.10.6. The payment method for the Securities,

2.10.7. Other information as required by RA legislation.

2.11. The Underwriter has the right to enter into agreements with other investment service providers and institutional investors for participation in the underwriting, as well as to form underwriting syndicates with these entities.

2.12. The Underwriter is liable for any damages caused to the Issuer and Investors as a result of its actions or inaction, in accordance with Armenian legislation and the Agreement.

3. REPORTS

3.1. After completing the Underwriting, the Company must promptly, but no later than the end of the next business day following the underwriting, provide the Issuer with the Underwriting Implementation Report in the form specified in Appendix 1 of this regulation.

3.2. The Underwriting Implementation Report includes the information specified by Regulation 4/07.

3.3. If the Underwriting is carried out in tranches, the Underwriter shall submit the Underwriting Implementation Report for each tranche separately.

3.4. The Underwriting Implementation Report submitted to the Issuer shall:

3.4.1. Include the date of submission of the report,

3.4.2. Be certified by the signature of the Executive Director and the seal of the Underwriter.

3.5 The Underwriting Implementation Report is provided to the Issuer in two copies.

One copy remains with the Issuer, while the other copy, in the absence of objections, is returned to the Underwriter with the note “No objections to the Report” and the signature of the Issuer or the Issuer’s authorized representative.

4. PUBLIC OFFERING PROCEDURE AND TERMS

4.1. In the case of a public offering of Securities, the Underwriter is obligated, based on the

Agreement, to publish the Prospectus (Program Prospectus) on the Underwriter's official website no later than three (3) Business Days before the commencement of the public offering of the Securities, except in cases where the publication of the Prospectus is not required by Law.

- 4.2. Based on the Agreement, the Underwriter shall provide any person, upon request, with a printed version of the Prospectus free of charge no later than the Business Day following the date of such request, except in cases where the publication of the Prospectus is not required by Law.
- 4.3. Immediately after the publication of the Prospectus, but no later than the first Business Day following its publication, the Underwriter shall publish an announcement regarding the public offering of the Securities in accordance with the procedure and content defined by the CBA's normative legal acts, except in cases where the publication of the Prospectus is not required by Law.
- 4.4. If any material fact is omitted or misrepresented in the Prospectus, including its translation, the Underwriter and the Issuer shall bear joint and several liability for compensating the Investor for any damages incurred as a result of such omission or misrepresentation.
- 4.5. The Underwriter shall be released from the liability specified in Clause 4.4 of this Regulation if it proves that, after conducting sufficient and proper due diligence, it had reasonable grounds to believe and did believe that, at the time of the Prospectus registration, there was no false or misleading information (omission) in it. The Underwriter shall also be released from liability if the Investor who suffered damages was aware or could have been reasonably aware at the time of acquiring the Securities that the Prospectus contained false or misleading information, or that a material fact was omitted or misrepresented.
- 4.6. From the moment the application for the registration of the Prospectus is submitted until the end of the Securities public offering period, if there is a material change in the information included in the Prospectus, the emergence of a new material circumstance or fact, or the discovery of a material inaccuracy or deficiency in the Prospectus, the Issuer or the Underwriter is obliged to submit a supplement to the Prospectus to the Central Bank within 5 (five) Business Days from the date they became aware of or could have reasonably become aware of such a change.

- 4.7. If the Underwriter submits a supplement to the Prospectus during the placement, which is related to a material change in the information included in the Prospectus, the emergence of a new material circumstance, or fact, the Underwriter is obliged, upon the Investor's request, to cancel the Investor's acceptance and return the funds received from them during the subscription or repurchase the Securities sold to the Investor before the supplement was submitted, at least at the price paid by the Investor for acquiring the Securities.
- 4.8. The underwriting process may be suspended at the initiative of the Underwriter only with the consent of the Central Bank for a maximum period of 10 (ten) Business Days. If the underwriting is not resumed within 1 (one) Business Day after the suspension period ends, the Underwriter is obliged to terminate the underwriting and return the funds received during the underwriting to the persons who acquired the Securities, in accordance with the procedure established by law, within 10 (ten) Business Days from the end of the suspension period.
- 4.9. The Underwriter is obliged to publish information about the suspension and resumption of the underwriting, the termination of the underwriting, and the return of funds received during the underwriting at least through the same means by which the public offering of the Securities was announced.

5. FEATURES OF SERVICES RELATED TO THE ISSUANCE AND UNDERWRITING OF SECURITIES

- 5.1. Services related to the organization of securities issuance and underwriting include:
- 5.1.1. Providing consultation on the terms of issuance, circulation, underwriting, and redemption of securities,
 - 5.1.2. Developing a timeline for the issuance and underwriting of securities,
 - 5.1.3. Drafting resolutions related to the issuance and underwriting of securities,
 - 5.1.4. Analyzing the Issuer's activities,
 - 5.1.5. Conducting market analysis and determining the optimal price (yield) for the underwriting of securities,
 - 5.1.6. Preparing the Prospectus or providing consultation on its preparation,
 - 5.1.7. Presenting the Prospectus to potential buyers,

- 5.1.8. Providing post-market support.
- 5.2. The services mentioned in clause 5.1 of this regulation may be provided based on either the Agreement or a separate contract concluded between the Parties.
- 5.3. The provision of the services mentioned in clause 5.1 of this regulation is governed by this Regulation as well as the Advisory Services Regulation.

6. FINAL PROVISIONS

- 6.1. All amendments and modifications to this regulation are approved by the authorized body of the Company (unless otherwise provided by the Underwriter's charter) and come into force within the timeframe determined by the decision of the authorized body.

APPENDIX 1

REPORT
on the Implementation of Underwriting

Company Name, Organizational-Legal Form

Issuer's Name or Identification Number

Transaction Date (Year/Month/Day)	Transaction Time (Hour/Minute)	Transaction Location	Security Identification Number, Issuance Number (if unavailable, Issuer's Name and Security Type)	Quantity of Securities to be Underwritten as per the Contract	Total Amount of Securities to be Underwritten as per the Contract (at Nominal Value)	Actual Number of Securities Underwritten	Actual Volume of Securities Underwritten (Nominal Value)	Actual Total Amount of Securities Underwritten	Amount of Charged Commission	Note if the other party to the transaction was the Company itself, any entity within its group, or another client of the Company, except when the transaction was conducted in a regulated market ensuring anonymity between the parties.

Executive Director _____
(name, surname)_____
(signature)

Seal

“ _____ ” “ _____ ” 20__