

Approved as amended

By the resolution of the supervisory Board of
The CENTRAL DEPOSITORY OF ARMENIA OJSC

Chief Executive Officer Vahan Stepanyan

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Registered as amended

At the Central Bank
of the Republic of Armenia

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Chairman Martin Galstyan

“CENTRAL DEPOSITORY OF ARMENIA”

OPEN JOINT-STOCK COMPANY

**RULES ON OPERATION OF UNIFIED SYSTEM OF SECURITIES REGISTRATION AND
SETTLEMENT**

PART I. UNIFIED SYSTEM OF SECURITIES REGISTRATION AND SETTLEMENT AND MEMBERS THEREOF

CHAPTER 1. GENERAL PROVISIONS ON UNIFIED SYSTEM OF SECURITIES REGISTRATION AND SETTLEMENT

ARTICLE 1. Subject of regulation of these rules

1. This Rules (hereinafter “the Rules”) shall define the structure of unified system of securities registration and settlement, procedure of granting, suspension and termination of a status of Member of the System of “CENTRAL DEPOSITORY OF ARMENIA” open joint-stock company (hereinafter referred to as the Central Depository), rights and obligations of the System member, procedure for maintenance of centralized registry and custody by the Central Depository, procedures for the collection and verification of information regarding securities transactions by the Central Depository, as well as the transactions concluded on the foreign currency trading platform organized by the Regulated Market Operator, determination and offset of mutual liabilities resulting thereof, accomplishment of the settlement, including acting as an agent of the parties, as well as relations related to the protection of interests of clients of the unified securities accounting and settlement system

2. Provisions, related to securities, defined by this Rules, are applicable to nominal securities (except for units of mandatory pension funds), as well as those securities, custody (sub-custody) of which may be or is performed by the Central depository, according to the Law, legal acts and the relevant contracts.

ARTICLE 2. Concepts

3. The concepts referred to in the Rules shall have the meanings as specified below:

- 1) “**Law**” shall mean the RA Law “On Securities Market”;
- 2) “**Securities Maintenance**” shall mean receipt, registration and preservation of data on issuers, securities issued by the latter, registered securities owners (nominees) and securities owned by them, as well as operations with securities;
- 3) “**Securities Maintenance and Settlement System**” or “**System**” shall mean the complex of technical and legal means, ensuring securities maintenance and execution of mutual liabilities, arisen from transactions, concluded in securities;
- 4) “**Software System**” shall mean the complex of software systems, ensuring execution of the Central Depository’s functions;
- 5) “**Securities Account**” shall mean information framework for maintenance of securities and ownership rights towards them;
- 6) “**Account Holder**” shall mean a person, in the name of which there is a Securities account, opened in the System;

7) **“Nominee”** Direct participant of custody System, on the name of which securities of other entities are maintained without transfer of ownership right towards the latter;

8) **“Issuer”** shall mean the entity, which issues (issued) securities or makes proposal on issuing securities on its own behalf and submitted or applied to the Central depository for submission of registry of its securities owners (nominees);

9) **“Operator of Regulated Market”** shall mean “Armenia Securities Exchange” open joint-stock company;

10) **“Regulated Market”** shall mean a market, organized by the Operator of Regulated Market;

11) **“Member of the System”** shall mean the entity, which concluded the contract with the Central depository to perform operations in the System and through the System in the status of Account Operator and/or Member of regulated market settlement system, in accordance with the Rules.

12) **“Account Operator”** shall mean a Member of the System, which transfers orders and other information (documents), received from Account Holder or Issuer, to the Central Depository for the purpose of execution of operations in the System in accordance with the contract, concluded with the Central Depository, as well as mediates for services, provided by the Central Depository, according to law, normative legal acts adopted based on law, and a contract concluded with the Central Depository;

13) **“Member of Settlement System of the Regulated Market” or “MSSRM”** shall mean a member of the System, who transfers the Instructions and information (documents) received from itself or its client to the Central Depository within the framework of the powers defined by the agreement signed with the Central Depository and the Rules, which are necessary for transactions on the Regulated Market through the System, as well as on the foreign currency trading platform organized by the Regulated Market operator;

14) **“Direct System participant”** - shall mean a member of the System, who submits instructions to the Central Depository only for servicing accounts opened in its name (as well as for the accounts managed by itself, in case of fund managers), within the scope of its competences defined in the agreement signed with the Central Depository and the Central Depository Rules;

15) **“Member of the system using the services of foreign custodians”** - shall mean a member of the system who uses the service of custody of securities provided by the Central Depository through Foreign Custodians, based on the permission of the Central Depository;

16) **“Registry of shareholders” or “the Registry”** shall mean the unified system of data on the Issuer, its securities, owners of the securities (nominees) and rights confirmed by the Securities, which ensures the identification of information on the securities registered owners, authorized representatives thereof, number and class/types of securities owned by the registered (registered on the names of the nominees) owners (nominees), as well as other information stipulated by the Rules;

17) “**Corporate action**” shall mean change in nominal value, conversion, split, consolidation, buyback, acquisition, redemption, cancelation of the Issuer’s securities of any type (and/or class) or reorganization of the Issuer (except for reformation), payment of income generated from securities, based on the Issuer’s decision;

18) “**Split of securities**” shall mean conversion of the Issuer’s securities of particular class and/or type to greater number of securities of the same class and/or type;

19) “**Consolidation of securities**” shall mean conversion of the Issuer’s securities of particular class to less amount of securities of the same class and/or type;

20) “**Acquisition of securities**” shall mean the process of acquiring certain portion of securities, placed by the Issuer, by the same Issuer, without legal liability for the latter to make decision thereon;

21) “**Buyback of securities**” shall mean the process of buying back certain portion of securities, placed by the Issuer (except for securities of open-end investment fund) by the same Issuer, which is required to be accomplished based on decision on securities issuance (placement) or the Law;

22) “**Conversion of securities**” shall mean the withdrawal of the Issuer’s securities of particular class and/or type and their cancelation (removal from System) through exchange of those securities with securities of the same or another issuer;

23) “**Cancellation of Securities**” or “**invalidation of securities**” shall mean cancellation of the Issuer’s securities of the given class and/or type due to them being out of circulation, by removing the securities of the given class and/or type from all the securities accounts available in the System.

24) “**Operation**” shall mean an operation, executed in the System based on the instruction by Account Holder, Issuer, their authorized persons or other persons, defined by the RA Legislation and registered in the System, which results in opening of a securities account, making changes to the securities account information, closing of the securities account, change in securities balance of the securities account, as well as registration of other information in the System and/or provision of information from the System;

25) “**Instruction**” shall mean hard copy or electronic document, serving as a ground for execution of operations in the System (except for provision of information);

26) “**Depo instruction**” shall mean the instruction on execution of transactions in Government bonds in the System;

27) “**Type of Message or MT**” shall mean the electronic format of instructions, transmitted by the systems of the Central Bank of RA or information, identified by the relevant codes defined by the CBA;

28) **“Request”** shall mean a document, serving as a ground for provision of information from the System, as well as any other documents, which cannot be qualified as an order;

29) **“Free delivery or ST transfer”** shall mean the type of securities transfer from one securities account to another, when confirmation or acceptance is not required from the recipient;

30) **“Delivery against acceptance or FOP transfer”** shall mean the type of securities transfer from one securities account to another, when matching orders of both parties, transferor and recipient, are required;

31) **“Delivery Versus Payment” or “DVP transfer”** shall mean the type of securities transfer from one securities account to another, at which simultaneous transfer of funds in the respective accounts is carried out based on the transfer and receipt instructions both from the transferor and the recipient, accordingly, as well as in the presence of the cash and securities ensuring settlement, necessary for DVP transfer;

32) **“Securities portfolio transfer or portfolio transfer”** shall mean type of transfer of securities from one account to another belonging to the same Account Holder, in which case the transfer of all securities available in the Securities Account is carried out by means of registering a single transfer operation;

33) **“Blockage”** shall mean the operation, as a result of which securities transfers in the System shall be blocked or limited in cases, order and terms, specified by the Rules and/or the legislation.

34) **“Ban trade”** shall mean the type of ban required to trade on a Regulated Market as well as on a forex trading platform organized by a Regulated Market Operator;

35) **“Termination of ban”** shall mean the action that terminates ban;

36) **“Trading day”** shall mean a business day during which securities and/or foreign currency trading is carried out on the Regulated Market, as well as on the foreign exchange trading platform organized by the Regulated Market Operator;

37) **“Trading session”** shall mean the period of the trading day during which trade of securities on the Regulated Market or foreign currency trading platform organized by the Regulated Market Operator is carried out;

38) **“Trading account”** shall mean special account in any currency, opened with the Central Bank on the name of the Central Depository, which is designated for maintenance of cash in the Cash accounts of the System Members;

39) **“Conclusion of trade”** shall mean reaching agreement between members of the Regulated Market’s settlement system during the trading session, on material conditions of buying and selling securities or foreign currency in order defined by rules of the Operator of Regulated Market;

40) **“Trading with pre-deposition”** shall mean advance transfer of funds necessary for concluding a Transaction in the regulated market to the trading account and securities’ trading ban;

41) **“Clearing”** shall mean determination and offset of mutual liabilities, arisen from concluded transactions (collecting of information on transactions, reconciliation and preparation of accounting documents);

42) **“Centralized clearing”** shall mean a method of clearing, in which the Central Depository becomes the reverse party to transactions concluded in securities and/or foreign currency, bearing all their obligations and acquiring all their rights in connection with transactions concluded on the Regulated Market, as well as on the foreign exchange trading platform organized by the Regulated Market Operator;

43) **“Netting”** shall mean the procedure of determination of net obligations and/or claims of the member of Regulated Market’s settlement system and its clients, relating to the offset of claims and obligations resulting from transactions, concluded during the same trading session, as a result of which, at each member of Regulated Market’s settlement system and/or its client, only the following are accrued against the Central depository:

- a) per each currency one net cash claim or net cash obligation;
- b) one net securities claim or net securities obligation per each security class and/or type.

44) **“Settlement”** shall mean the operation, whereby securities and/or cash obligations, related to transfer of cash and securities, arisen between the System Members and/or their clients and the Central Depository, are repaid, through transfer in both Cash and securities accounts.

45) **“Cash maintenance account” or “Cash account”** shall mean an account, opened in the System in the name of the System Member and/or investment fund for cash maintenance, in accordance with the Rules if the Central Depository.

46) **“Electronic method” (electronically)** shall mean method of sending and/or receiving information or documents through the CBA CBANet interbank computer network based electronic post of Lotus system (hereinafter “the CBANet computer network”) or other authorized (mutually approved) electronic address or the CBA electronic message delivery system (hereinafter “the Bankmail”).

47) **“Composite investors accounts”** shall mean special custody accounts opened in the name of the Central Depository as a sub-custodian in the Central Bank of the Republic of Armenia, in which the government bonds belonging to the clients of the Central Depository are recorded;

48) **“Haircut”** shall mean the haircut, applied to the price of the Government bonds, calculated by yield curve;

49) **“Government bond”** shall mean the Government (treasury) bonds issued by the RA Ministry of Finance;

50) **“Security registered through a foreign custodian”** shall mean security, registered in the of the Central Depository opened at a foreign custodian.

51) **“Foreign custodian”** shall mean the entity not being a resident of the Republic of Armenia, authorised to perform securities custody beyond the territory of the Republic of Armenia.

52) **“Irrevocability of transfer instructions”** shall mean the moment after which amendment or recall of transfer instructions sent to the Central Depository is not possible.

53) **“Circular”** shall mean a letter from the head of the executive body of the Central Depository addressed to the members of the System (or a certain group of members of the System) in the cases and in the order defined by the rules, which contains mandatory instructions for the recipients to fulfill, as well as notifications.

4. Other concepts, used in these rules shall have the meanings, stipulated by the Law, the Central Bank regulations and other legal acts, adopted based thereon.

ARTICLE 3. Elements of the Unified system

5. The elements of the system are as follows:

1) Centralized securities maintenance system, which includes centralized securities registry keeping and custody systems,

2) Securities settlement system, as defined provided in chapter 20 of the Law.

ARTICLE 4. Services Provided Through the System

6. The Central Depository shall provide services through the System to:

1) Issuers of securities, which delegated registry keeping of their securities owners to the Central depository;

2) Account holders, the registry of whose securities registered or being registered on the accounts of the latter was submitted to the Central depository or the latter is or has been custodian (sub-custodian) of these securities;

3) other entities, as defined by the Rules in cases and order, defined by the Rules.

7. Services, provided by the Central depository through the system (hereinafter: “the Services”) shall be classified as core and auxiliary services.

8. The following services shall be considered as Core services of the System:

1) Maintenance of register of shareholders;

2) Securities custody;

3) Clearing and/or settlement of securities transactions.

9. Auxiliary services of the System are the following:

- 1) Fulfilment of operations related to the payment of bond coupons, bond redemption, payment of stock dividends,
- 2) Implementation of control over acquisition and observance of other restrictions established by law and the Issuer's statutes with respect to the securities placed by the Issuer;
- 3) Notification to the Issuer about the Operations carried out with the securities placed by it, which includes the provision of information on the transfer of these securities, as well as on the limitations of the rights to these securities on a collateral or other basis;
- 4) Cash accounting, in accordance with the procedure established by the Central Depository "Cash Accounting Rules",
- 5) Clearing and Final Settlement of transactions concluded in foreign currency.

ARTICLE 5. Rendering Services Through the System

10. In order and cases, defined by the Rules, the Central depository shall render services through the System by intermediation of the System Member, providing the latter with the relevant software if necessary.

11. The Central depository shall directly render services through the System only in cases, when specific functions are reserved to the Central depository or are allowed to be directly (without Account Operators intermediation) rendered by the Central depository, according to the Rules.

12. The Central depository shall be entitled to render services directly, without Account Operator mediation to the following entities:

- 1) Members of the System;
- 2) foreign central depositories;
- 3) managers of investment funds;
- 4) Operator of the regulated securities market;
- 5) other entities, in cases and order defined by the Rules.

13. Direct rendering of services to the entities, defined in point 12 of the Rules shall be regulated by the Rules and the contract, concluded between the Central Depository and mentioned entities, if conclusion of such is stipulated by the Law or it is necessary for regulating special relations.

14. Option of rendering services directly, without Account Operator's mediation, defined by the Rules, shall not limit opportunities or requirement of rendering services by Account Operators' mediation, except the cases defined by the Rules.

15. The Central depository shall directly provide services of clearing and settlement of transactions in securities and/or foreign currency, as stipulated by the Rules.

16. The Central depository shall provide information and documents from the System to courts, Service of Compulsory Enforcement, notary, criminal investigators or other state authorities, as defined by the Law, except for cases, when such information is defined to be provided by the Account Operator in accordance with the Law.

17. The Central depository shall perform limitation of rights (blockage) of securities or termination of such limitation (termination of blockage) based on the relevant decision of the court, authorities of compulsory enforcement or criminal investigators, on limitation of rights towards securities or termination of such limitation.

If the decision, specified by this point, is submitted to the Account Operator, the latter shall be obliged to immediately submit it to the Central Depository.

17.1 In the case of restriction of rights to securities on the grounds and in the manner defined by point 17 of the Rules, the possibility of performing Corporate actions by the issuer of these securities is not limited, except for those Corporate actions, for the performance of which direct actions are necessary on the Account Holder's Securities account, as well as cases when the need to limit corporate actions (part of them) stems from the decision of the competent body, which is the basis for limiting rights to securities. In the cases specified in this point, the restriction applies to the securities converted (changed characteristics) as a result of the Corporate action.

18. The Central depository shall register securities transfer based on court decision in the System in cases as follows:

- 1) if the Central depository is debtor, according to the verdict;
- 2) if securities account of the party, transferring securities is not serviced through the mediation of the Account Operator.

19. Services shall be rendered through the System within five business days after receipt of document or instructions, serving as ground for the operation, unless other date is specified for performing the relevant operation by the RA Legislation, the Rules or by instruction.

Documents supporting the implementation of the operation (including instructions) shall be considered received by the Central Depository or a System Member upon receipt of the complete set of documents (instructions) required for the implementation of the relevant operation, unless otherwise follows from the nature of that operation. Foreign judicial acts shall support the implementation of operations by the Central Depository if such judicial acts have been recognized in procedure established by the legislation of the Republic of Armenia.

In case of multiple use of the services provided by the same System Member (by the Central Depository, if the service is directly provided by the Central Depository), the Customer, with the consent of the System Member (Central Depository) may not submit the already submitted (repeated) documents (information), if he presents assurance that the mentioned documents (information) have not changed.

20. Contract on provision of services through the System shall be concluded in Armenian. Upon agreement of the parties the contract can be combined with translation to English or Russian, however, Armenian version shall always prevail, unless otherwise specified in the service contract

21. In order to receive services through the System, including becoming Member of the System, the documents, specified in the Rules shall be submitted in Armenian in hard copy (except instructions and information submitted via SWIFT system), while original documents or their copies in foreign language shall be translated and verified by notary or apostile (in case the documents are sent from countries that have joined the Hague Convention, and if the country is not a member of the Convention, then the legalization of the documents shall be done in a consular way) unless otherwise defined by the Rules. The information required by the Rules shall be entered into the System in Armenian and/or Russian or English. If there is information in English identifying the Account Holder, then it shall be subject to mandatory entry into the System in English.

22. With the consent of the system member (the Central Depository, if the Service Provider is the Central Depository directly), the documents to be submitted in paper form can be provided in another way, if the submission of the document in this way certifies the authenticity of the document and ensures its preservation.

23. Documents in English or Russian may be submitted without the Armenian translation verified by the notary, if their submission in English or Russian has been agreed with the System Member (the Central Depository, if the service is rendered directly by the latter).

24. The copies of submitted documents shall be verified by notary, except the cases when:

1) Copy was made from original document upon presence of the authorized representative of the System Member (the Central Depository, if the service is rendered directly by the latter), and the copy has been verified by the mention representative and a person authorized to submit that document.

2) The copy without notary verification is being submitted in such a method agreed with the System Member (the Central Depository, if the service is rendered directly by the latter), that certifies the originality of the copy.

Documents certified by notaries practicing in the Republic of Armenia, as well as by the Republic of Armenia's diplomatic missions and consular offices performing notarial acts can be submitted without apostille.

24.1 Documents in English or Russian languages may be submitted without apostille, if,

1) that possibility is defined by the Legislation of the Republic of Armenia, international treaties or conventions.

2) The customer, for whom or on whose behalf the documents are submitted, doesn't meet the high risk criteria established by the law of the Republic of Armenia on Anti money laundering and

counter terrorism financing, relevant legal acts of the RA Central Bank, Central Depository and/or the System member, and there is a written consent made by the executive body of the System member (the Central Depository, if the service provider is the Central Depository itself) stating that the document submitted for the given customer or on its behalf should be accepted without apostille. The responsibility for all damages caused as a result of accepting the documents specified in this paragraph without apostille, shall be borne by the System member.

3) are submitted by the international organizations, stipulated by Appendix 2 of Regulation 4/04 “Prospectus and statements on reporting issuers” approved by decision of the Board of the Central Bank of Armenia N 68-N dated 11.03.2008, which are connected to SWIFT system. Moreover, the Central Depository has the right to request submission or approval of submission of documents by the organizations referred to herein through SWIFT system.

25. In special cases, when derived from legal status of or legal norms regulating beneficiary of services, rendered through the System (particularly, state, international and foreign organizations), submission of certain information (documents) is impossible in order to use the services, provided through the System, such information (documents) may not be submitted upon the Central depository’s consent.

26. Information from the System shall be provided in the language, in which it has been entered in the System. If possible, the information may also be provided in translation into other languages, in which case the version extracted from the System (not translated) shall prevail. Documents, available in the System, shall be provided to the authorized entities in the form of copy.

27. The amount of fees payable by recipient of services (the customer) for services, provided through the System, shall be defined by the CDA Rules “On Tariffs” and/or the relevant legal acts of the System Member.

28. If provision of services through the Account Operator becomes hard or impossible by reasons beyond the System Member’s control, and if in such situation due provision of services may be ensured only by direct involvement of the Central Depository, the Central depository, based on notification, may directly perform the operation, which is sufficient and necessary to eliminate the circumstances, hindering provision of the service.

29. If a request (inquiry) for information from the System is submitted by a person who is not a client of the Account Operator and has the right to submit a request in accordance with the Rules, or it is obvious that the Account Operator does not have the ability to fully satisfy the submitted request, the Central Depository may provide information from the System directly, including requiring the Account Operator to forward the submitted request (inquiry) to it, if it was submitted to the Account Operator.

29.1 Upon the resolution of the Central Bank of Armenia exclusions from the instructions of the Account holders and/or Issuers on the transfer to the Central Depository, fulfillment procedure thereof, terms, account operator and other obligations of the Central Depository provided by these rules are established, in cases provided by article 180 (8) of the Law”.

CHAPTER 2. MEMBERS OF THE SYSTEM AND PROCEDURE OF MEMBERSHIP

ARTICLE 6. Members of the System

30. The following entities can be Member of the System:

- 1) Professional participants in the securities market;
- 2) The Central Bank of Armenia;
- 3) Operator of foreign settlement system, foreign professional participants in the securities market, in cases and in the manner defined by the CBA legal acts;
- 4) Foreign custodian;
- 5) Other entities, defined by the CBA legal acts.

31. In order and cases, defined by the Central depository rules, as well as according to the contract, concluded with the Central depository, the Member of the System shall mediate for services with the status of Account Operator and/or member of settlement system of Regulated market.

32. The person, meeting the criteria to become a System member, shall obtain the status of direct System participants, in order to gain access to the Central depository's custody services for the accounts opened in his name (in case of the fund manager, for the accounts managed by him also) directly. This enables the System member to submit the instructions on execution of securities custody operations directly to the Central depository, as well as get full information on the conducted and/or rejected transactions directly from the latter.

33. According to the Rules the order of operations in the system shall also apply to the Direct System member with regard to the accounts of direct access by him.

34. Entities, having status of the market participant, granted in accordance with the Operator rules, and/or are persons entitled to participate trade of corporate securities on the Regulated market, can apply to the Central depository for obtaining the status of Member of Settlement System of the Regulated market.

35. The CBA, the Ministry of Finance of RA for the purpose of implementation of Treasury direct operations, foreign central depositories, international (global) custodians and persons and entities stipulated by regulatory legal acts of the Central Bank can be granted an Account Operator status with limited permissions, scope of authorities of which shall be defined by the contract concluded between mentioned organization and the Central depository. Specifications of Treasury direct operations by the Ministry of Finance of RA are defined in Appendix 6 of the Rules.

36. MSSRM, which at the same time as a direct participant of the System or an Account Operator does not have service access to its or its client's Securities account, in which the securities accounted for (subject to accounting) are the subject of a transaction on the Regulated Market, to the Account Operator /System direct servicing its or its client's Securities Account on the basis of

the written request submitted to the participant, receives from them the right to implement trade ban or termination of trade ban on the securities in its or its client's Securities account in the System. The rights to trade ban or termination of trade ban on the name holder's account are also acquired in accordance with the procedure set forth in this point.

ARTICLE 7. Documents submitted to become a member of the System, as well as obtaining the permission of a member of the System using the services of Foreign Custodians

37. In order to become a Member of the System and, at the same time, receive a status of Account Operator and/or MSSRM and/or direct System participant, the entity, specified in point of the Rules, shall conclude a contract for granting a status of member of the system with the Central depository (hereinafter in this part referred to as Contract), by submitting the following documents:

1) Application for becoming a member of the System, indicating the status of Member of the System, for which the applicant applies to the Central depository;

2) Information defined in Appendix 2 to the Rules;

3) a copy of the decision on the election or appointment of the executive body of the applicant or the corresponding extract from the decision (in the case of a collegial executive body, a copy of the document certifying the election or appointment of its members and head or the corresponding extract from the document), in the case of a foreign company (branch of a foreign company), also the notarized Armenian translation of decision or extract.

Copies of applicant's licenses and/or permissions (if any), necessary for obtaining the System Member status.

4) in case of branch of foreign investment company – copy of the document, issued by the CBA, certifying registration of branch office of the foreign investment firm; in case of foreign custodian – copy of the document verifying its state registration, translated to Armenian and verified by notary.

5) Two copies of the Contract (published on the website of the Central depository), signed and sealed (in case of seal availability) by the applicant;

6) internal legal acts of the applicant (with the exception of the Central Bank and other state bodies) that define the procedure and tariffs for mediation of Services (does not apply to those members of the System who only have the status of a direct participant of the System).

38. The application and attached documents shall be considered as submitted after receipt of the whole package by the Central depository.

38.1. In order to use the service of custody of securities accounted for through Foreign Custodians provided by the Central Depository, the Account Operator, the MSSRM or a direct participant of the System may apply to the Central Depository for permission to use the services of Foreign Custodians by submitting the following documents:

1) Application for permission to use the services of foreign custodians,

2) AM/TF policy,

3) Other documents required by the Central Depository, which are necessary for the verification of compliance with the requirements of the Foreign Custodians of the System member who has submitted an application for obtaining permission to use the services of Foreign Custodians.

Moreover, the application for granting the permission of the System member using the services of the Foreign Custodian can be submitted simultaneously with the application for granting the status of the System member specified in Point 37 of the Rules.

ARTICLE 8. Granting Status of Account Operator, Member of Settlement System of Regulated Market and Direct System Participant, providing the permission to use the services of a foreign custodian

39. Within thirty business days after receipt of documents, defined in point 37 of the Rules, the Central depository shall either conclude submitted Contract or reject its conclusion and granting a status by sending a written notification to the applicant.

40. Conclusion of the Contract and granting of a status shall be rejected, if

1) the submitted documents or information do not meet any requirements defined by the Rules,

2) there is a valid negative conclusion of the Central Depository's internal monitoring body, or

3) the refusal of the status stems from the need to comply with the requirements established by the legislation.

The rejection notice shall also state the grounds for rejection.

41. By acquiring the status of the MSSRM, the System member gets the opportunity to participate in corporate securities, government bonds and/or foreign currency trading on the Regulated Market operator's foreign exchange trading platform, in accordance with the procedure and in the cases established by the rules of the Central Depository and the Regulated Market Operator.

42. After concluding a Contract, the Central depository shall input the information, submitted by the Member of the System, in the manner established by Appendix 2 to the Rules, in the Software System. The mentioned information, as well as the Sash accounts opened in the Software System in accordance with the Rules of the Central Depository, shall be included in the software module, provided to the Member of the System.

43. In the event of granting the status of the Account Operator and/or MSSRM, the internal legal acts of the Account Operator and/or MSSRM, which define the procedure and tariffs for mediation of Services, enter into force on the day following the granting of the corresponding status and the installation of the Software module at the System member. from a business day, unless a longer period is specified by the Central Depository or a member of the System.

Further changes to the internal legal acts of the account operator and/or the Central Depository referred to in this point shall enter into force on the 5th working day following the day of their receipt by the Central Depository, in the event that the Central Depository does not object. In case of objection by the Central Depository, the edited and re-introduced amendments to the internal legal acts shall enter into force in accordance with the procedure set forth in this paragraph.

The procedures defined by the internal legal acts of the account operator and/or the MSSRM, mentioned in this point, may complement the procedures defined by the rules of the Central Depository, but may not contradict them.

43.1. within thirty working days from the moment of receiving the documents specified in paragraph 38.1 of the Rules the Central Depository grants the applicant a permit of a member of the System using the services of Foreign Custodians or rejects the grant of the permit by notifying the applicant in writing.

43.2. The application for permission to use the services of foreign custodians is rejected in the event that the results of the study of the Central Depository reveal that the applicant and/or his activities do not meet the requirements of the relevant foreign custodians, or there is a well-founded negative conclusion of the internal monitoring body of the Central Depository. The rejection decision also states the reasons for the rejection.

ARTICLE 9. Connection to Software System

44. In case of granting a status of Member of the System, within 5 business days after conclusion of the Contract, the Central depository shall install, the software module (package) of the System at premises of the Member of the System (or provide its installation package), and grant the relevant access code according to the request of the System member.

45. For connection to the System via remote terminal:

1) The Member of the System shall provide a separate computer, capable to connect to the CBANet network or internet, and meet the minimum requirements as published on the official webpage of the Central Depository.

2) The Member of the System must provide to the Central depository CBANet network address and/or real IP address, as identification for connection to the Software system.

3) The Central Depository must install software module, enabling connection to the Software system through remote terminal, on a stand alone computer provided by the Member of the System (or provide its installation package to the Member of the System). The software module will enable on-line connection to the System through CBANet network or internet. The Central Depository must also make testing of that software module;

4) As a result of installation and testing of the software module at the premises of the Member of the System, the Central Depository shall prepare software module installation deed (Appendix 3), which shall be verified by the Member of the System and the Central depository.

46. In case of impossibility to connect to the Software system through remote terminal, the Central depository shall provide the authorized representative of the Member of the System with a workstation connected to the Software system with real-time access to the System and located in Central Depository's premises.

46.1 Within the scope of assistance to the System members the Central Depository shall establish electronic assistance system, with the help of which the System members and authorized representatives, provided by the Central Depository can inform the Central Depository on issues and proposals related with the Software system and receive respective solutions. Moreover, Software system users must make records in the Software system, in accordance with the guide book published /issued by the Central Depository or instructions given by the Central Depository in the electronic assistance system.

ARTICLE 10. Rights and Obligations of Member of the System

47. The member of the System must act in accordance with the requirements of the Central Depository rules and other legal acts regulating the operation of the System, as well as in accordance with its internal legal acts and obligations assumed.

48. The member of the System (except for the direct participant of the System) undertakes to offer its clients, as well as to mediate rendering such Services, the scope of which is fixed by the Agreement signed with the Central Depository. At the same time, the member of the System is obliged to provide the Services mentioned in this point to the clients in all its branches and service points.

49. The member of the System (except for the direct participant of the System) has the right to start providing Services from the business day following the day of ensuring the simultaneous existence of the following conditions, where the Software module is installed, the Agreement is signed, the relevant legal acts of the System member regulating the mediation of Services are in force.

50. The member of the System (except for the direct participant of the System) is obliged to inform the interested persons through its website about its membership in the System and the rules related to it within three business days from the moment of signing the relevant contract of System membership.

51. The member of the system (except for the direct participant of the system) must provide the services in accordance with RA legislation, the rules of the Central Depository, the contract signed with the Central Depository, its internal legal acts, and subject to legal regulation, but in the absence of regulation or in other controversial cases, in accordance with written instructions of the executive body of the Central Depository directly.

52. The Member of the System (with the exception of Direct System participant) must notify its clients about execution/rejection of their orders upon their request, in order agreed by and between the System member and its customer.

53. The Member of the System must compensate its clients for damages, caused by non-execution or improper execution of contractual obligations, as well as by acting in violation of requirements fixed by the Republic of Armenia legislation and rules of the Central depository.

54. The System member (except for the direct participant of the System) must provide the Services to the customers at a proper professional level, regardless of whether the given customers use other Services provided by the System member or not (including, but not limited to, regardless of whether the given System member has opened having or not having money accounts), while working with them, take into account the wishes and demands of customers in connection with the provision of Services, ensure sufficient territorial conditions for customer service, excluding queues and accumulations as much as possible, execute the submitted Instructions on time, as quickly as possible, according to the order of their submission, to observe the rules and standards established by the legislation and the Central Depository on professional ethics and conscientious activity, to ensure and monitor their application during his daily work.

If the System member plans to provide the Services through several service points, the System member is obliged to take necessary and sufficient measures to exclude the provision of any Service only at a certain service point. Non-fulfilment or improper fulfillment of the duties defined by this point by a member of the System may be the basis for the suspension of the status of a member of the System.

55. The Member of the System (except for the RA Ministry of Finance and the direct participant of the System) is obliged to ensure the provision of Services through competent employees with sufficient knowledge of the System's operation, who have participated in the courses organized by the Central Depository and qualified in accordance with the legal acts of the Central Depository. According to the rules, an authorized employee is considered to be an individual who has received appropriate qualifications in accordance with the legal acts of the Central Depository and who has assumed the responsibilities of mediation of Services on behalf of the given System member by the internal legal act and/or contract of the System member, whose relevant powers have been registered by the System member in the Software system.

56. The Member of the System (with the exception of the Ministry of Finance of RA, The Central Bank of RA and Direct System participant) shall be obliged to submit to the Central depository a report on results of inspection of current activities, performed as the Member of the System, completed by its internal audit service as specified in Appendix 4 to this Rules, on a quarterly basis, until the 15th business day following the reporting quarter (inclusive). In case the Member of the System has not provided services of the System Member during the reporting quarter, it shall notify the Central depository about that fact in writing, within time frame defined in this point.

57. The Member of the System shall also submit the report defined in point 56 of the Rules, to the Central Depository within five working days from the moment of detecting the violation, and in the case of elimination of the violation, within three working days in the event of

detection of each violation occurring within the framework of the activities carried out as a member of the System.

58. In case of opening insolvency (bankruptcy) proceedings against the Member of the System (with the exception of the Ministry of Finance of RA), the Member of the System shall immediately notify the Central Depository about that fact. The notification shall indicate the date of opening of insolvency (bankruptcy) proceedings.

59. In case of suspension or repealing of the license or permission, necessary to become the System Member, the latter shall immediately notify the Central depository on it in writing. In case of delay of notification, the Member of the System shall bear responsibility for all consequences caused by the delay.

60. The Member of the System must pay to the Central depository for servicing the System in accordance with the procedure, amount and the terms defined by the Central depository's rules and the Contract for provision of services.

61. The Member of the System must make records of operations in the System in time and within its authorities, in accordance with the Law, normative legal act adopted on the basis thereof, rules of the Central Depository, its internal rules and the Contract, concluded with the Central Depository.

62. In cases defined by the Rules the System member shall make the delivery of documents through the Bankmail system of the Central bank of RA in accordance with the legal acts regulating the activities of that system.

63. If provision/receipt of any service is difficult or impossible for certain reasons, the Member of the System shall immediately notify the Central Depository about that fact and, at the same time, carry out necessary and sufficient actions, within the scope of its authorities, aimed at eliminating the problems.

64. The Member of the System must keep the secrecy of information existing in the System and made available thereto, as well as undertake respective technical and organizational measures, in order to protect the information, existing in the System, from unauthorized use. Moreover, the information transmitted from the Central Depository to the Member of the System may be marked as "For official use". Documents and information with such a mark may be disclosed between the competent persons exactly specified by the Member of the System. The list of the competent persons may not include those persons, whom the documents and/or information refer to, or to the persons affiliated with the latter. The member of the system must ensure the accessibility of information to those addresses only, who are authorized to have it.

65. The Member of the System shall be obliged to assist the Central depository in performance of supervisory functions, specified by the rules of the latter, and if necessary in shortest period of time provide the Central depository the documents, including original copies of such documents, data and other information, requested within performance of supervision.

66. The Member of the System shall be held liable for actual losses incurred by the entities to the third parties, as a result of the Member's violation of provisions of the RA Legislation, the Central depository rules, other internal rules and contract, concluded with the Central depository.

ARTICLE 11. Obligations of Account Operator

67. Changes in information, records of transactions, as well as provision of information in the System shall be made by eligible employee (employees) of the Account Operator. Furthermore, the Account Operator shall apply three-level supervision over employees, performing functions, for the purpose of mitigation of its operational risks. The Account Operator shall bear responsibility, in accordance with the legislation, for damages caused to the third persons due to violation of requirement set in this point.

68. The Account Operator is obliged to enter the received instructions into the System within the time limits set by the Rules, provided that no other time limit has been set by the agreement of the person who gave the Instruction and the Account Operator, and if the submitted documents comply with the requirements stipulated by the Law, the rules of the Central Depository and other legal acts, and there are no other grounds for not entering, defined by the law, rules of the Central Depository and other legal acts.

69. The account operator is obliged to verify the compliance of the Instructions for the implementation of operations in the System with the legislation, the Rules, submitted documents and the essence of the operation. The account operator is responsible for the violation of the requirement set forth in this point.

70. In each case, the Account Operator is obliged to identify the person who submitted the instruction and check its authority before entering the received instruction, request into the Software system. Moreover, the Account Operator shall act only on the basis of the Instruction or Request submitted by the authorized person, unless otherwise stipulated by the Law and Rules. In the event that the Account Operator or the Central Depository gains access to such material information that directly or indirectly casts suspicion on the previously submitted identification documents, the Account Operator is obliged to re-identify the client, taking into account the revealed information.

70.1 In case the Central Depository and/or the Account Operator within the scope of services rendered by them, have suspicions on the accuracy or legitimacy of submitted identification documents or information contained therein, they shall have the right to make inquiries to the ordering customers and/or Armenian and/or foreign competent authorities and /or companies, and receive legal opinions, if necessary. The Central Depository and/or the Account Operator may reject the implementation of the Customer's instructions, applications and /or requests, on the basis of such obtained information, documents and clarifications. In order to fulfil the operations stipulated herein the Central Depository and/or the Account Operator, upon the consent of the Central

Depository may roll over the term of services provided hereunder, for such period of time, which is necessary to obtain information/legal opinion stipulated by this point.

70.2 Where the total nominal value of the statutory capital specified in the Issuer's charter does not correspond to the product of the number of securities and the nominal value (allowed rounding the product to the sixth decimal), the Central Depository and/or the Account Operator shall have the right to refuse the conclusion and/or revision of the registry management agreement with the Issuer, the placement of securities, the registration of Corporate actions.

71. In case of withdrawal of the status of Account Operator, as well as waiver of that status by the Account Operator itself, the latter (with the Exception of the Ministry of Finance of RA) must compensate direct expenses, relating to opening of new securities accounts by other Account Operator, transfer of securities from closed to opened accounts, and closing of securities accounts, of all securities account holders through that Account Operator.

72. In case of withdrawal of a status of Account Operator, as well as waiver of that status by Account Operator itself, the latter must implement those instructions of the Central depository and meet all requirements, aimed at protection of account holders' rights, ensuring continuity of process of securities accounts and registry maintenance.

73. The Account Operator must preserve the documents (including orders, requests), served as the basis for fulfilling operations in the System within 10 (ten) years after receipt thereof.

74. Immediately after withdrawal of a status of Account Operator, as well as waiver of that status by Account Operator itself, the Account Operator shall archive all the documents and information, served as basis for performing operations in the System, so that it is preserved and accessible to eligible persons and the relevant public authorities for at least 10 (ten) years.

75. The Account Operator shall bear responsibility for damages, resulting from implementation of its rights and obligations defined in the Rules, incurred by the third parties, including the Issuer and the Account holders.

ARTICLE 12. Obligations of Member of Settlement System of Regulated Market

76. During the trading session, the MSSRM shall input the orders necessary for execution of transactions to the System, as defined in the Rules and the Software System.

77. MSSRM shall be obliged to input the orders to the System in accordance with the time frame, stipulated by the Rules.

78. In case of any amendments to the information included in Appendix 2 of the Rules, the MSSRM shall submit to the Central Depository an application regarding the amendment, at least one business day prior to participation in trading in securities on the Regulated Market, as well as on the foreign currency trading platform organized by the Regulated Market Operator, attaching a new Appendix 2 incorporating the amendment.

79. If it appears that amount of cash have been transferred to the MSSRM exceeding the one specified by settlement at the stage of the final settlement of the transaction concluded in the Regulated Market, as well as on the foreign currency trading platform organized by the Regulated Market Operator, then the MSSRM must ensure the return of the excess transferred funds in the manner and within the time limits set by the Rules to the relevant cash account. If MSSRM fails to comply with the requirement of this point, it shall be liable for all damages caused by such non-compliance.

80. The MSSRM is obliged to notify its customers about the order and timing of refund of their cash funds to the aggregated cash account of its clients.

Article 12.1 obligations of the system's direct participant

80.1. In addition to the obligations specified in article 11 of the Rules, at the request of the Central Depository the direct participant of the System is obliged to disclose to the Central Depository information about the owners and beneficial owners of the securities registered in the nominee's account opened in its name in the System, as well as the beneficial owners of the Operations performed with them.

ARTICLE 13. Rights and obligations of Central Depository

81. The Central Depository shall bear responsibility for secure and efficient operation of the System.

82. For the purpose of implementation of its supervisory functions defined by the Law and the Rules, the Central depository shall establish a task force by the decision of head of executive body of the Central Depository, consisting of three employees of the Central Depository, including the head of the task force. The task force shall execute targeted or selective supervision over compliance with the requirements set forth by the Rules, including such measures as monitoring, inspection of reporting and on-site inspections, based on risk mitigation factors, revealed violations, grounded suspecting on violations and complaints (periodicity, nature, number of violations and scale of their affect). The Head of the executive body of the Central Depository may assign other supervisory obligations on the task force.

83. The task force must propose to the Central depository's head of executive body to award a reprimand to the member of the system for a major violation, if such was revealed, by the task force at the given member of the system while performing its duties. After receiving such proposal, the head of the Central depository's executive body decides to create a working committee, which shall provide an opinion on awarding or not a reprimand. The reprimand must be in written form only, signed by the head of executive body. Moreover, in case the same member of the system is awarded a reprimand twice and more, the Central Depository must make a relevant publication in its official website. The criteria for major violation shall be defined by the task force.

84. The task force shall prepare quarterly report and report on performed activities, both submitted the Central depository's head of executive body. The reports shall be approved by the task force by simple majority voting. There is a quorum, if at least two members of the task force participate in voting. If there is no quorum, or after voting it appears that votes "for" and "against" are equal, the head of executive body of the Central Depository shall make a decision on supplementation of the task force by one member.

85. Taking into account the nature of the violations reflected in the reports defined by point 84 of the Rules, the head of the executive body of the Central Depository may decide to submit the reports and the documents and information related to the circumstances presented in them for consideration by the Central Depository's Supervisory Board. After examining the presented circumstances, the Supervisory Board of the Central Depository may make a decision on applying appropriate measures of influence to the member of the System, including deprivation of membership with revocation of the granted status.

86. At least quarterly the task force, specified in point 82 of the Rules within the scope of implementation of solvency supervision function of the Central depository, as stipulated by the Law, shall check for information on insolvency of Member of the System on the official website of the Member of the System, as well as at the www.cba.am website. In case there is such information, the task force shall inform the head of executive body of the Central depository, accordingly. Taking into consideration the nature and importance of information on insolvency, the head of executive body of Central Depository, within one business day, may make a decision to suspend activities of the System Member until elimination of revealed violations or on applying to Supervisory Board for termination of the System Member's activity.

87. The Central Depository shall continue the execution of orders, issued by the Member of the System, in case the Central Depository detects that given Member of the System was declared insolvent, until the suspension of the activity given in accordance with point 86 of the Rules, as well as in point 97 of the Rules.

88. If satisfaction of claims of creditors towards the System Member is frozen in the course of insolvency procedures of the System Member (a moratorium is set), or its activity is suspended, the Central Depository shall immediately suspend the membership to the System of that particular Member of the System, according to the decision of the Central depository' head of executive body, and notify the CBA accordingly within 3 (three) business days.

89. In case the System Member is declared bankrupt by the court, the Central depository shall immediately cease the membership of that particular Member of the System according to the decision of the Central depository's head of executive body, and notify the CBA accordingly within 3 (three) business days.

89.1 The head of the executive body of the Central Depository may send circulars to the members of the System, the instructions contained in which are mandatory for the members of the System, within the following frameworks and purposes:

1) for the purpose and within the framework of the proper implementation of the supervisory functions defined by the Law and Rules of the Central Depository,

2) for the purpose of and within the framework of risk management (including AML/TF and other compliance risks),

3) for the purpose of ensuring the fulfillment of applicable legislation, the requirements of the Central Bank of the Republic of Armenia, the obligations undertaken towards the Foreign Custodian or other foreign partners.

ARTICLE 14. Suspension of Status (permissions) of system members

90. Statuses of Member of the System, Account Operator and/or MSSRM and/or Direct System participant and/or the permission of a system member using the services of Foreign Custodians can be fully or partially suspended by the Central Depository in the following cases:

1) if a member of the System has violated a requirement defined by the Law, other normative legal acts, rules, the agreement or the circular of the head of the executive body of the Central Depository, and if it is necessary to protect the rights of Issuers and Account Holders;

2) in the case of the MSSRM, if the MSSRM 's right to trade on the Regulated Market and/or the foreign currency trading platform organized by the Regulated Market Operator has been temporarily restricted;

3) if the Central Depository has reprimanded the System member three times;

4) In case of providing the information marked "for official use" received from the central depository to persons not included in the scope of authorized recipients;

5) User of the services of a foreign custodian, with the permission of the System member, also in case of non-fulfillment of the requirements of the Foreign Custodian and/or the Central Depository for the purpose of ensuring the Central Depository's obligations towards the Foreign Custodian;

6) Other cases provided for by the legislation and the Rules.

91. The head of the executive body of the Central Depository makes the decision to suspend the status of a member of the System on the grounds specified in subsection 2) 3) or 4) of point 90 of the Rules, as well as the permission of a system member using the services of foreign custodians specified in subsection 5) within five business days from the moment of revealing the relevant grounds for suspension.

92. The decision on the suspension of the status of a member of the System is adopted by the Supervisory Board of the Central Depository at the upcoming session, upon the presentation of the head of the Central Depository's executive body on the basis defined by subsection 1) of point 90 of the Rules.

92.1 The decision on the suspension of the status of a member of the System on the basis defined by subsection 6) of point 90 of the Rules is taken by the head of the executive body of the Central Depository within five working days from the moment of discovering the existence of the basis, unless other competent authority and/or period is specified in the legal act or norm defining the specific case.

93. Decision on suspension of any status (permission) type of System member, made by the Supervisory Board, shall define the following:

- 1) Grounds for suspension;
- 2) Scope of suspension (partial or full suspension);
- 3) Description of applied restrictions, in case of partial suspension;
- 4) Terms and/or conditions of eliminating the grounds of suspension.

94. Decision on suspension of any status (permission) of System of Member, upon being made, shall immediately be disclosed via sending to the relevant Member of the System through CBANet computer network or SWIFT system and published on the Central depository's web-site, as well as provided to the System Member in writing, within 3 (three) business days after making the decision.

95. Immediately upon being informed about decision on suspension of the System Member's status (permission) of Account Operator or MSSRM, the Member of the System shall publish it on its web-site, clearly stating grounds and period of such suspension, as well as notification, stating that Issuers and/or Account Holders, serviced by it, shall have the right to be serviced by other Account Operators, placing a link to the section of the Central depository' website, which includes the list of the System Members.

96. In case the period of suspending the status the Account Operator and/or MSSRM exceeds 5 (five) business days, the Account Operator or MSSRM shall also be obliged to make an announcement about that on its website, within 2 (two) business days after being informed about decision on suspension, unless the Account Operator and/or MSSRM eliminate grounds of suspension and apply to the Central depository's head of executive body.

97. In case of complete suspension of the status of the account operator, only the obligations of transferring the portfolio from the Securities accounts and closing the accounts, fulfilling the Instructions of the Account Holders, as well as transferring the funds of the Account Holders from the summary cash account of the account operator's clients are preserved.

98. During the period of suspension of the status of the Account Operator, the Account Operator does not have the right to collect from the Account Holders the fees specified for the performance of the Operations specified in point 97 of the Rules, but is obliged to pay the Central Depository the fees specified by the Central Depository for those Services, as well as to reimburse direct costs associated with switching operators served by the given Account Operator.

99. In the case of suspension of the status of the MSSRM, only the obligation to register the ban termination instructions of securities subject to trade ban in the Software system is preserved.

99.1. In case of suspension of the status of the direct participant of the System, the direct participant of the System retains only the right to transfer securities and perform operations of closing Securities accounts.

100. Suspension of any status of the System Member, based on the grounds defined in sub-point 1), point 90 of the Rules, may be terminated prior to expiration of suspension term by the Central depository's Supervisory Board, based on petition of the Central depository's head of executive body, if the System Member eliminates grounds for suspension prior to expiration of suspension term.

101. If the grounds for suspension are not eliminated within the suspension period, the head of the executive body of the Central Depository is obliged to apply to the Central Depository's Supervisory Board to extend the suspension period or revoke the suspended status.

ARTICLE 15. Termination of System Membership or Individual System Member Statuses.

102. Membership to the System shall be terminated in the following cases:

1) Recognition of invalidity of licenses or permits for the implementation of activities that are a prerequisite for obtaining the status of a member of the system.

2) Initiation of the system member liquidation process.

3) Bankruptcy of a member of the system.

4) Revocation of the status of a member of the System, which is a consequence of periodic or significant violations by the System member of the requirements established by normative legal acts, Rules, the contract between the System member and the Central Depository, or the circular of the head of the executive body of the Central Depository, if the revocation of the status is necessary for the rights of Issuers or account holders for protection.

5) Renunciation of all statuses granted to him by the member of the system in the manner prescribed by the Rules and resolution of the relevant contracts signed with the Central Depository;

1) Other cases stipulated by the legislation.

103. The status of MSSRM or a direct participant of the system is considered to be terminated in the cases specified in sub-points 1-3) and 5-6) of point 102 of the Rules, from the moment of the decision of the head of the executive body of the Central Depository, and in the case specified in sub-point 4) from the moment of the decision of the supervisory board of the Central Depository. At the same time, the decisions of the head of the executive body mentioned in this point are adopted within five working days from the moment the Central Depository is informed about the existence of

the appropriate grounds for termination, and the decision of the supervisory board is made in the upcoming session following the notification of the Central Depository about the existence of the appropriate grounds for termination.

104. Decision on termination of MSSRM and/or direct system participant status shall immediately be disclosed to the relevant System Member via CBANet computer network and published on the Central depository's web-site, as well as provided personally to the System Member within 3 (three) business days after making the decision.

105. Within 2 (two) business days after being notified about decision on termination of MSSRM status, the MSSRM shall be obliged to properly notify its customers, served within MSSRM functions. Notification shall clearly state grounds for termination of the status, as well as provision on the fact that the customers are entitled to be serviced by other MSSRM, including link to the page of the Central depository's web-site including the list of other MSSRMs.

106. Immediately after the publication of the decision to terminate the status of a MSSRMs and/or direct participant of the System, the Central Depository blocks the access to the Software system of the given MSSRMs and/or the direct participant of the system and implements the suspension of the ban on the securities subject to a trading ban by the MSSRMs.

107. The decision to terminate the status of the account operator (with the exception of the account operator's renunciation of the status or other cases provided for by the legislation) is made by the Central Depository's supervisory board at the next session after the Central Depository is informed of the grounds for termination. The following is defined by the decision:

- 1) Grounds for withdrawal of status of Account Operator;
- 2) Periods and conditions of managing securities accounts and transfer of registry maintenance, taking into account the fact that Account Holders and Issuers shall have the opportunity to conclude the relevant contracts with new Account Operator;

108. In case of refusal of the status of the Account operator by the member of the system, the decision on the termination of the status is adopted by the executive body of the Central Depository. The decision should include a provision regarding the period of execution of the Instructions for the transfer of securities and closing of accounts submitted by the Account Holders, as defined by point 112 of the Rules, after the termination of the status of the Account Operator.

109. The decision on the termination of the status of the account operator is immediately published on the website of the Central Depository, as well as sent to the member of the System through the CBANet system within three working days after its acceptance.

110. In case of refusal of Account operator's status, the Member of the System shall inform the Central Depository in writing about the decision on the same, 3 (three) months before termination of Contract with the Central Depository. The Member of the System shall also duly notify the Issuers and Account Holders, serviced by it, at least 2 (two) months before liquidation of Contract with the Central Depository. Moreover, the notification to the Issuers and/or Account

Holders shall indicate the date of termination of the status, as well as make a provision that the Issuer and/or Account Holder have a right to be served by other Account Operators, the list of which is posted on the website of the Central Depository, whereas the Account Operator shall be liable to cover all direct expenses of Issuer and Account Holder, related to changing the Account Operator.

111. The account operator is obliged to send a proper notification about the same to the Issuers and/or Account holders served by him within two working days from the moment of receiving the decision on the termination of the status. The notification must clearly include the grounds for termination of the status, the period of Service provision for the transfer of Account holders' securities, as well as a provision that the Issuers and/or Account holders have the right to be served by another System member (including a link to the section of the Central Depository's website where the System the list of members), and the Account Operator is obliged to bear the direct costs related to the change of the Account Operator of the Issuers and/or Account Holders served by it (including the costs related to the transfer of funds in Money Accounts).

112. From the moment of entry into force of the decision on the termination of the status of the account operator, the Account Operator has the right to provide only the Services of portfolio transfer from Securities accounts and/or closing of accounts with a zero balance of securities, without the right to charge the Account Holders the price set for these Services, but is obliged to pay the Central Depository's fee to the Central Depository set for those Services.

113. In case there are residuals left in the securities accounts, managed by given Account Operator in the System after the term defined by decision on termination of a status of Account Operator, they shall be subject to closing by the Account Operator within 5 (five) business days after the term.

114. In case there are residuals left in the securities accounts, managed by given Account Operator in the System after the term defined by decision on termination of a status of Account Operator, Account Holders of which failed to transfer the securities, then the Central depository shall block the Account Operator's authorities towards mentioned accounts.

115. On the business day, following the day of expiration of the term, defined in the decision on termination of the Account Operator's status, securities custody contract concluded between that particular Account Operator and Account Holder shall be considered terminated, while securities registry keeping contracts, concluded with Issuers shall remain in force as contract concluded with the Central depository without the Account Operator's mediation, until the Issuer concludes the relevant contracts with other Account Operator. In case of termination of the contracts, specified in this point, all the overdue liabilities of the parties to contracts shall remain in force until their full execution. This point does not apply if, as a result of the termination of the status of the Account operator, another Account operator is recognized as his successor. In this case, the successor Account operator automatically becomes a party to the contract. The latter shall duly notify all customers party to said contracts.

115.1 From the moment of entry into force of the decision on the termination of the status of a direct participant of the system, the direct participant of the system retains only the right to transfer securities and perform operations of closing securities accounts.

PART II. MAIN SERVICES OF UNIFIED SYSTEM OF SECURITIES REGISTRATION AND SETTLEMENT

CHAPTER 3. MAINTENANCE OF SECURITIES HOLDERS REGISTRY

ARTICLE 16. Conclusion and re-conclusion of contract for maintenance of Issuer's registry

116. The maintenance of Issuer's Registry shall be delegated to the Central depository through conclusion of contract for Registry maintenance.

The Registry shall include information on:

- 1) The Issuer,
- 2) Issuer's securities (separately for each class and/or type of securities)
- 3) Registered owners (nominees) and securities registered in their own accounts (registered on their names), owned by them,
- 4) Transfers made through the personal accounts of registered owners (nominees)
- 5) Securities certificates (separately for each class of the issuer's securities)

117. Except for cases defined by the Rules, the Central depository shall provide the services, conditioned by the Issuer's Registry maintenance, through mediation of Account Operators, whereas the Central depository shall be represented by that particular Account operator, which has Registry maintenance contract concluded with the Issuer. The Central Depository can also maintain the register of System members directly (without the mediation of the Account Operator), and the register of non-public investment funds registered online can also be managed directly (without the mediation of the Account Operator). In this case, the legal requirements of the Central Depository and Issuer defined by current Chapter shall apply to the legal relations between the Central Depository and Issuer, taking into account the possibilities of their application.

118. If the Issuer has contract on Registry maintenance with the Central depository without any of the Account Operators' mediation, then in order to use the services, conditioned by the Registry maintenance, the Issuer shall re-conclude Registry maintenance contract with the central depository through the Account Operator's mediation. Registry maintenance contract shall also be re-concluded in case, when there is already a contract, concluded between the Issuer and the Central depository with intermediation of the Account Operator, however the Issuer is willing to re-conclude it with another Account Operator, or in case when status of Account Operator, servicing the Issuer, was terminated, or the Issuer concluded Registry maintenance contract of such

securities, registry of which was previously maintained by the Central depository with or without Account Operator's intermediation.

119. If the Issuer has issued and/or issues such securities of more than one class and/or type, for which the Law and/or conditions of issue specify maintenance of their owners registry, the Central depository shall provide services, conditioned by Registry maintenance through the same Account Operator and condition, that the Issuer shall re-conclude previously concluded Registry maintenance contract with or without Account Operator's intermediation currently in force (if any) to Registry maintenance contract with Account Operator's intermediation. If the Issuer rejects to comply with conditions set forth by this point, the Account Operator shall reject conclusion of any registry keeping contract with the Issuer.

120. For conclusion of Registry maintenance contract for each class and/or type of securities, the Issuer shall submit the following documents to the Account Operator:

1) Copy of document, confirming state registration of the Issuer, or the taxpayer identification number (TIN) or other equivalent document certifying the number (in case of non-resident issuers) (if available);

2) Copy of document, confirming the authorities of executive body of the Issuer;

3) Reference on existence (printing) of stock certificates;

4) Electronic and hard copies of list of holders (nominees) of registered securities (if any), formed as a result of finalized and registered results of securities placement, according to the Appendix 5 to the Rules, including information on limitation of rights towards securities. Moreover, the surname and first name or name of each owner/nominee, the data of the passport or document certifying state registration (except for state bodies), the number of votes provided to the owner with shares of the corresponding class (if any) must be filled in the presented list. The paper version must be authenticated with the seal of the Issuer (if any) and signed by the head of the executive body or a person authorized by the latter (in this case, a duly issued power of attorney must be also submitted). The list and its accompanying notice shall include a point, stating that information is provided to the best awareness, while if there is information on limitation of rights towards securities, documents or copies thereof verifying grounds for such limitations shall be attached to the list.

5) If by concluding the Registry maintenance contract the Issuer places additional issue of securities, previously issued, process of which has not yet been finalized, or Registry maintenance contract for such securities is concluded with the Issuer, placement of which has not yet been executed or finalized, i.e. process of selling securities, subject to allocation, has not yet been started, has been executed partially or results of such allocation have not yet been registered, the Issuer shall provide the Account Operator with information on securities features (class, in case of absence of the same, the type, quantity, nominal value, etc.), decision on issuance of such securities, placement order, conditions and terms, considering that securities placement operation

shall be registered in the System in order defined by the Rules, after conclusion of Registry maintenance contract.

6) Application (hereinafter: Application) for assigning International Securities Identification Number (ISIN) or securities identification number (SIN) to securities, registry of which shall be maintained. Applications shall be filled out and submitted in accordance with Central depository's rules "On Procedure for Assigning International Securities Identification Numbers", or information on ISIN or SIN currently in force and already issued by the Central depository (if any), unless information, submitted previously for assigning and maintenance of ISIN and SIN, have not be changed.

7) Copy of the Issuer's charter in force, unless submitted to the Account Operator;

8) Information on Issuer's payment agent, which is competent to distribute payments to the shareholders in the name of the Issuer (if any);

9) Other additional documents, defined by the Account Operator (if any).

120.1. If the non-resident Issuer submits the documents specified in this chapter for the conclusion of the contract for the maintenance of the Foreign Securities Registry, then, in addition to the documents specified in point 120 of the Rules, the Issuer must also submit a written certification stating that the Registry of foreign securities it has issued is not prohibited by the Central Depository and does not conflict with the laws of its country of residence. The written certification referred to in this point must also contain a statement that the Issuer bears the risks of any kind of problems arising within the framework of management of the Issuer's foreign securities registry by the Central Depository and in relation to the legislation of the Issuer's country of residence.

The Central Depository and the Account operator are not responsible for any problems and risks related to the legislation of the Issuer's country of residence within the framework of and in connection with the maintenance of the Foreign Securities Registry.

121. In case of re-concluding the Registry maintenance contract the issuer shall not submit documents, specified in sub-points 3) and 4), points 120 of this Chapter, but shall provide the Account Operator with information on availability of securities account, as specified in sub-point 4), point 237 of the Rules (if any), including information on securities, maintained on such account.

122. Information available in the System shall be taken as a source of information in case of re-concluding Registry maintenance contract.

If during conclusion of registry maintenance contract there are changes in information, related to the Issuer and its securities of given class and/or type and not yet registered in the System or the Account Operator reveals such changes, and the Issuer does not provide necessary documents for such changes (mentioning securities class and/or type in case of absence of ISIN or SIN) or does not pay for necessary fees for registration, the Registry maintenance contract shall be re-concluded upon submission of all the necessary documents, as well as paying all the relevant fees by the

Issuer, unless there is other arrangement on payments between the Account Operator and the Issuer.

123. If the Issuer has already concluded (re-concluded) Registry maintenance contract with mediation of given Account Operator, then in future the Issuer may not submit information (documents), envisaged in point 121 of the Rules and already submitted, to the given Account Operator, providing to the latter only verification of the fact that mentioned information (documents) were not amended.

124. After verifying that the information, submitted by the Issuer, has no inconsistencies and deficiencies, documents are duly prepared and certified and the Issuer has cleared all the monetary liabilities, related to the services provided, as defined by the given Account Operator's legal acts, in case of re-concluded the contract, also by the Central depository's and/or previous Account Operator's rules (in case of changing Account Operator), the Account Operator shall conclude a Registry maintenance contract with the Issuer within 1 (one) business day thereafter.

If during this process structure of the documents submitted by the Issuer is not verified by any document, the documents submission-acceptance act shall be drafted based on the documents, submitted by the Issuer, which shall be signed and sealed (in case of seal availability) by the Account Operator and the Issuer.

125. The Account Operator can receive information on the Issuer's monetary obligations in connection with the Services to the Central Depository through the Central Depository's website or as a result of a direct request. If there is no agreement between the Account Operators regarding another method of determining the Issuer's monetary obligations in connection with the Services, in the event of a change of Account operator, in order to determine the Issuer's monetary obligations to the former Account Operator, specified in this point, on or before the date of the revision of the Registry Management Agreement with the former Account Operator on the agreed day, before 16:00, the new Account operator, after being warned by phone in advance, sends a request through the CBANet system to the Account operator serving the Issuer, who, after receiving it, is obliged to provide the new Account operator with information within one hour as of the date of the revision of the Registry maintenance contract with the Issuer regarding monetary obligations related to the Services. The new Account Operator has the right to conclude the Registry Management Agreement with the Issuer without taking into account the Issuer's financial obligations to the previous Account Operator, if the Account Operator servicing the Issuer does not provide the new Account Operator with the necessary information within the time period specified in this paragraph.

126. In the case of revision of the Registry maintenance contract in violation of articles 124 and 125 of the Rules, the Central Depository and/or the former Account Operator shall have the right to demand from the new Account operator the fulfillment of the Issuer's monetary obligations related to the Services.

127. The account operator is obliged to submit one original copy of the Registry Management Agreement and the original copy of the application (if applicable) to the Central Depository within seven business days from the moment of signing the Registry Management Agreement, and electronic versions of documents as defined and submitted in accordance with sub-points 4) and 6) of point 120 of the Rules, within one working day from the authorized address of the CBANet system (if the submission is mandatory).

128. If the Issuer, through the mediation of the Account operator, concludes a Registry Management Agreement for such securities, whose Registry is not managed by the Central Depository, and the Software system lacks data on the Issuer, then the Account operator enters such data into the Software system within one working day, and the Central Depository, after receiving the relevant information from the Account operator, enters the relevant data on the Issuer's securities.

129. If during conclusion of Registry maintenance contract the Issuer submits the list of securities holders (nominees), as defined in sub-point 4), point 120 of the Rules was submitted to the Account Operator and its electronic version was submitted by the Account Operator to the Central Depository via CBANet network of the CBA, then within 3 (three) business days after receipt of electronic list of registered securities (nominees), the Central Depository shall open temporary securities accounts for securities holders, including the relevant amount of securities, as well as information on limitation of securities rights (if any).

130. If the information about any person included in the list of registered securities owners (nominees) presented by the Issuer also includes the number of the Securities account already opened for that person in the Software system or the passport data of the given person in the case of a natural person, or the data of the document certifying the state registration in the case of a legal entity, on the basis of which the Central Depository can identify the account of the owner of the securities (nominee) in the System under the name of the specified person, then the Central Depository credits the securities to that account.

131. Within 3 (three) business days after registration of securities in securities accounts by the Central Depository, the Account Operator shall provide free of charge the list of registered shareholders (nominees) to the Issuer.

132. Registry maintenance services shall commence and tariffs on registry maintenance services shall be calculated starting from the date of concluding Registry maintenance contract. If the Issuer is an investment fund, then in order to ensure the calculation of the Registry Management Service fee, it (in the case of a contract fund, the fund manager) is obliged to submit the calculated value of the fund shares to the Account Operator on the last working day of each month, and on the last working day of the quarter for interval funds. The Account operator must enter the data on such settlement value into the System within one business day after receipt.

133. Along with the conclusion (revision) of the registry maintenance agreement custody agreement with the relevant Account operator must be concluded, if the Issuer has repurchased

(acquired) and outstanding securities of a given class and/or type (and, in particular, has a securities account of the Issuer with a non-zero balance in the System), and if the Issuer has not yet concluded such an agreement with the relevant Account operator. If the Issuer refuses to sign a custody agreement for the specified securities with the Account operator in the case defined in this point, then the Account operator must also refuse to sign the Registry Management Agreement.

134. Within 3 (three) business days after conclusion of the Issuer's securities custody contract, the Account Operator shall open the Issuer's securities account, unless there is already active issuers' securities account, opened by the Account Operator on the name of that Issuer in the Software System. Prior to opening securities account of the Issuer, the Account Operator shall check availability of account with temporary status on the name of that Issuer. In case of availability of such, it shall be reopened in order defined by the Rules.

135. In case of re-conclusion of registry maintenance and securities custody contracts between the Issuer and the Central Depository through the Account Operator's intermediation, the Registry maintenance contract and the contract, ensuring Issuer's securities custody (if any), concluded before, shall be considered terminated upon re-conclusion of new contracts.

Upon termination of the contracts, mentioned in this point, all the overdue liabilities shall remain in force until their full execution.

136. Within one business day following conclusion or re-conclusion of the Registry maintenance contract with the Account Operator's intermediation in accordance with the procedure, defined in the Rules, the Central depository shall provide access to given Account Operator for provision of services to that particular Issuer, unless already provided, meanwhile blocking the access to the former Account Operator for servicing the Issuer, and notify the Account Operator about termination of the Registry maintenance and Issuer's securities custody contracts with given Issuer. If during re-conclusion of Registry maintenance contract Issuer's securities new account was opened, within three business days the Central depository shall inform the previous Account Operator on newly opened account number as well.

137. Within one business day after receipt of notification, the previous Account Operator must close Issuer's securities account, it previously opened, if this account has null residuals. If the Issuer's securities account is not null, the previous Account Operator shall be obliged to transfer acquired or bought back securities portfolio, existing in securities account of given Issuer, to securities account indicated in the notification and close the Issuer's previous securities account within one business day upon receipt of the relevant notification.

ARTICLE 17. Operations Conditioned By Securities Placement

138. Securities placement operation shall be registered in the System as operations of securities initial or additional placement.

139. In order to register securities placement operation, the Issuer shall have given securities Registry maintenance contract concluded with the Central depository with Account

Operator's intermediation (or without such intermediation in cases defined by the Rules) and submit copy of decision on securities placement to the Account Operator (Central Depository), as well as securities placement order, condition and terms, unless this information is included in securities issuance (placement) decision. In order to register the operation of allotment of securities among employees based on the employee share plan in the System, the Issuer, in addition to the above-mentioned documents, must also submit to the Account operator (Central Depository) a copy of the relevant share plan or, if the relevant procedure is defined by the company's charter, a copy of the company's charter and the written consent given by each employee in relation to the placement of the relevant Securities, and in case of using the service specified in point 608 of the Rules, an order for registration of restrictions on the securities to be registered as a result of the placement in the Securities account of each employee, which must necessarily state the nature and terms of the restrictions, as well as a list that must include the restrictions applicable to all securities granted to employees as a result of the placement, according to each employee and security, with a separate indication of the nature and period of each restriction.

140. Securities subject to placement shall be included to the System only based on SIN, assigned in order defined by the Central depository's Process «On Assigning International Securities Identification Numbers», or based on ISIN. After placement of additional or new type of shares , with the purpose of changing the information regarding the Issuer and its securities, as well as for ISIN assigning by the Central depository the Issuer, through intermediation of its Account Operator, shall submit to the Central depository the whole package of documents, officially certifying placement results, and required by the Central depository's rules «On Assigning International Securities Identification Codes». The document confirming the official reservation of securities placement results may not be submitted when the securities placement was implemented in the primary allocation platform of the operator's regulated market.

141. In case of additional placement or placement of new class or type of shares, the Central depository shall limit the opportunity of performing operations with placed (purchased) shares in the System (in case of securities having voting rights, also on provision of information on such rights) until the day, following the day when the Issuer through Account Operator submits documents, certifying official registration of such securities placement results.

142. .

143. In cases and within the time period defined by paragraph 141. of the Rules, the Account Operators shall be prohibited from executing orders for the transfer of shares or changes of the rights for securities under restriction.

144. If the Issuer carries out placement of securities of new class or type, for which he has concluded a registry keeping contract, and no operation of reserving the given securities in the Account holder's account has been registered in the System within the time limits specified for the issuance (placement) of the given securities, then the contract for registry keeping of securities of the given class or type shall be terminated based on the application of the Issuer.

145. If the Issuer plans to place securities via placement mechanism of Regulated market, the Account Operator based on the Issuer's instruction shall open securities placement account, on which total amount of securities subject to placement shall be accounted one day prior to placement on the Regulated securities market at latest, based on the Issuer's instruction and copy of decision on securities placement, made by the Operator of securities regulated market. The Issuer's instruction shall include securities placement start and end period or order of their definition.

146. Based on the notification received from the Regulated Market Operator, the Central Depository shall provide opportunity of making trading blocking in the Trading System for securities subject to placement, having an identification code different from the securities allowed to trading in the Regulated market, which shall be terminated immediately after the placement in the Regulated market, before the given securities are allowed to trading in the Regulated market.

147. Securities, accounted on securities placement account for the insurance of placement, and subject to placement through placement mechanism of Regulated securities market, shall be blocked for trading by MSSRM, performing placement, in order and term defined by the Rules.

148. In case of purchasing securities through placement system of regulated securities market, MSSRM, being intermediary or participant to the transaction shall immediately terminate trading blockage of purchased securities.

149. If by the end of securities placement via placement system of regulated securities market there are still securities blocked on securities placement account, MSSRM, performing placement of these securities, shall terminate trading blockage of mentioned securities on the day of completing placement in order and term, specified by the Rules.

150. In case of placing securities through placement system of regulated securities market, deposition, withdrawal of funds, clearing and settlement of transactions, concluded on the regulated securities market shall be performed in order and terms defined by the Rules.

151. If by the end of securities placement there are not yet placed (residual) securities, the Central Depository shall veto them as presented by the Account Operator.

152. Securities placement account shall be closed by the Issuer's request or upon termination of the Registry maintenance contract, concluded with the Account Operator, meanwhile vetoing securities not yet placed (residuals) available on this account, if available.

153. In case of securities placement outside of the regulated securities market in order to register securities placement results in the System, the Issuer or securities underwriter shall submit securities placement instructions to then Account Operator intermediating this securities' registry maintenance service. Such instructions shall include the following mandatory information:

- 1) name of securities Issuer and securities ISIN or SIN;
- 2) number of issued securities;

- 3) number of placed securities (in case of securities placement in completed);
- 4) name, surname (company name) of the entity, which acquired securities, its securities account number (except for the cases when the securities are placed by the Issuer as a dividend), number of securities acquired, acquisition price;
- 5) note on the real beneficiary of securities placement (provided that the securities are transferred on the nominee's account)
- 6) Other information and documentation, defined by the Account operator's rules.

154. Upon input of the securities placement orders to the Software System, the Software System shall check if the securities accounts and identification codes of the securities indicated in the order are identical with the information of the System. In case there is no inconsistency, the operation shall be registered in the System.

155. In case of revealing any discrepancy as a result of matching information in the Securities underwriting orders and the Software System, the Software System shall reject execution of securities placement order, about which the Account Operator shall notify the Issuer by relevant message.

ARTICLE 18. Operations Related to Corporate Actions

156. According to the decision of the Issuer on initiation, change or termination of rights conditioned by securities the date shall be defined, based on which the entities, subject to this decision shall be defined. If the Issuer's decision does not clearly state the date, mentioned in this point, the date of the Issuer's decision coming into force shall be taken as such, if such date is defined in the decisions. In case there is no specified date of the decision coming into force, date of making the decision shall be used.

157. If during registration of Corporate action there are discrepancies revealed in information on entities and/or securities, belonging thereto, defined in the Issuer's decision and the one registered in the System, the latter shall serve as a basis for registration of the Issuer's corporate action. If the Issuer did several Corporate actions, each of them shall be registered in the system separately, taking into consideration sequence of actions.

158. If the Issuer performs additional placement of securities already placed or placement of new class and/or type of securities operations, related to corporate actions with securities, being placed (except for cancellation of the given securities) shall not be subject to registration in the System until the end of placement process (until approval of placement process and/or registration of the relevant changes to the Charter, in case securities placement results are required to be reflected in the Charter, in order defined by the Law).

159. In case of registration of operations caused by changing the nominal value of securities, consolidation, division, the Issuer shall submit to the Account Operator a Corporate operation Instruction, in which and attached to which the following information and documents must be submitted:

- 1) company name of the Issuer and ISIN or SIN of securities to be converted;
- 2) description of corporate action;
- 3) securities conversion factor;
- 4) number and nominal value of securities before and after conversion;
- 5) copy of decision of the Issuer's authorized body on corporate action;
- 6) Application according to the Central Depository Procedure on "Assigning international securities identification number";
- 7) Copies of documents, verifying state registration of amendments to the Issuer's charter (new edition of charter), in case corporate action has led to change in the Issuer's charter.
- 8) Other information and documentation, defined in rules of Account Operator.

160. In order to register operations on conversion of one class and/or type of securities to another, according to decision of the Issuer, in addition to information (documents) defined in point 159 of the Rules the Issuer shall submit to the Account Operator copy of its decision on issuance (placement) of securities, subject to conversion, if mentioned conversion is followed by placement of securities, and if such decision has not yet been submitted to the Account Operator.

Additional placement or placement of new class and/or type of securities with the purpose of conversion shall be registered in accordance with Article 17 of the Rules. In other cases, conversions of one class and/or type of securities to another shall be performed through redemption of securities subject to conversion and registration of allocated securities.

161. Corporate actions, caused by the Issuer's reorganization shall be registered in the System by amending information on the Issuer, if there are no changes in securities nominal value and/or quantity as a result of such reorganization.

If there are changes in securities nominal value and/or quantity as a result of the Issuer's reorganization, these corporate actions shall also be registered to the System.

162. In order to register corporate actions, caused by reorganization of the Issuer through accession, in addition to information mentioned in point 159 of the Rules the Issuer being the legal successor of the Issuer, which was liquidated due to accession, shall submit to the Account Operator the copy of letter of confirmation on Issuer liquidated due to reorganization, issued by the legal entities' state registration body.

163. For the purpose of registration of corporate actions, caused by the Issuer's reorganization through spin-off, in the System in addition to information (documents) defined in point 159 of the Rules, the reorganized Issuer shall submit to the Account Operator copy the documents verifying state registration of newly established companies, issued by state registration body.

164. Corporate actions, caused by the Issuer's reorganization through merger and division, shall be registered in the System by concluding Registry maintenance contract with the Issuer (Issuers), being legal successors of the companies, which were liquidated as a result of reorganization. In this case in addition to information (documents), defined in points 120 and 159 of the Rules, the Issuer - successor, shall submit to the Account Operator also the reference(s) on termination of activities, issued by the authority of state registration of legal entities, on companies (company) liquidated as a result of reorganization.

164.1 In order to make the appropriate registration based on the mandatory sale of shares stipulated by the RA legislation, the Issuer shall through the mediation of the Account operator submit a copy of the relevant decision of the general meeting of the company's shareholders, repurchase and transfer instructions, copies of the document/documents certifying the deposit of the amount to be paid for the repurchased shares and copies of other documents prescribed by the RA legislation, to the Central Depository. Moreover, the document certifying the deposit of the amount must contain at least the name of the appropriate special account type, the account number, data that the appropriate amount deposited in it can be received by the owner of the appropriate securities. The data on the owner of the securities must correspond to the data available in the System and allow to clearly identify him/her.

Based on the documents mentioned in this point, the Central Depository registers the repurchase in the System through the "Free Delivery" Operation within three working days from the date of receiving the documents.

164.2. For the purpose of making appropriate registration based on the mandatory purchase of shares as stipulated by the RA legislation the Issuer shall through the mediation of the Account operator submit a copy of the relevant decision of the general meeting of shareholders, "Free delivery with consent" or "Delivery versus Payment" instructions for acquisition and other documents defined by the RA legislation to the Central Depository; while the stockholders shall submit "Free delivery with consent" or "Delivery versus Payment" instructions for sale. Within three business days from the moment of receiving the documents, the Central Depository registers the results of the compulsory purchase of shares in the System using the "Free delivery with consent" or "Delivery versus Payment" Operation on the Issuer's securities account

165. If the Issuers, liquidated or being successors as a result of reorganization in the form of split, accession or merger, were (are) not served by the Account Operator who served the reorganized company, then during registration of corporate actions in the System the Account Operator, servicing the Issuer, being legal successor, shall prior to the registration of the operation verify existence of debts of the terminated companies towards the Account Operator and in case of absence of such debts, provide information to the Central depository on liquidated Issuers, including certificates (certificate) on the latter, issued by the body performing the state registration of legal entities regarding the cessation of activities of the companies (company) discontinued as a result of reorganization. On the basis of the mentioned information, the Central Depository blocks the service access of the Account Operator serving the liquidated Issuer to that Issuer, if necessary,

transferring it to the successor Account Operator servicing the Issuer, simultaneously notifying the Account Operator serving the liquidated Issuer about the termination of service access, as well as the termination of the contracts concluded with the liquidated Issuer, presenting also the certificate issued by the body carrying out the state registration of legal entities regarding the termination of the Issuer's activity. In case the Issuer whose activity has ceased has debts to the Account Operator, the actions specified in this point must be performed only after the debts have been settled.

166. In case fractional (non integer) securities (including equities) appear due to corporate action, they shall be bought back by the Issuer in order and time frame, defined by the RA Legislation and the Issuer's decision. In the mentioned case, (except for the cases provided by RA legislation) the Central Depository shall for the purpose of registration of redemption, upon submission of the Account Operator servicing the Issuer, carries out the transfer of fractional securities to be redeemed from the accounts of their owners (nominees) to the securities account of the Issuer, if the Issuer provides a written assurance that the Corporate action has been carried out, observing all the requirements set by RA legislation. In case of non-observance of those requirements, in case of claims by third parties, the Issuer bears the responsibility for non-observance of the conditions established by law for the implementation of the Corporate action. When transferring the fractional securities recorded in the accounts of the nominees, the Central Depository takes as a basis the information received from the nominees, which the nominees are obliged to immediately provide to the Central Depository upon the latter's request.

166.1 In case, where the fractional securities are being pledged and the Pledgee's securities account has an active status by means of these rules the Securities account, the Central Depository shall prior to performing actions provided by point 166 of these Rules send a letter on termination of pledge and buyback of fractional securities pledged with the Pledgee's address registered in the Central Depository. The Central Depository shall have the right to give a notice to the pledger party on the letter referred to in this point.

167. Securities resulting from corporate action shall be rounded to six digits after the decimal point accuracy. Moreover, if as a result of rounding the sum of the securities subject to corporate action is not the same as the amount defined by the Issuer's corporate action decision, the Account Operator shall be entitled to make adjustments in the System for regulating that derogation, adding fractional shares available in the account of the account holder having the smallest number of securities, or by reducing fractional shares available in the account of the account holder having the largest number of securities, for the purpose of equalizing the amount of securities in the System with the amount defined by the decision of the Issuer.

168. If according to the RA Legislation or the Issuer's decision no time frame is defined for securities buyback, the Central depository shall transfer fractional securities, subject to buyback, from the Account Holders' (nominees) to the Issuer's account during registration of the relevant corporate action, as presented by the Account Operator. In this case transfer of the fractional securities, subject to buyback, from the account(s) of Account Holder (nominees) to the Issuer's

account may be performed also by the Account Operator, if the securities accounts have active status and are being serviced by the same Account Operator.

169. The Account Operator shall be obliged to provide free of charge information on buyback of fractional securities as a result of corporate actions, to servicing Account Holder(s) of fractional securities, upon their request.

170. The Account Operator, servicing the Issuer, shall be obliged to provide the latter upon its request with the list of Account Holders, owning fractional securities, with indication of amount of securities owned.

171. If corporate action requires transfer of securities from Account Holder to the Issuer's securities account, the Account Holder shall submit the instruction to its Account Operator, including the following information:

- 1) Company name of the Issuer and ISIN or SIN of securities, subject to transfer;
- 2) Securities account number, on which securities subject to transfer are accrued;
- 3) Securities account of the Issuer;
- 4) Number of securities subject to transfer;
- 5) Contractual value of securities subject to transfer;
- 6) Other information and essential documentation, defined by rules of Account Operator (if any).

172. In order to register corporate actions, caused by redemption of securities, the Issuer shall submit to the Account Operator an instruction, including following information:

- 1) Company name of the Issuer and ISIN or SIN of securities subject to redemption;
- 2) Description of grounds for redemption operation;
- 3) Number of securities subject to redemption, or order of defining such;
- 4) For redemption of investment funds, securities account numbers of the account holders and the number of securities subject to redemption from each account, if redemption of shares not all Account holders takes place simultaneously;
- 5) Redemption date;
- 6) Other information and essential documentation, defined by rules of Account Operator (if any).

In case the maturity date of the bonds as of 09:00 a.m. of the redemption day (of the day following the redemption day if such redemption day is a day off) is indicated in the System, on the date of maturity of the securities their redemption will be done automatically in the securities accounts of Account Holders. Moreover, if securities trade limits are available in the System after

05:00 p.m. of the business day preceding the redemption date, the Central Depository shall have the right to veto them.

173. In order to register corporate actions of securities veto, the Issuer shall submit to the Account Operator the instruction, including the following information:

- 1) Company name of the Issuer and ISIN or SIN of securities subject to veto;
- 2) Description of grounds for veto operation;
- 3) Number of securities subject to veto, or order of defining such;
- 4) Veto date;
- 5) Other information and essential documentation, defined by rules of Account Operator (if any).

174. In case of the Issuer's corporate actions the relevant recordings shall be made in all the securities accounts of Account Holders (nominees) of given class and/or type of the Issuer's securities, according to the proportion of the quantity of the Issuer's securities belonging thereto (registered on their behalf), unless other procedure arises from the nature of particular corporate action.

175. The Central depository shall perform redemption (cancellation) of securities bought back (acquired) and available on the Issuer's securities account upon presentation of the Account Operator.

176. The operation concerning corporate actions shall be registered in the System within three business days after receipt of respective information and documents from the Issuer, unless other longer period is specified by instruction on corporate action or other procedure arises from the nature of corporate action.

ARTICLE 19. Amending Information in the Registry

177. Amendments to the information in the registry shall be performed with intermediation of the Account Operator or without the latter, in cases defined by the Rules, based on the Issuer's application (instruction), submitted to the Central depository, court decision, as well as other documents, defined by the Law, legal acts and the Rules.

178. The Issuer shall be obliged to inform the Account Operator on making decision on liquidation of the Issuer, initiating or terminating bankruptcy procedures against it, changes in the Issuer's name, state registration data, location or contact details, entity authorized to issue orders or requests on behalf of the Issuer, change in information on securities issued (placed) by the Issuer available in the System, as well as any shortcomings or inaccuracies, upon revealing which the Issuer shall be obliged to immediately notify its Account Operator (or the Central depository in case the Registry maintenance contract is not re-concluded), submitting documents certifying the relevant changes or necessary to correct shortcomings or inaccuracies.

The Issuer shall submit other information and documents necessary for proper maintenance of the registry within reasonable timeframe.

179. The Issuer shall submit the information (documents) envisaged by point 178 of this Rules to the Central depository through intermediation of its Account Operator or directly, in case the Issuer has not yet re-concluded Registry maintenance contract with Account Operator's mediation and if amendments to information on the Issuer's securities are not related to securities placement or corporate actions.

180. If amending information on the Issuer and its securities shall lead to necessity of amending information, previously submitted in accordance with the Central depository Process on "Assignment of Securities Identification Numbers", the Issuer shall also submit to the Account operator amendment to the Application.

181. The Issuer, in order to eliminate possible obstacles for execution of rights of the securities issued by him, caused by not updated information and keeping the information up-to-date in the Registry or by inaccuracies (flaws, omissions) identified within the record keeping, may submit information, it has become aware of, on the temporary accounts or accounts subject to identification of Account Holders (owners) of the securities issued by him, or adjustments of the revealed inaccuracies, to either the Account Operator or the Central depository directly, in case the Issuer has not yet re-concluded Registry maintenance contract with intermediation of Account Operator.

182. For correcting the inaccuracies (flaws, omissions) identified within the record keeping, or for keeping the information regarding owners of issued securities updated, the information submitted by the Issuer shall be registered in the System, if a document (reference) issued by the Issuer is presented by the application (request) on information change available in the Registry, which states that the new information and/or data is accurate and with the said document (reference) the Issuer undertakes to bear all negative legal consequences related with wrong information, data available therein, to refund loss caused by misrepresentation of the said information and data specified in the document

183. The Central depository (Account Operator, if the request has been submitted to the latter) shall decline registration of amendments to the information, available in the Registry in the System, based on the Issuer's application if the application or documents and/or information enclosed therewith are faulty or not compliant with requirements of the Law, legal acts, adopted based thereon, or the Central depository (Account Operator) rules. In case of rejecting the application, the Central depository (Account Operator) shall be obliged to inform the entity, which submitted the application, indicating reason for decline.

184. For registering corrections of shortcomings or inaccuracies, revealed in the information submitted to the Central depository (Account operator) within Registry maintenance service by the Issuer's initiative, the Issuer shall pay the relevant fees for registration of corrections in the System, if envisaged.

185. The Central depository (Account Operator within its authorities) may amend information in the records of the System if the Central depository (Account Operator) reveals that the record previously made is wrong or if such correction does not violate rights of other entities. The Central depository (Account Operator) may make amendments envisaged by this point based on information, provided by the Issuer to any person (entity) or information, having legal force and provided (published) by any authorized person (entity). The Central Depository shall be entitled to combine in the System more than one securities accounts opened in the name of the same person with the status of a temporary account.

186. Within one business day after receipt of information and documents, necessary for making amendments to the information available in the System, the Account Operator within its authorities shall make amendments to the information, received from the Issuer and/or submits information and documents, related to that amendment, to the Central depository, if whole or partial registration of amendments to the information in the System lies within the Central depository's authorities.

187. Registrations in the System shall be done based on the Issuer's application or rejected within maximum 3 (three) business days after receipt of the relevant application and necessary documents and information, unless other procedures arise from the nature of making the relevant record in the System.

187.1 In the event that two or more fractional shares of the same class, or in their absence, of the same type, are registered in different Securities accounts opened in the name of the same person in the system, these fractional shares are subject to consolidation in one Securities account, forming one full or fractional share in accordance with their aggregate sum. Upon discovery of the above-mentioned fact, the Account Operator mediating the operation of the Issuer's securities register is obliged to notify the Central Depository in writing of the same, on the basis of which the Central Depository registers the merger of the fractional shares registered in the Securities account with temporary account status, and the fractional shares registered in the Securities account with active status notifies the Account operators through which the maintenance of the Securities accounts of the owners of these securities is carried out. After receiving the notice from the Central Depository, the account operator undertakes to carry out all the necessary measures and, contacting the relevant account holder, request from it to submit the documents specified in article 28 of these Rules for the free delivery of fractional securities. Moreover, the Account Operator is obliged to refuse to register any other instruction submitted by the account holder, until the given account holder submits the instruction for free delivery of fractional securities

ARTICLE 20. Provision of Information from the System

188. Information from the System shall be provided, in order, form and grounds, stipulated by the RA Legislation, the Rules and other legal acts regulating provision of services by the Central depository.

Except for cases, defined by the RA Legislation and the Central depository rules, information or information on third parties from the System shall not be provided based on request of the third parties.

189. The information subject to disclosure by the Central Depository as defined in the Law and normative legal acts, shall be published on the Central Depository website.

190. The following entities shall be entitled to receive information from the System:

- 1) The Issuer;
- 2) Account Holder and its authorized representative, and the independent auditor of the Account holder (with written consent of the account holder);
- 3) Notaries;
- 4) The Central Bank and other state authorities;
- 5) Other entities, stipulated by the Law and the Rules.

191. The Issuer shall have a right to receive information from the Registry, provided by its Account Operator within the scope of its authorities and in volume corresponding to the Issuer's written request (in hard copy or electronically, upon agreement with the Account Operator), taking into account the limitations, specified by the Rules.

192. The Account Operator shall provide the List of shareholders (nominees) to the Issuer (hereinafter in this chapter referred to as «the List») as of the date, indicated in the request, based on the Issuer's written request within 5 (five) business days after receipt of that request (or at a later date, indicated in the request) in order agreed with the Issuer.

193. No information from the System (including the List) shall be provided to the Issuers of securities, eligible for registry maintenance, which did not conclude Registry maintenance contract or Registry maintenance contract of which is suspended.

194. The request, submitted by the Issuer for provision of the List, must indicate the following mandatory information:

- 1) Company name of the Issuer and ISIN, SIN or security class and/or type;
- 2) Date of making a List;
- 3) Date, as of which information in the list shall be provided;
- 4) Form of provision of the List: hard copy (by post or by hand) or in electronic form.

195. The List shall contain the following information:

- 1) Physical entity Account Holder's first name, last name, place of residence and/or registration address, legal entity Account Holder's name, location, postal address;

- 2) Type, serial number of identification document of an account holder - natural person, the taxpayer identification number or other identification number of legal entities, given by respective state authority;
- 3) Number and share total number of the Issuer's securities (in per cent) of given class, belonging to the Account Holder;
- 4) Information on Settlement Agent of Account Holder (current/settlement account number);
- 5) Securities account number of the Account Holder in the System, including the Issuer's securities of the given class and/or type;
- 6) Information on limitations of voting rights (if any), attached to securities of the Account Holder;
- 7) Information, identifying the Issuer and Issuer's securities;
- 8) Date and time of preparing the List;
- 9) Date and time, as of which the information of the List is presented.
- 10) Number of votes provided to their owner by shares of the relevant class (if any).

196. Upon Issuer's request, the Account Operator must provide the list of shareholders, registered on the name of the nominee indicated in the List, to the Issuer. If the given Account Operator is not the nominee, the Account Operator shall receive mentioned list from the Central Depository in order, defined by the Law and the contract of sub-custody.

197. Within 5 (five) business days after receipt of the Issuer's written request (or at a later date, mentioned in the request) the Account Operator shall provide the Issuer with a reference note on transfers registered in the System without documents grounding the operations, or other information, defined by the Rules, for the period indicated in the request.

198. The Account Operator shall reject provision of information, indicated in the Issuer's request, if the request does not comply with the requirements, defined in the Rules, or the Issuer did not or refuses to pay tariffs on provision of information, defined in rules "On tariffs" of the Account Operator.

199. The Account Holder has a right to receive information from the System to the extent of the written request, submitted in the scope of authorities of its Account Operator, taking into consideration limitations, set forth by the Rules.

200. The Account Operator shall be obliged to notify (inform) the Account Holders free of charge within reasonable time after opening (reopening) of securities account, indicating the Account Operator's name, location, contacts, web-site, full name (company name) of the Account Holder and other information defined by the Account Operator's Rules, unless such information is

included in securities custody contract or submitted enclosed to the contract or the Account Holder waived its right to receive notice on opening of securities account.

201. The Account Holder has right to waive in writing its right to receive notice on opening of securities account.

202. The notice on opening of securities account shall be submitted to the Account Holder in electronic form or in hard copy. Notification method shall be defined by the Account Holder during conclusion of the contract with the Account Operator.

203. The Account Holder has a right to receive the following information from the System:

1) Statement of securities account, which contains data on only one class of securities, from those existing in the securities account;

2) Report on its securities account balance, which contains data on balance of all the securities, existing in the securities account;

3) Report on transactions in the securities account.

4) Report on the pledge rights registered in the securities account.

5) Information stipulated by the law and other legal acts.

204. Information, defined in point 203 of the Rules, shall not be provided to the Account Holders, custody of securities of which is terminated or which does not have securities custody contract in force concluded with Account Operator with regard to securities account, which is has not null residual.

205. The statement of securities account, as well as the report on securities account balance shall include the following information:

1) Securities account number;

2) Account Holder's first name, last name, number of identification document (if any), residence and/or registration address for natural person, and name, TIN, ID issued by state registration authority, location and/or postal address for legal entity;

3) Identification code, quantity, share (in per cent), nominal value and currency of securities, registered in the securities account;

4) Identification code (in case of absence of such, securities class, and in case of absence of the latter – the type) and quantity of pledged or frozen securities;

5) Generalized information on the Issuer and its securities;

5.1) Number of votes granted to the holder by shares of the relevant class (if any);

6) Date and time of preparation of statement (report);

7) Date for which the data, included in the statement or report, are presented.

206. The Report on operations in securities account shall include the following information:

- 1) Securities account number;
- 2) Account Holder's first name, last name, number of identification document (if any), place of residence for natural person, and name, TIN, ID issued by state registration authority, location and/or postal address for legal entity;
- 3) Requested operations, executed in securities account for the period, mentioned in the request, by indicating the date of registration of each operation and short description thereof;
- 4) Date and time of preparation of report;
- 5) Period for which the report is submitted;
- 6) Identification codes and quantity, nominal value and currency of securities of operation (if the requested operation has caused any change in information on securities balance).

206.1 The Central Depository either directly and/or through the Account operator may issue a statement to the account holder on the investment made by the latter into the charter capital of the issuer, if:

- 1) The financial resources have been transferred to the issuer through the Central Depository, or
- 2) The account holder submits documents supporting the investment, which contain exact information on date, size and the purpose of the payment. The Central Depository may request submitting additional documents supporting the investment, if necessary.

207. The entities, not being owners of securities, as well as those having pledge or other rights towards the securities, with the condition of paying the fee defined by the "Rules on Tariffs", shall have the right to obtain information not containing commercial secret, with intermediation of Account Operator or directly from the Central Depository. Information containing commercial secret shall be provided only to persons authorized to obtain it.

207.1 The entities not being owners of securities account or being owners of closed account must apply to the Central Depository with a mediation of the account operator, in order to receive information about absence of securities owned by them. By getting request the Account operator must verify the identity of the requesting entity and forward the request to the Central Depository.

208. The information, defined in points 205, 206 and 207 of the Rules, shall be provided within 5 (five) business days after receipt of the relevant request.

209. The Report or reference on operations, defined in this chapter, shall be provided for the period, indicated in the request, which shall not exceed and include the term of availability of information on securities, subject to operation, in the System.

210. The Account Operator or the Central Depository shall provide the information defined in this chapter only to the entities, entitled to receive that information, including those authorized representatives, for which information about the validity of that authorization exists in the System or in other submitted documents.

211. Once per annum free of charge, no later than by 31st of January of the next year the Account Operator shall submit an electronic report to the Account Holder on securities account balance and operations executed in its securities account as of the last day of reporting year, if the Account Holder has submitted written request (in hard copy or electronically) for receipt of that information and has provided active electronic mailing address.

212. Information, defined in this chapter, shall be validated by the signature of authorized person of Account Operator or Central Depository, and sealed by the Account Operator or stamped (if available). In case of impossibility to provide mentioned information electronically and verify compliance with the requirements defined in this point or having other agreements with the recipient of information on provision of information, the Account Operator shall be obliged to provide information through such means of communication, which shall verify the fact of its provision by the Account Operator.

213. The notary has a right to receive information from the System to the extent of the request, submitted within the scope of its authorities and in cases, stipulated by the law.

214. Notary request shall be addressed to the Central Depository: If notary request is addressed to the Account Operator, the latter shall be obliged to forward this request to the Central depository within one business day.

215. The Central depository shall check the requested information in the System, based on the notary request, and shall provide response to the notary request within 3 (three) business days.

216. If the Central depository received notary request with the Account Operator's intermediation, the respond to that notary request may be provided via that Account Operator.

217. The RA Central Bank and other state authorities shall be entitled to receive information from the System only within the scope of their competence in accordance with the procedures, defined by the Republic of Armenia legislation.

218. Requests of Judicial Acts Compulsory Enforcement Service and other state authorities on information about Account Holder from the System, shall be addressed by the Central Depository in the following order:

- 1) If the data on name (company name) and identification documents (state registration document) of person claimed in the request submitted to the Central depository in writing or electronically, fully comply with relevant data available in the securities account of any Account Holder existing in the System, the Central depository, by definitely identifying those persons, shall

provide the information, claimed by appropriate request on that Account Holder, in accordance with the information requested in the inquiry submitted to the Central depository;

2) If the data on name (company name) and identification documents (state registration document) of e claimed in the request submitted to the Central Depository in writing or electronically, are absent or do not comply with relevant data available in securities account of any Account Holder existing in the Registry (or if part of this information is not available in the System), then the Central depository shall point out in the response to the request that there is no Account Holder, registered in the System with information of person requested.

219. The Central Depository shall provide the information from the System to the Central Bank and other state authorities within maximum 5 (five) business days after receipt of the relevant requests, requests received from Compulsory Enforcement Service will be responded within 7 (seven) business days. Security criteria and conditions necessary for the provision of online accessibility established by the State authorities by the law, and decision of the Government, shall be defined by the resolution of the head of the Central Depository's executive body. The Central Depository shall have the right to refuse providing the State authorities online access to the system, or to suspend the provided access, should the State authorities fail to ensure execution of those criteria.

ARTICLE 21. Disclosure of Information on Operations Executed in the System

220. The Central Depository shall be obliged to publish announcement on its website, on operations executed in the System based on the Issuer's instruction (request), which relate to the generalized information on the Issuer, issuance and placement of the Issuer's securities (including additional placement), corporate actions of the Issuer.

Mentioned announcement shall be disclosed in order defined by the Rules within 5 (five) business days after receipt of Issuer's instruction (request) by the Account Operator.

The Central depository may publish the announcement about other Issuers as well.

221. Within three business day after receipt of written instruction (request), defined in point 220 of the Rules, the Account Operator shall be obliged to inform the Central Depository accordingly in a paper form or by eligible electronic mail in the CBANet network, by submitting a copy of instruction received from the Issuer.

In case of necessity the Account Operator shall be obliged to provide the Central depository, upon request of the latter, with additional information and documents, received from the Issuer and related to the instruction.

222. The Announcement, stipulated in point 200 of the Rules, shall include the firm name of the Issuer, TIN or other information on state registration, place of stay, postal address, description of operation, date of executing the operation (if possible) and other information defined in this Article.

223. Announcement of registration of securities (including additionally issued securities) shall contain the following information:

- 1) ISIN or SIN of securities;
- 2) Class and/or type of registered securities;
- 3) Nominal value and currency of securities (if any);
- 4) Quantity of securities.

219.1 If the securities placement period exceeds 1 (one) business day, the Account operator shall submit the information prescribed herein to the Central Depository within 1 (one) business day after the date of registration of placement in the System

224. Announcement of change in nominal value of securities shall contain the following information:

- 1) ISIN or SIN of securities;
- 2) Former and new nominal values of securities.

225. Announcement of conversion of securities shall contain the following information:

- 1) ISIN or SIN of securities being converted;
- 2) ISIN or SIN of those securities, which are being converted, if they are registered in the System;
- 3) Company name of the Issuer of securities, indicated in sub-point 2 of this point, if at the same time it differs from the Issuer of securities being converted;
- 4) Conversion factor.

226. Announcement of veto of securities shall contain the following information:

- 1) ISIN or SIN of securities subject to veto;
- 2) Quantity of securities subject to veto.

227. The Central Depository shall publish announcements, stipulated in this chapter, only if all the requirements, set forth for making records in the System by the Law, legal acts of the CBA and the Rules, are met.

ARTICLE 22. Termination of Registry Maintenance Contract

228. Registry maintenance contract for the Issuer's given class and/or type of securities can be terminated in case of the Issuer's reorganization (except for cases of reorganization from open joint stock company to closed joint stock company and vice versa) or if given securities are not existing based on other grounds and/or in other cases, stipulated by the Rules, the Law or the CBA

regulations. In case of terminating Registry maintenance contract all the overdue liabilities of the Issuer shall continue to remain in force until their full execution.

229. In case the Law and the CBA legal acts do not limit termination of Registry maintenance contract, in order to terminate such contract the Issuer (its successor) must submit the following to its Account Operator:

- 1) application addressed to the Central Depository;
- 2) the reference from state authority, registering legal entities about the state registration of reorganization;
- 3) document, certifying fulfilment of liabilities towards services provided (if any).
- 4) in the event that the transfer of the given securities register to a specialized registrar is mandatory by law, an assurance that after the termination of the registry management contract with the Central Depository, the management of the securities registry will be transferred to another specialized registrar.

230. If the Issuer has not yet re-concluded the Registry maintenance contract with any Account Operator in order provided by the Rules, within the scope of Registry maintenance contract, the Issuer (its authorized representative) shall apply directly to the Central Depository without intermediation of Account Operator for the purpose of termination of Registry maintenance contract.

231. In case of terminating Registry maintenance contract on the base of Issuer's liquidation or restructuring, the Account Operator shall submit the document certifying the Issuer's termination given by the body implementing state registry of legal entities, to the Central Depository within 3 (three) business days receiving the same.

232. For obtaining information on restructuring or liquidation of an issuer's activities, the Central Depository may independently refer to the body implementing state registry of legal entities, and, based on the information certifying liquidation or restructuring, provided by the latter, one-sidedly terminate the Registry keeping contract, vetoing in the System the securities issued by the Issuer and informing about it the Account Operator.

233. In the case of redemption of term securities (in particular, bonds, convertible securities), the contract for maintaining the Registry of these securities is considered terminated from the moment of registration of the redemption in the System.

234. .

235. In the event of termination of the Registry maintenance contract concluded between the Issuer and the Central Depository through the mediation of the Account Operator or directly (except for the case of changing the Account Operator):

1) If securities, subject to Registry maintenance contract, do not exist anymore, they shall be vetoed in the System by the Central Depository, with the termination of the security and its ISIN (SIN), on which the latter shall immediately publish notification on its web-site;

2) If securities, subject to Registry maintenance contract still exist, than the Central depository shall

a. Preserving securities, subject to Registry maintenance contract, based on information available in the System as of the day of termination of the Registry maintenance contract shall terminate Registry maintenance for these securities and provision of related services to the Issuer, however continues provision of services to the Account Holders (nominees) of these securities with intermediation of Account Operators;

b. Limit access of the Account Operator, servicing the Issuer, (if any) to the Issuer's registry in part of registry maintenance;

c. considers the Issuer's securities service contract terminated and limits the relevant access of the Account Operator (if any), servicing the Issuer, unless the latter has other registry keeping contract;

d. immediately publishes on its web-site and notifies the System Members on termination of given Registry maintenance contract, maintaining Registry of given securities, provision of services related to Registry maintenance to given Issuer, including warning on the fact that conclusion of operations in such securities may lead to some discrepancies between actual information on given class and/or type of securities and the one available in the System;

236. Upon being informed on cases, defined in point 214 Rules hereof, the System Members and nominees shall be obliged to inform the Account Holders (nominees) of securities, specified in point 235 Rules hereof, which they service, while in case, specified by sub-point 2), point 235 Rules hereof, include the relevant warning, specified in sub-point d., sub-point 2), point 235 Rules hereof.

ARTICLE 23. Loss of the Registry

237. In case of partial or full loss of the register and impossibility of immediate restoration thereof, the Central Depository, without cease of its activity, shall:

1) Inform the Issuer and its servicing Account Operator about that fact in writing within 1 (one) business day;

2) Check availability of lawful documents being ample grounds for restoration of the Registry at the Account Operator, Issuer, Account Holders and other persons, collect them and restore lost information of those persons immediately, but no later than within 15 (fifteen) business days after the loss;

3) Continue making records in the Registry in case of partial loss of the Registry.

CHAPTER 4. SECURITIES CUSTODY

ARTICLE 24. Accounts opened in the System and the types of such accounts

238. Securities and operational accounts may be opened by the Central Depository or Account Operators for the purpose of registration of securities and operations, executed with securities.

239. The following types of securities accounts can be opened in the System:

1) Own securities account, opened for the purpose of maintaining securities of owned by physical entities (including contract investment funds);

2) Nominee account, opened in the name of the Republic of Armenia resident custodians for maintaining securities, owned by other entities;

3) Segregated account of the nominee, Account of the nominee, which has sub-accounts in the System in the name of each owner (nominee) of the securities recorded in that account;

4) Foreign nominee account, opened for foreign custodians for the purpose of maintaining securities, owned by other entities;

5) Securities account of Issuer, on which securities possessed by the Issuer (including acquired or bought back), are maintained;

6) Share ownership securities account is a common ownership account, in which the securities belonging to more than one person by right of common ownership, are registered;

7) Joint ownership securities account is a common ownership account, in which securities belonging to more than one person by right of joint ownership, are registered;

240. The following types of operational accounts can be opened in the System:

1) Account for securities subject to placement, which shall be opened in the System with the purpose of performing securities placement, as well as in other cases defined by the Rules. Securities, issued but not yet placed, are maintained on this account.

2) Pledge account of pledgee, which shall be opened in the System for registration of securities pledge transactions, if the pledger does not provide the number of active securities' own account or the pledgee does not have active securities own account in the System.

3) Depo account, which shall be opened in the System within the securities own account with the purpose of maintaining rights towards Government bonds and limitations of the latter.

4) Technical account, an account, designated for registration of securities and cash maintenance, blocked for trading in the Regulated Market.

5) Book Entry account, which shall be opened out of the System, for summary registration of Armenian government bonds kept with other sub-custodians.

6) Cash account.

241. Securities account opened in the System can have one of the following statuses:

1) **“Status of temporary account”** (hereinafter: Securities temporary account) shall mean a securities account, which is not yet reopened by the Account Operator, as well as opened in the System on the basis of data (list of registered shareholders (nominees)), submitted by the Issuer in the scope of conclusion of registry maintenance contract. Any operation in the temporary account shall be executed according to the procedure and in cases, defined by the Rules;

2) **“Status of non-identified account”** (hereinafter: Non-identified securities account) shall be given to the securities account of non-identified account holder during reopening of securities temporary account by the Account Operator;

3) **“Status of active account** (hereinafter: Securities active account) is given to opened or reopened account, the Account Operator’s access to which is not terminated;

4) **“Status of testator account”** is a status, granted to the account opened (reopened) by Account Operator, from which, due to the registration of inheritance, securities shall be transferred to the securities account of the Account Holder being the heir.

ARTICLE 25. Securities Account Opening

242. Accounts in the System shall be opened by the Central depository or Account operators in order and cases defined in the Rules.

243. Account operators can't open nominee accounts in the System.

244. Securities accounts shall be opened and/or serviced in the System by the Central depository in cases, when such functions are directly assigned to the Central depository by the Rules or are defined to be implemented by the Central depository without Account Operators intermediation.

245. Except for cases defined in point 244 of the Rules securities accounts in the System shall be opened based on the Account Holder’s requirement (instruction) exclusively through the Account Operator’s intermediation.

246. In the System securities account for Account Holder can be opened by the Account Operator through either of these methods:

1) Through reopening of securities account, opened by the Central Depository and having status of temporary account, also inferring the identification in accordance with the Rules and rules of the Account Operator, if given person has securities account in the Central Depository;

2) Through opening of new securities account.

247. The Operator of the same Account can open only one account of the same type for the same person, except for jointly owned accounts. The requirement of this point does not apply to the accounts opened by the Central Depository for the members of the System.

248. Common (equity or joined) ownership accounts shall be opened in cases, when the same securities is owned by more than one entity. In case of opening equity and shared ownership

accounts, requires information and documents should be submitted for each Account Holder separately.

249. If Account Holder is Direct System participant, provisions of this Article are applicable to the latter as well with the following peculiarities:

1) To open (reopen) securities account for itself in the System the Direct System participant shall be required to conclude contract on custody (sub-custody) directly with the Central depository;

2) The Central Depository opens for the direct participant of the System, the own and/or the segregated account of the nominee and/or the nominee in case the direct participant of the System is not connected to the Software System;

3) If the Direct System participant has temporary account in the System, the latter shall be obliged to reopen it within reasonable period of time;

4) If the Direct System participant has custody (sub-custody) contract already signed with the Central Depository, which however does not comply with requirements of the Rules, the latter shall be obliged to conclude new contract within reasonable period of time, having terminated the previous one.

5) The Direct System participant shall submit documentations and/or instructions necessary for opening (reopening) of securities account in the System and conclusion (reconclusion) of the custody (sub-custody) contract directly to the Central depository. The Direct System participant may not submit those documents, defined by the Rules, which were previously submitted and have not changed, providing the Central depository with the relevant notice on unchanged documents.

250. If the Account Holder (or other authorized entity in cases defined by the Rules) is willing to reopen temporary securities account or ensure possibility of operations in securities of this account, the Account Operator shall take up necessary and sufficient actions according to the Rules to identify the Account Holders based on the information available in the account.

251. Norms stipulated for physical entities by this Rules shall be applicable to individual entrepreneurs in legal relations regulated by the Rules.

252. In order to open (reopen) account, except for testator account reopening, the Account Holder, being physical entity, or its authorized person, shall submit the following documents to the Account Operator:

1) Copy of documents, verifying Account Holder's identity;

2) Copy of document, verifying RA resident Account Holder's public services number (or social card) or notice on not having such, in case of non-resident Account holders – a copy (if available) of the document verifying other equivalent number definitely identifying the person;

3) In case of reopening the account, other documents required for identification of Account Holder;

4) In case of authorized person, original or copy of document verifying authorization and copy of identification documents of the authorized person;

5) Other documents defined by the Account Operator rules (if available).

253. In order to open (reopen) account the authorized person of the Account Holder, being legal entity, shall submit the following documents to the Account Operator:

1) Copy of the document verifying state registration;

2) Document verifying taxpayer identification number (in case of non-resident Account holder) or other equivalent number, (if available);

3) Copy of document verifying appointment and authorization of persons to act on behalf of the company (may not be submitted with consent of the Central depository);

4) Copy of personal identification documents of the person acting on behalf of the legal entity;

5) Original or copy of the document, verifying authorization, in case of entity acting based on the power of attorney;

6) Other documents as defined by the Account Operator's rules (if available)

254. For the purpose of opening Own securities account, the Account Operator shall conclude a written contract of securities custody based on identification document (in case of physical entity), a document certifying the state registration, and a document, certifying the assignment of authorized representative persons, who are authorized to act on behalf of the legal entity without a letter of attorney (in case of legal entity).

255. Physical entity, opening Own securities account should submit an instruction to the Account Operator containing the following information:

1) First name, last name;

2) Date of birth;

3) Citizenship;

4) Type, number, series (if applicable) of documents, verifying identity;

5) RA resident Account Holder's public services identification number (or social card number) or notice on absence of public service identification number, in case of absence of such, in case of non-resident Account holders – a copy (if available) of the document verifying other equivalent number definitely identifying the person;

6) Address (permanent and of current residence);

7) Contacts (particularly, phone number, fax, e-mail, if available);

8) Bank account number and requisites of servicing bank or number of segregated Cash account of customers of Account operator, servicing the Account holder;

9) Information on the authorized representatives, acting on behalf of the Account Holder (if applicable), mentioning framework of authorities:

a. Information, defined by sub-points 1), 4), 6) and 7) of this point for authorized representative - physical entity;

b. Information, defined by sub-points 1) to 5), point 256 of this Rules, for authorized representative, being legal entity, and information, defined in sub-points 1), 4), 6) and 7) of this point for the person, assigned to act on behalf of the authorized representative.

256. Legal entity, opening securities Own account should submit an instruction to the Account Operator containing the following information:

1) name of the legal entity;

2) location, postal address, contact details (in particular, telephone number, electronic mailing address, if any);

3) if available, taxpayer identification number (TIN) or other equivalent number (in case of a non-resident Account Holder);

4) state registration country, number of document certifying the state registration, serial number (if any) or state registration number, date of registration (day/month/year) and name of issuing body thereof;

5) address registered in the CBANet network of the Central Bank (if any);

6) information on the authorized representative to act in the name of the Issuer, as well as the scope of authority of each person, including the following information on the authorized representative:

a. Information, defined by sub-points 1), 4), 6) and 7) of this point for authorized representative, being physical entity;

b. Information, defined by sub-points 1) to 5), point 255 of this Rules, for authorized representative, being legal entity, and information, defined in sub-points 1), 4), 6) and 7) of this point for the person, assigned to act on behalf of the authorized representative.

7) bank account number and requisites of the servicing bank or number of segregated Cash account of customers of Account operator, servicing the Account holder;

257. Persons, having permission for execution of custody function, as defined by the Law, (hereinafter also referred to as "Custodian"), must conclude sub-custody contract with the Central Depository in order to have Nominee account and /or segregated nominee account in the System. The contract shall be concluded directly with the Central Depository.

258. For the purpose of opening a Nominee account in the System, the Custodian shall submit the following documents to the Central Depository:

1) Application on opening of nominee account, as well as necessary data for conclusion of sub-custody contract, including eligible electronic communication means, bank requisites;

2) Copy of permission for execution of custody functions (in case of foreign custodian, a copy of permission or license, granted by state authority of that foreign country, according to which the foreign custodian is entitled to manage on its name securities accounts belonging to other persons);

3) Copy of document, verifying state registration;

4) Copy of document, certifying assignment of the Custodian's Head of executive body;

5) Document, certifying authorities of the Custodian's authorized representative, which shall at least ensure identification of the authorized representative and clearly define the scope of its authorities.

258.1 In the event that the documents specified in this article are submitted for the foreign securities custody, then, in addition to the documents specified in herein, the person must also submit a written certification that the custody of the given foreign securities is not prohibited by the Central Depository (Account Operator). and does not conflict with the laws of the relevant foreign country. The written certification referred to in this point must also contain a statement that the risks of any kind of problems related to the legislation of the relevant foreign country in the framework of and in connection with the implementation of the custody of the given foreign securities by the Central Depository (Account Operator) are fully borne by the person presenting the certification.

The Central Depository and the Account Operator are not responsible for any issues and risks related to the legislation of the relevant foreign country in the framework of and in connection with the implementation of the custody of foreign securities.

259. With the purpose of reopening temporary account (except for testator's account) the Account Holder shall submit to the Account Operator instruction on account re-opening and the relevant documents, which in addition to those specified in points 255 or 256 of this Rules, shall also include information defined in points 6)-9), point 261 of this Rules.

260. The account, having temporary status, shall be reopened (considered reopened) and custody (sub-custody) contract between the Account Holder and the Account Operator shall be signed after identification of the latter according to the order, defined by the Account Operator's Rules.

261. The Account Operator shall verify existence of the given customer's temporary account in the System based on the relevant documents and information, submitted thereto by the customer with the purpose of reopening the account, having temporary status. For verification purposes the Account Operator shall input the following data or the part of it to the System, which will allow to verify the Account Holder:

- 1) first name (as stated in personal identification document) in case of physical entity, name (as state in state registration document) in case of legal entity;
- 2) last name (as stated in identification document);
- 3) number and series of personal identification document in case of physical entity, number and series (if any) of state registration or document, certifying state registration, in case of legal entity;
- 4) place of residence and/or registration, in case of physical entity, postal address, in case of legal entity;
- 5) date of birth, in case of physical entity;
- 6) number of securities temporary account, opened with the Central Depository (if the relevant information is available);
- 7) the Account Holder's public services (or social card) number or number of notice on not having such, in case of physical entity; taxpayer identification number (TIN) or other relevant identification code (if available), in case of legal entity;
- 8) ISIN (SIN) of securities, maintained in the temporary account, or their classes and /or types and issuer name;
- 9) number of securities, belonging to the entity, as defined in subpoint 8) of this point.

262. If as a result of Account Operator verifying existence of given customer's securities temporary account in the System, at least 5 (five) of verification points, defined in point 261 of this Rules, correspond to the information on given temporary account, stored at the System, the Account Operator shall be granted access to information stored in this account and right to identify this customer, as Account Holder, until conclusion of custody (sub-custody) agreement with the Account Holder (if the Account Holder is Account Operator with Central Depository) without the right to register operations with securities, maintained in the account.

263. The Account Operator should observe to the following principles in identifying the customer as the Account Holder:

- 1) if the information, provided by the customer, corresponds to sub-points 1)-3), point 261 of this Rules or sub-points 1), 2), 7) and any two of the rest (three in case of legal entities), or the information defined by sub-points 1), 2), 4), 5), 8), 9), the customer shall be considered identified as Account Holder of this account. This principle shall also be applicable in cases, when the relevant identification information, stated in the document submitted by authorities, authorized to officially maintain the given information or court decision, in cases of physical entities, or in the relevant statements of state registration authorities or court decision, in case of legal entities, correspond instead of information, included in this sub-point (moreover, if in the compared

information the deviation is conditioned by an apparent technical error, or is a result of a translation discrepancy, then the information is considered to be matched).

2) if the information, provided by the customer, corresponds to information, defined in sub-points 1), 2), 8), 9) and other, except for 3) or 7) of point 261, in the System, or points 3),8),9) and other two points, but not 1) and/or 2), then the Account Operator identifies the client only on the basis of a court act recognizing the client's rights to the securities recorded in the account.

3) if information provided by the customer, corresponds to those 5 verification points, defined in point 238 of this Rules, which however are not included in information, specified in points 1)-3) and 7), the Account Holder shall be considered not identified.

264. In cases, when during the process of reopening temporary accounts, formed as a result of registry keeping of Issuer's securities at the Central Depository with or without Account Operator intermediation, there is necessity to verify (correct) information on securities, placed by the Issuer and kept in the Register and based on this approve the list of these securities holders (nominees), the Issuer shall be obliged within reasonable timeframe to provide the relevant reference on being the Issuer's securities owner (nominee) to the entity that applied for it, as well as undertake all the necessary and sufficient measures to eliminate errors and omissions in the information, included in the Registry, or officially decline the application, if the applicant's arguments are not grounded.

265. In case of registering inheritance, the testator shall be identified based on application of successor(s) and certificate of inheritance, as well as if necessary, based on statement, provided by the Issuer, additional clarifying documents and information provided by the notary, based on request addressed to the notary made by the Central Depository (Account Operator), taking into account the principles defined in point 236 of the Rules.

The account operator assigns beneficiary account status to the temporary account of the identified beneficiary.

The beneficiary's account is subject to immediate closure upon zero securities balance.

266. In case if during the process of securities account reopening the Account Operator receives access to information available in the given account, however is not able to identify the Account Holder regardless of the reasons, the Account Operator shall assign unidentified status to this account making the relevant note in the securities account on the same day of gaining access to it.

267. If within 15 (fifteen) business days or longer period, as agreed with the Central Depository, after reopening, the securities account with the status of unidentified account is not identified in accordance with the procedures, defined in this Rules, the Account Operator must inform the Central Depository about that fact, indicating the securities account number. Within 1 (one) business day after receipt of information on impossibility of identification of securities account,

the Central Depository shall block the Account Operator's authorization towards this securities account.

268. The Central Depository blocks the Account Operator's authority over the given account within one working day from the moment of receiving the information about the impossibility of identification of the Account Holder.

269. If upon the Account Holder's request the Account Operator reopens such type of securities account, which has already been opened and service, no new contract on custody shall be concluded, while reopened and already operating securities accounts shall be immediately merged ensuring presence of the account, preferred by the Account Holder, if the latter has indicated an account in response to the Account Operator's request. The Account Operator shall be obliged to inform the Account Holder and the Central Depository on merging the accounts within 1 (one) business day.

270. The Account Holder shall be obliged to pay for servicing opened or reopened securities accounts in order and amount, specified in custody (sub-custody) contract and the Account Operator's of the Central Depository's legal acts.

271. In the process of opening (reopening) securities account the documents, subject to signing by the Account Holder, shall be signed by the Account Holder or its authorized representative with mentioning preference of the form of providing information from the System to the Account Holder, documentary or electronic.

If the Account Holder or its authorized representative, being legal entity, has seal, documents, specified in this point shall also be sealed by mentioned entities.

271.1 For opening (reopening) account as specified in this chapter non-resident physical persons shall submit documentary evidence of identity, in case such non-resident physical persons do not have public service number or other equivalent proof of identity. Written document signed by the non-resident physical person, by which the latter certifies the fact of not having public service number or other equivalent proof of identity may be taken as a ground instead of the above mentioned documentary evidence of identity upon the consent of the Account Operator, unless otherwise provided by the legal acts, and the public service number or other equivalent proof of identity is required by such acts.

271.2 When opening (reopening) account as provided by this Chapter non-resident legal entities must provide documentary evidence (reference, statement, legislative justification, etc.) in case they do not have taxpayer identification number or other equivalent proof. Written document signed by the non-resident legal entity, by which the latter certifies the fact of not having have taxpayer identification number or other equivalent proof may be taken as a ground instead of the above mentioned documentary evidence upon the consent of the Account Operator, unless otherwise provided by the legal acts, and the have taxpayer identification number or other equivalent proof is required by such acts.

272. Operation of securities account opening (reopening) shall be registered in the System and the relevant custody (sub-custody) contract shall be signed with the Account Holder within 3 (three) business days after receiving the information and documents (if identification is necessary, after identifying the entity), specified by the Rules and Account Operator's Rules.

ARTICLE 26. Change Of Securities Account Information

273. The Central Depository with or without intermediation of the Account Operator shall perform changes to information in securities account based on instructions, transferred to the Central Depository, court decisions, as well as other grounds, stipulated by the Law, other legal acts and the Rules. Moreover, the Account Operator shall transfer the instructions to the Central Depository through the Software system.

274. The Direct System participants shall submit instructions to the Central Depository within the scope of his competence to make changes in the securities account by entering it into the System or by other means prescribed in the agreement signed with Central Depository, in case he is not connected to the System.

275. The Account Holder shall be obliged to inform the Account Operator (if the Account Operator is Direct System participant, then inform the Central Depository) on any changes to information, provided (input to the System) during account opening (reopening).

276. In case of changes to Account Holder's name or identification documents (state registration documents, in case of legal entity) the Account Holder shall submit the relevant document, verifying such change.

277. The Account Holder shall be notified on changes in securities account information through submission of instruction or other order, as defined by Account Operator's legal acts.

278. The Account Operator and the Central Depository shall not be held liable for the losses incurred by the Account Holder in case the latter did not submit or did not properly submit notification on amending information, registered in its securities account.

279. The Central Depository (the Account Operator with the Central Depository's consent) may amend information in the System on its own initiative, if the Central Depository reveals that the registration made is incorrect or absent, and if correction of the registration shall not violate rights of other entities.

280. Changes in account information shall be registered in the System within 3 (three) business days after submission of necessary documents and instructions.

ARTICLE 27. Closing Securities Account, Termination of Securities Custody (Sub-Custody) Contract

281. Securities account, opened (reopened) through the Account Operator, can be closed and/or securities custody (sub-custody) contract can be terminated in the following cases:

1) Upon request of the Account Holder, based on the relevant written application (instruction);

2) Other cases, defined by the Law and/or this Rules.

282. In case of terminating custody (sub-custody) contract the overdue liabilities of the Account Holder shall remain in force until their full execution.

283. Only accounts with null residuals of securities may be closed in the System.

284. Upon the Account Holder's will in order to close securities account with non-null residual the Account Holder shall transfer portfolio of securities to other securities account with active status prior to submitting application (instruction) on closing securities account, as well as to transfer the monetary means of the Account holder maintained on the Account operator's segregated cash account to the account mentioned by the latter.

285. The Securities account shall be closed upon the Account holder's will on the basis of termination of the custody (sub-custody) contract with the Account holder.

286. Upon the Account Holder's will contract on securities custody (sub-custody) shall be terminated as a result of signing (approving) agreement on terminating the contract by the Account Holder and the Account Operator.

Agreement on termination of contract on securities custody (sub-custody) shall be signed only if the Account Holder has fulfilled all its liabilities, defined by the Central Depository and the Account Operator Rules.

287. After concluding the agreement of termination of contract on custody (sub-custody) of securities account with null residual, the Account Operator shall immediately register the account closing instruction in the System, as a result of which the securities account receives status of closed.

288. Securities accounts, registered in the System, having null residuals within a year and being exclusively within the Central Depository's authorities, shall be subject to closing by the Central Depository.

ARTICLE 28. Operations caused by securities transfer

289. The following types of securities transfer operations (except securities transfer operations based on transactions concluded on the Regulated Market) are carried out in the system:

1) Free Delivery or ST transfer;

2) Delivery versus Payment or DVP transfer;

3) Free of Payment or FOP transfer;

4) Transfer of securities portfolio or portfolio transfer;

5) Transfer of securities due to repurchase transaction, concluded with the Central Bank and/or financial organizations.

290. Transfer of securities through Account Operator can be implemented, only in case where the securities accounts of transferor and recipient have status of active accounts, except for cases defined by this Rules, as well as if the required information and documents defined by the Rules or other applicable legal acts have been provided.

291. Securities transfers based on act of the court duly entered into force and inheritance shall be made in the System through Free delivery, upon request of the stakeholders.

292. Securities transfers based on charity (donation) shall be made through free delivery (ST transfer) upon donator's request, if the donator submits donation contract, or through Free Of Payment (FOP transfer) upon consent, if no donation contract is available. Securities transfers to the Issuer's securities accounts as a result of buyback or purchase of securities placed by the Issuer, shall be performed through free delivery with acceptance (FOP transfer) or delivery versus payment (DVP transfer).

293. For the purpose of implementation of securities transfer by free delivery, the transferor Account Holder (except for the Direct System participant, who submits the instruction directly to the Central Depository) shall apply to the Account Operator, managing its account, and submit a securities transfer order (except for the cases defined by these Rules, when the Order for the transfer of securities by free delivery can be submitted by another person) with the following information (except for the direct participant of the System, who submits the Order directly to the Central Depository):

- 1) Full names (company names) of securities transferor and recipient account holders;
- 2) Securities accounts numbers of transferor and account holders;
- 3) The transferred securities Issuer's Company name, ISIN or SIN;
- 4) Quantity of securities subject to transfer;
- 5) Material information about the type of securities transfer - transaction date, price per security and the compensation amount of the transaction (if any), which the Account Holder shall consider worthy of submission;
- 6) Note about final beneficiary of securities transfer (if securities are transferred to the nominee account);
- 7) Other information and documents, required by rules of the Account Operator.

294. In case of securities transfer on the basis of court decision, the interested party shall submit the effective court decision, or respective decision of compulsory enforcement service, and an application for securities transfers to the Account Operator (or to the Central depository, if the interested party is Direct System participant).

295. In the case that the Securities account of the Account Holder transferring securities on the basis of a court decision is not serviced through the mediation of the Account Operator to whom the relevant act or decision was submitted, or the Central Depository is the party responding to the given decision, or the Account Operator is not represented by the active Securities Account of the receiving party, then within one working day from the moment of receiving the legally enforced decision of the court or the corresponding decision of the enforcement service of judicial acts and the application of the interested party the Account Operator shall submit it to the Central Depository.

296. The Central Depository must execute transfer of securities in the System on the basis of the effective court decision or respective decision of compulsory enforcement service, if the transferor securities account has status of temporary account, or if according to that decision or judgment, the defendant is the Central Depository, or if the Account Holder, from which account securities shall be transferred, can be definitely identified based on the effective court decision or respective decision of compulsory enforcement service.

297. The Central Depository can itself perform operation of free delivery of securities in the System based on the effective court decision or respective decision of compulsory enforcement service or forward it the respective Account Operator, servicing the transferor, within 1 (one) business day after receipt thereof, if the transferor and recipient securities accounts have status of real accounts. In case where the Central Depository is not enforced to perform respective operations by the court decision, the entity submitted the court decision must make payment at the rates established by the Central Depository or account operator (where the transfer is effected through the account operator) for the given operation.

298. For the purpose of free delivery of securities, resulting from registration of inheritance, the heir must submit the following information and documents to the Account Operator:

- 1) Inheritance certificate, and/or the copy of the respective decision of the court and the copies of documents grounding the recognition of inheritance, as provided by the RA Legislation;
- 2) Documents prescribed by the Rules for opening a securities account, if no securities account was previously opened for the heir(s) through the mediation of the given Account operator;
- 3) Other information, defined by rules of the Account Operator.

299. Immediately after the registration in the System of operation on securities transfer, the Account Operator shall be obliged to grant status of testator to the transferor party's account.

300. The Account Operator or the Central Depository shall implement the operation of Free Delivery securities transfer within three business days after receipt of the order (application), if no other date is specified in it.

301. The moment of successful input of the Free transfer instruction of securities into the system shall be considered as the irrevocability moment of the Instruction.

302. Securities transfer according to free delivery shall be implemented in the System, if information, included in securities transfer order corresponds to information on transferor and recipient, available in the System.

303. For the purpose of transferring securities under the "Delivery versus Payment" principle, the member of the System (except MSSRM) must ensure the availability of the necessary funds for the payment of the transfer of securities in his/her respective Cash Account by the day of the final settlement of securities in the System .

304. For the purpose of execution of Delivery versus Payment securities transfer, the Account Holder shall submit securities transfer order to the Account Operator, managing its securities account, which shall be inputted in the System by the Account Operator at least 10 minutes prior to the end of the settlement date prescribed in the instruction. The Direct System member shall submit Delivery versus payment securities transfer instruction to the Central depository via SWIFT or Bankmail system, or by inputting it into the Software System, 10 minutes prior to the end of the settlement date prescribed in the instruction.

305. The order for Delivery versus Payment securities transfer shall contain the following information:

- 1) Full names (company name) of parties to securities transfer transaction;
- 2) Notice on final beneficial of securities transfer transaction (if security is transferred to nominee account);
- 3) Securities account number of the recipient and name of the Account Operator, servicing this account;
- 4) Number of securities account of the transferor;
- 5) ISIN or SIN of securities, subject to transfer;
- 6) Quantity of securities;
- 7) Amount payable;
- 8) Currency of the amount to be paid;
- 9) Date of transaction conclusion (if available);
- 10) Date of settlement;
- 11) Other information envisaged in the System for implementing settlement (if available);
- 12) Other information, as defined by the Account Operator's rules.

306. The Account Holder receiving securities for the purpose of purchasing securities on the "Delivery versus Payment" basis submits a Securities Purchase Instruction to the Account Operator servicing its Securities Account, which is entered into the Software System by the Account Operator at least ten minutes before the end of the final settlement day specified in the Instruction. The direct

participant of the system submits the instruction to purchase Securities on the basis of "Delivery versus payment" to the Central Depository by entering it into the Software system of SWIFT or Bankmail systems, at least ten minutes before the end of the final settlement day specified in the instruction.

307. The instruction for Delivery versus Payment securities acquisition shall contain the following information:

- 1) Full name (company name) of parties to securities transfer transaction;
- 2) Securities account number of the transferor and name of the Account Operator, servicing this account;
- 3) Securities account number of the recipient;
- 4) ISIN or SIN of securities;
- 5) Quantity of securities;
- 6) Amount payable;
- 7) Currency of the cash to be paid;
- 8) Date of transaction conclusion (if available);
- 9) Date of settlement;
- 10) Other information envisaged in the System for implementing settlement (if available);
- 11) Other information, as defined by the Account Operator's rules.

307.1 Transfers to/from the account of a foreign nominee may be performed only in accordance with "Delivery versus payment" or "Free Of Payment" principle, unless otherwise is stipulated by the Rules of the Central Depository or by the resolution of the Head of the Central Depository's executive body.

308. At the same time, the Account Holder, which submitted an order for securities acquisition, shall transfer the amount payable for acquisition to the segregated Cash account of the Account operator's clients, while the Account holder having status of the Direct System participant shall ensure the amount payable for securities in its own account.

309. At least ten minutes before the end of the settlement day, the System Member (except MSSRM), servicing the recipient's securities account, shall ensure transfer of the amount necessary for securities acquisition in appropriate Cash account.

310. Until the end of the final settlement day, at the moment when the data necessary for the implementation of the operation of the Instructions of the System members who are the parties transferring and receiving the securities match in the System, and the amount payable specified in the Instruction is available in the account, then the final settlement takes place by transferring funds to the respective securities and cash and securities accounts.

311. The transfer of securities on the principle of "Free delivery with consent" takes place in the same procedure as the transfer of securities on the principle of "Delivery versus payment", but without the requirement of cash availability. "Delivery versus payment" and "Free delivery with consent" may be canceled by the Central Depository, if the Final Settlement is not performed on the basis of those instructions within 45 days after the Settlement Date specified in the instruction.

312. Delivery versus payment and Free delivery with consent securities transfer instructions may be recalled and / or unilaterally modified by the System Member prior to matching with the instruction entered by the opposite side System Member, after that, till the settlement day, those instructions can be modified only upon consent of both parties.

313. The moment of final settlement (transfer of securities and / or cash) in the system shall be considered as the irrevocability moment of Delivery versus payment and Free of payment securities transfer instructions.

314. "Securities portfolio transfer" operation shall be implemented in the System as follows:

1) Based on the Account Holder's order, when the Account Holder transfers all its securities from its securities account, serviced by one Account Operator, to another one opened with another Account Operator;

2) In other cases, defined by the Rules.

315. For the purpose of transfer of securities portfolio, the Account Holder shall submit an order for portfolio transfer, containing the following information:

1) numbers of securities issuance and accrual accounts;

2) the name of the Account operator servicing the Account Holder's Securities account to which the Securities are to be credited.

316. In line with submitting instruction on transfer of Securities portfolio, the Account holder shall simultaneously submit to the Account Operator the instruction of transferring his cash funds from the segregated Cash account of the Account operator's clients, in accordance with the Rules on "Cash Maintenance" of the Central Depository.

317. The order for transfer of securities portfolio shall be executed by the Account Operator within 1 (one) business day after receipt thereof.

318. If during securities portfolio transfer the Account Operator reveals any discrepancies in full name (company name) of the Account Holder of the account, specified for transfer, it shall immediately notify the Central Depository accordingly. In such case securities portfolio transfer shall be accomplished only by the Central Depository's approval.

319. The moment of irrevocability of Portfolio transfer instruction shall be considered the moment of actual transfer of securities in the System, based on the Portfolio transfer instruction.

320. Implementation specifications and time frame of securities transactions, resulting from “Repurchase, Reverse Repurchase Transactions, and Cancellation of Repurchase Transaction” contracts shall be regulated in the System by respective contract. Securities transfer, resulting from repurchase and reverse repurchase transactions between the Central Bank and trading banks, can be executed by the following methods:

1) as a result of concluding a repo transaction, the commercial bank submits to the Central Depository the securities specified in MT523 in the amount specified in that message from its own account to the Central Bank of RA's own Securities through the message MT523 of the Bankmail system (field 24B shall indicate “REP”) until 15:30 of the operational day Instruction to transfer to the account;

2) The system checks the compliance of the information contained in MT523 with the information available in the system. In case they fully match, the securities transfer shall be executed, and the transferred securities shall be encumbered on the ground of repurchase transaction. Afterwards, the Central Depository shall notify the commercial bank of approval through message MT535 in BankMail system and send the copy of message MT523 to the Central Bank. If the check results in detection of any mismatch, then the Central Depository shall notify the commercial bank about that fact through message MT535 in BankMail system;

321. Securities transfer, caused by reverse repurchase transaction or transfer of securities from the repurchase portfolio, can be registered in the System, according to point 320 of the Rules. In this case the securities recipient is the Central Bank, and field 24B of message MT 523 shall indicate “RMT”.

322. For the purpose of securities transfer, caused by termination of repurchase contract, the Central Bank shall send an order to the Central Depository by means of message MT523 in BankMail system (field 24B shall indicate “RCL”). The System shall check the data of the order with the information available in the System. If the data match, the encumbered securities of own securities account of the Central Bank shall be released. Afterwards, as a confirmation, the Central Bank shall receive a copy of message MT523 and message MT535 from the Central Depository. In case of mismatch found during the data checking in the System, the securities transfer shall be rejected, about which the Central Bank shall be notified by message MT535.

323. The moment of irrevocability of Repo and reverse repo transfer instructions shall be considered the moment of actual transfer of securities in the System, based on the Repo and reverse repo transactions.

323.1 Instructions for the transfer of securities may be rejected on the basis of a well-founded negative conclusion of the Central Depository's internal monitoring body, which is not provided to the client.

ARTICLE 29. Registration of rights for Securities Pledge

324. The System Member (Except MSSRM) can implement operations on registration of rights for securities pledging (including for pledging of written right) only if the Account Holder, being pledger, has securities account with active status of active account. In case of corporate actions in the System with pledged securities, the pledging right shall be preserved against the securities registered in the result of the corporate action. In case where pledge of securities registered as a result of corporate actions is not automatically registered in the system, the Account operator must give immediate notice to the Central Depository. Once the notice is received the Central Depository must ensure registration of pledge with respect to the securities registered as a result of corporate actions, unless otherwise is specified by the RA law or other regulatory legal acts.

325. For the purpose of registering the right for securities pledge, the pledger shall apply to the Account Operator (except Direct System participant who shall apply to the Central Depository directly), servicing its accounts, and submit the following information:

- 1) Company name of the Issuer and ISIN or SIN of securities subject to pledge;
- 2) Securities account number of pledger and pledgee account holders;
- 3) Number of securities subject to pledging;
- 4) Date of termination of a pledge (if any);

5) Name, surname, serial number of identification document (for a resident physical entity), public services identification number or reference on not having such for a non-resident physical entity- other equivalent number definitely identifying the pledgee (if available), and for legal entities - name, state registration number, taxpayer identification number or other equivalent (if available), as well as address and contact details of pledger, if the Account Operator is not provided with Own securities active account number;

- 6) Other information and essential documentation, defined in the Account Operator rules.

326. Upon being notified on the pledge instruction in the System, the Account Operator servicing the Pledgee's account shall inform about it to the Pledger during one business day.

327. If the pledgee's Own securities active account number was not provided for registration of the securities pledge right in the system, for any reason, or the Account Operator does not have information about the pledgee's Own account with active status in the System, the Account Operator shall open the Pledgee's pledge account for the pledgee in the System, where securities accounted on the name of pledger, shall be reflected, and where necessary and sufficient information for definite identification of the Pledgee shall be registered.

328. If more than one persons are pledgees, then identification information on all the pledgees shall be indicated in the Pledgee's pledge account opened in the System

329. Subsequent operation, conditioned by securities pledge shall be registered in the System, unless it is restricted by the issuance conditions of pledged securities and (or) in the securities registration statement.

330. The pledge operation shall be accomplished by the Account Operator(s) within 3 (three) business days after receipt of pledge instruction by the Account Operator, servicing Account Holder's account of the pledger.

331. In case of change of the securities pledgee, as well as in case of pledging the pledge right, the pledge right registration on the name of the new pledgee shall be implemented based on the pledgee's instruction registered at that moment in the System (or, with the consent of the latter, the instruction of the pledger), within 3 (three) business days from the moment of its receipt.

ARTICLE 30. Securities transfer service related to out-of-court sale of pledged securities

332. The original or duly certified copies of following documents shall be submitted by the pledgee to the Account operator serving the account of the pledger, for the transfer of securities related with the out-of-court sale of pledged securities:

- 1) Contract/agreement, which makes a provision on out-of-court enforcement of pledged securities;
- 2) Information (documents) testifying notification issued to the pledger or other debtor (in case the pledger is not a debtor), as defined by the Republic of Armenia Civil Code;
- 3) Securities transfer order, as defined by the Rules;
- 4) Other documents, defined by the Republic of Armenia Civil Code (if such documents are defined);
- 5) Other documents and information, defined by rules of the Account Operator (if any).

333. By checking the submitted documents and making certain that the requirements, defined by the Rules and the Republic of Armenia legislation, are met therein, the Account Operator shall implement the respective instruction within 5 (five) business days. Otherwise, the accomplishment of the order shall be rejected.

ARTICLE 31. Termination of Right to Pledge Securities

334. The right of pledge securities can be terminated in the following cases:

- 1) On the date of termination of the right to pledge, the information about which was entered into the System during the registration of such right;
- 2) In case of submitting order on termination of pledge by the pledgee;

3) In case of submitting order on termination of pledgee and the relevant document certifying agreement of the pledger;

4) That class and/or type of securities to be pledged have been vetoed or cancelled in the System (except cases of cancellation of securities as a result of corporate action).

5) Registration of the right to pledge the assets resulting from corporate action with the given class and/or type of securities shall not be within the competence of the Central Depository.

6) On the basis of appropriate court decision or a decision of Compulsory Enforcement Service or other competent authority.

335. If the person submitting the Instruction to terminate the pledge is not the pledger, then the Instruction (decision) to terminate the right to pledge the securities is submitted to the operator of the Account serving the account of the pledgee, in which the right to pledge is registered.

336. The pledger shall submit instruction on termination of right of pledge and document, verifying agreement of pledgee, to the Account Operator, servicing its account.

337. If instruction (decision) on termination of securities pledge was submitted to the Account Operator, which does not service the pledgee's account, the Account Operator, servicing the pledger, shall apply to the Account Operator, servicing the pledger's account, meanwhile submitting termination groundings. In mentioned case, the Account Operator, servicing the pledgee, shall immediately perform all the necessary operations to terminate securities pledge.

338. Instruction (decision) on termination of securities right of pledge shall be executed by the Account Operator(s) within three business day after receipt thereof.

339. If pledger and pledgee accounts are serviced by different Account Operators, the Account Operator servicing the pledgee's account shall be obliged to immediately inform the Account Operator, servicing the pledger's account on termination of securities right of pledge.

ARTICLE 32. Freezing and termination of securities or securities account based on account holder's instruction

340. Freezing of securities or Securities account implies prohibition (restriction) of operations with securities of any class and/or type and quantity available in the Account Holder's own Securities account or Securities account. In order to register the Freezing Operation on his own initiative, the Account Holder submits a Freezing Instruction to the Account Operator servicing his Securities Account, which contains the following information:

- 1) Company name of the securities Issuer and ISIN or SIN;
- 2) Number of securities subject to freezing;
- 3) Other material information on freezing, submitted by the client;
- 4) Other information and essential documentation, defined by rules of the Account Operator (if any).

341. Order for securities freezing or termination of securities freezing shall be executed on the basis of Account Holder's respective order or in cases of terminating contract with the Account Holder, registration or inheritance and performing operation with frozen securities, according to court decision. Based on the court decision securities shall be unfrozen in amount necessary to accomplish operations, as envisaged by the court decision.

342. Securities freezing order and termination of securities freezing order shall be executed by the Account Operator within 1 business day after receipt thereof.

342.1 The regulations of this article do not apply to the cases when the freezing of securities in the cases and in the manner defined by the Rules is not done by the Account Holder's initiative.

ARTICLE 33. Temporary Limitation of Voting Rights of Pledged Securities During General Meeting of Joint-Stock Company

343. If the pledger and the pledgee agreed to temporarily limit voting rights on general meeting of Joint-stock company (hereinafter in this chapter referred to as "voting rights"), for the purpose of registering the limitation the Account Holder shall submit the relevant order to its servicing Account Operator, by indicating ISIN or SIN and quantity of securities, which will be subject to limitation of voting rights. In the meantime, the pledgee shall submit its consent to the restriction of voting right to its Account Operator, if the securities are already encumbered with pledge.

344. In case the pledgee and the pledger make an agreement about limitation of voting rights at the moment of registration of securities pledging operation in the System, then the record of limitation of voting rights shall be made upon registration of pledging operation in the System.

345. The limitation of the right to vote is considered to be terminated by the registration of the termination of the pledge of securities or, if a period has been specified in advance, upon the expiration of that period, by the registration of the termination of the limitation of the right to vote. In case the order for termination of limitation of voting rights attached to the securities was issued by the pledger earlier, than appearance if the factors, indicated in this point, termination of limitation of voting rights shall be registered in the System only upon availability of written agreement of the pledgee.

ARTICLE 34. Operational Hours of the System

346. The documents and instructions, defined in the Rules, can be submitted to the System Members in timeframe, defined by the legal acts of the latter, which should be set up in a way to ensure provision of service in order and period, defined by the Rules.

347. Transactions through the Central Depository Software System are automatically carried out every day with a 24-hour regime.

348. The Central Depository shall perform operations, related to the System and not automatically implemented by its System, every business day 09³⁰-17³⁰. In exceptional cases, for ensuring the effective functioning of the System, the Central Depository may perform functions associated with the System and reserved to it during another period of time as well, about which the System members shall be notified in advance by CBANet system.

348.1 In addition to the case mentioned in point 348 of the Rules, the Central Depository may, based on a written request of a System member, also perform non-automated functions during the period between 17:30-20:00. In the cases mentioned in this point, the Central Depository invests its best efforts to perform the requested functions properly and quickly, but does not guarantee the provision of the result requested by the System member within the same day.

349. For the purpose of data archiving, starting from 18:00 of the last working day of each month until 9:00 of the next working day, the Central Depository shall be entitled to block the operations in the Software System for System Members.

350. The Account Operator, providing response to the requests, received from Issuers or Account Holders, shall consider and inform the Issuer or the Account Holder that from 10³⁰ till no later than 15⁴⁰ at the day of submission of the request the securities, which are listed (admitted to trading) and subject to blockage for trading according to the procedures defined in rules of the Operator of Regulated Market, will be recorded in technical securities account and will not be reflected in Account Holder's securities account.

CHAPTER 5. FEATURES OF GOVERNMENT BONDS CUSTODY

ARTICLE 35. General Principles of Government Bonds Custody in the System

351. In exercising Government bonds custody the Central Depository has a status of a sub-custodian. If the Central depository acts as a sub-custodian of a foreign custodian in custody of Government bonds allocated in foreign currency or/and in foreign countries in the name of the Republic of Armenia, then the Central Depository shall execute the custody of the given bonds according to the principles defined in the rules for securities accounted through foreign custodian.

352. Functions of the Central Depository in implementing Government bonds custody (sub-custody) are regulated by the RA laws, legal acts of the Ministry of Finance and the Central Bank, adopted based on the RA laws, the contract concluded between the Central Bank and the Central Depository, rules and other legal acts of the Central Depository.

353. Government bonds custody services (including opening of the Account Holder's Depo accounts) are done in order defined by the rules and based on the contract concluded between the Central Depository and the Account Holder.

354. The prerequisite for providing Government bonds custody services (including Depo account opening) is the availability of a banking (current) account of the account holder in AMD.

355. Registration in the System of other rights subject to mandatory registration by legal acts regulating the Government bonds custody and ownership shall be done in a separate procedure

through accounts (including Depo accounts) opened in the System for this purpose. The Government bonds Depo accounts of the Account Holder (free, pledged, blocked, blocked for pledge) are automatically formed in the software during opening an account in the Software System for the Account Holder.

356. The government bonds owned by the Account Holder in the system are subject to separate accounting from those government bonds, over which a person who is not their owner has rights of use, possession or management based on the law or the contract concluded with the owner. The government bonds to which the rights are limited are also subject to separate accounting.

357. The rights and obligations defined by the Government bonds as well as the rights and obligations regarding transactions with the given bonds shall arise through the System, while transfer and limitation of these rights shall be executed after the relevant registration in the accounts maintained by the Central Bank - as a custodian, and/or the Central Depository - as a sub-custodian.

358. The Central Depository shall perform operations with the Government bonds of the Account Holder only based on legal acts regulating the circulation of Government bonds; regulations, as well as written instructions, including electronic ones, defined in the contract concluded between the Central Depository and the Central Bank. The following documents can be accepted as instructions:

1) Depo instructions submitted by a person having rights over Government bonds, as well as other documents certifying those rights, in cases defined by legal acts on regulating circulation of the Government bonds.

2) relevant court acts and/or decisions of the enforcement agency in case of restriction, transfer, termination of rights to securities on the basis of a court act or a decision of the enforcement agency.

359. Depo instructions shall be presented in either hard or soft copies, depending on the type of Service. The Depo instruction must be properly certified by the Account Holder (or by an authorized person).

360. Depo instructions shall be forwarded by the Account Operator to the Central Depository through inputting them to the Software System.

361. Based on the Depo instruction entered into the System, the Software System, in case of necessity, generates the relevant message and sends it to the Central Bank through the BankMail system of the Central Bank. If sending the message through the BankMail system is impossible, the Depo instruction shall be submitted to the Central Bank in a hard copy.

362. In case of not receiving the relevant MT535 message before 16⁰⁰ of the given day after sending the instruction through the BankMail System of the Central Bank, the Central

Depository shall conduct appropriate adjustments with the Central bank for the execution of the instruction.

363. The Account Operators shall inquire the Depo instruction status (pending, rejected, completed) through the Software System.

364. Customers who have submitted instructions can inquire preliminary information regarding the implementation of Depo instructions submitted by them over the phone from the Account Operator servicing them.

365. The confirmation of the execution of the Instruction received from the Central Bank of the Republic of Armenia certifies that a corresponding entry has been made in the Depo accounting system of the Central Bank of the Republic of Armenia regarding the reservation, transfer, termination or restriction of rights to Government bonds.

366. The confirmation received from the Central Bank shall serve as a basis for the Central Depository to make the relevant record in the Account Holder's account in the System.

367. After receiving confirmation of execution of the Depo instruction, the Central Depository shall make the relevant record in the Account holder's account in the System. In case of Software System failure entries can be made directly by the Central Depository's relevant officers.

368. Depo instruction shall be subject to execution during the business day specified therein before 16⁰⁰, if the Depo instruction was received before 15³⁰ of the mentioned business day, or during the day of accepting it and other necessary documents (before 16⁰⁰), in case all necessary conditions for the execution of the operation (sufficient balance of securities, account status (free, secured, etc.)) are available. Depo instructions submitted after the mentioned period shall be fulfilled during the next business day before 16⁰⁰.

369. Depo instruction shall be subject to execution no later than during the second business day after its submission. In case of failure to meet the requirements set by the applicable legal acts, the Depo instruction shall be removed and a report on non-fulfillment of the operation shall be made by the Account Operator and submitted to the Account Holder.

370. The Account Operator shall refuse to accept the submitted Depo instruction (execution of operation), if:

- 1) the instruction does not meet requirements to its form;
- 2) the instruction raises reasonable suspicions regarding its legitimacy;
- 3) status of the Account Holder's Depo account does not allow to perform the operation stated in the Instruction;
- 4) number and status of Government bonds (incumbrance of Government bonds with rights of third parties, being pledged, etc.) do not allow to perform the operation;
- 5) the instruction does not allow for identification of the Government bonds;

- 6) necessary documents are not submitted with the instruction;
- 7) circumstances which would make execution of the instruction possible have not emerged during 2 (two) business days after the instruction submission;
- 8) provision of custodian services to the Account Holder is suspended in accordance with the Account Operator (Central Depository) rules on tariffs;
- 9) upon other reasonable groundings.

ARTICLE 36. Payment related to Government Bonds

371. The payment (partial redemption, coupon income payment) related to Government bonds shall be made for all Government bonds of that issue number being in circulation. If the day of payment is a non-business day, then the payment shall be executed during the first business day following that non-business day.

372. The RA Central Bank shall register amounts of income related to Government bonds on the Trading account.

373. The Central Depository shall receive information from the Central Bank on transfer of the funds provided for the Government bonds redemption (partial redemption, coupon income payment) to the Trading account.

374. Based on the information available in the System on ownership of funds, government bonds redemption (partial redemption, coupon income payment), the Central Depository shall compile and submit to the RA Central Bank instructions on funds transfers to relevant bank/Cash accounts submitted by Account holders and inputted on the System.

375. The Central Depository shall perform operations of Government bonds redemption (partial redemption, coupon income payment) on the day of Government bonds redemption (partial redemption, coupon income payment) during the business day, immediately upon receipt of the electronic notification regarding the operation from the Central Bank.

ARTICLE 37. Performance of Operations with Government Bonds in the Secondary Market

376. Trading, repo (reverse repo), exchange and other transactions allowed by the RA Legislation shall be performed with the Government bonds in the secondary market.

377. The subject of transactions concluded and performed in the secondary market, the Government bond deposit accounts include the set of operations carried out by the Central Depository, the person providing custody services to the second party of the transaction and/or the Central Bank of the Republic of Armenia, as a result of which the participants of the transaction carry out the transfer of the ownership of the State bonds "Delivery versus payment" (DVP) or "Free shipping" basis.

378. Depo and monetary calculations of Government bonds repo (reverse repo) transactions shall be carried out according to the rules for calculation of trade transactions.

379. Only the Government bonds, ownership rights of which are not limited (Government bonds available in the Depo account in a status of free bonds), shall be subject to trade and to repo (reverse repo) transactions.

380. Transfer of the Government bonds traded between customers of the Central Depository according to the "Delivery versus Payment" principle shall be carried out in general order defined by the Rules.

381. The inter-sub-custodian transfer of government bonds subject to a purchase and sale transaction (when only one of the parties to the transaction is a client of the Central Depository) on the "Delivery versus Payment" principle shall be carried out by the following procedure: the party to the transaction, which is a client of the Central Depository, submits to the Account Operator serving him an Instruction for the transfer of Government bonds on the "Delivery versus payment" principle, which is entered into the Software system, and on the basis of which the following Instructions are formed in the Software system:

1) MT 521, if the client is the one who delivers Government bonds, i.e. the seller (in this case, the Central Depository shall verify availability of the amount of Government bonds mentioned in the instruction on the customer's free securities Depo account. In case of existence of sufficient volume, the securities shall be frozen, while in case of insufficient volume, the instruction shall not be fulfilled and shall be returned to the client with indication of the reason for rejection).

2) MT 520, if the client is the one who receives the Government bonds, i.e. the buyer (in this case the Central Depository shall verify the availability of sufficient funds of the customer to purchase government bonds on the Account operators Cash account. In case of insufficiency the securities shall be frozen, while in case of negative result, the Depo instruction shall not be fulfilled and shall be returned to the client with indication of the reason for rejection).

382. Depo instructions formed through the Software System shall be submitted to the Central Bank via BankMail system.

383. Based on the confirmation received from the Central Bank, on the same business day, the Software System shall file the traded Government bonds into the free bonds Depo account of the buyer client, and the corresponding volume of monetary funds shall be transferred by the Central Bank from the Trading account of the Central Depository to the cash account of the seller, opened in a commercial bank, as indicated in the Depo instruction.

384. In case the seller is the Central Depository's client, the Software System shall withdraw traded Government bonds of the client and therewith money means shall be registered on the relevant Cash account of the Account Operator servicing the seller.

385. Once the operations defined by this article are performed, a report on the performed Operations is presented to the Account Holder in the manner defined by the Rules, at the latter's request.

386. The transfer of government bonds subject to purchase and sale on the principle of "Free delivery" is carried out as follows: the party that is a client of the Central Depository submits a Transfer Instruction on the principle of "Free delivery" to the operator of the account serving him, on the basis of which the following Instructions are generated in the software system:

1) MT522 - Government bonds FOP instruction, which shall be formed based on the instruction provided by the customer selling Government bonds.

2) The Software System shall verify availability of the amount of Government bonds mentioned in the instruction on the customer's free securities Depo account. In case of insufficiency of government bonds the instruction shall be rejected and the reason for rejection shall be indicated in the System.

3) In case of sufficient number of government bonds, the Central Depository shall transfer securities in appropriate amount to the Book Entry account, at the same time shall submit a MT522 of free delivery of bonds to the Central Bank of RA.

4) Based on the confirmation received from the Central Bank of RA, on the same business day, the Software System shall make a corresponding record in the Software System.

387. If the Central Depository customer is the buyer of Government bonds, the Central Depository shall receive from the Central Bank a copy of the Depo instruction submitted to the Central Bank by the entity providing custody services to the seller, which shall serve as a basis for the Central Depository to transfer the given Government bonds to the buyer customer's free securities Depo account. If the account settings of the Central Depository client's securities account provide registering securities on the given account only with the consent of the customer, then, if the Central Depository does not receive the consent of the customer until the end of the business day, shall transfer the securities back to the delivering side's account through an MT 522 message.

388. If the Account Operator cannot fulfill the instruction submitted by the client on the day indicated therein, it shall return the Depo instruction to the client without fulfilling it, specifying the reason for rejection.

389. In the case if both the buyer and the seller are Central Depository's clients, Depo calculations shall be limited to relevant actions performed by the Central Depository.

390. In the secondary market, Depo calculations of other transactions with government bonds, other than sales, repo (reverse repo) transactions, are carried out on the principle of "Free delivery".

ARTICLE 38. Implementation of Operations Related to Pledge of Government Bonds

391. Pledger of a Government bond may be their owner (nominee) only.

392. Any entity can be a pledgee of a Government bond.

393. Before signing of a pledge contract the pledgee must have an Own securities account opened in the System.

394. Only those Government bonds may be subject to pledge, over which the rights of the pledgee are not limited (Government bonds registered in the free securities Depo account).

395. Pledging of Government bonds can be carried out only through signing a written contract between the pledgee and the pledger in accordance with the RA legislation, and through registration of the pledging rights over the Government bonds in accordance with the order defined in the normative acts of the Central Bank.

396. The pledging right over the Government bonds delivered for custody shall arise upon its registration by the Central Depository.

397. The Central Depository shall carry out the maintenance of pledged Government bonds by separate pledgees – through their Depo accounts “restricted by pledge”.

398. The registration of the pledging rights of the pledgee (pledger) in the System shall be carried out by separate pledgers, pledgees and identification codes of the pledged Government bonds.

399. In case of pledging Government bonds, transfer shall be made from the pledger’s free securities Depo account to the pledger’s pledged securities Depo account, registering the pledging right of the pledger over those bonds.

400. Registration of the transaction in the System (recording the pledging right) shall be done based on the document received from the Central Bank confirming the completion of the action.

401. The following operations, related to pledge, may be performed in the System with the Government bonds:

1) pledge of Government bonds, as a result of which the right of the pledger for free command over the Government bonds shall be limited, and the pledging right of the pledgee shall arise over the pledged Government bonds. Pledge of Government bonds can be carried out in line with transfer of counter funds, when, along with pledge of Government bonds, the pledgee provides a loan to the pledger (based on the instruction submitted by the pledger, a MT540 instruction is formed in the Software System, and a MT541 instruction - based on the instruction submitted by the pledgee); or without transfer of counter funds (an MT542 instruction is formed in the Software System based on the instruction submitted by the pledger), when, along with pledge of Government bonds, provision of loan is not done by the pledgee.

2) termination of the pledge, as a result of which the pledger's right to freely dispose of the pledged Government bonds is restored, and the pledgee's pledge right to them is terminated. The termination of the pledge of government bonds can be combined with the counter transfer of funds, if at the same time as the termination of the pledge of government bonds, the pledger repays the loan provided to it by the pledgee (based on the Instruction submitted by the pledger, the Software system generates MT544, based on the instruction submitted by the pledgee, Instruction MT543), or without the counter transfer of funds, the pledging of government bonds is not accompanied by

repayment of the loan by the pledger (on the basis of the Instruction submitted by the pledgee, the Software system generates the MT545 Instruction).

3) refusal from the subject of pledge, that shall result in the termination of ownership rights of the pledger over the pledged Government bonds, and the ownership of the latter shall be transferred to the pledgee without in an out-of-court manner (based on the instruction submitted by the pledger, a MT546 instruction shall be generated in the Software System).

4) matching of orders of the pledgee at the expense of the amount gained from the sale of pledged Government bonds, as a result of which the pledger shall sell the Government bonds to the third party and shall match the orders of the pledgee at the expense of the amount gained from the sale of Government bonds.

5) replacement of the subject of pledge, as a result of which pledge of the Government bonds to be pledged shall be terminated, and Government bonds of other issues shall be pledged instead of them.

6) replacement of the pledger, as a result of which the ownership rights over the pledged Government bonds shall pass to another person (new pledger), preserving the right to pledge the pledged Government bonds for the pledgee.

7) replacement of the pledgee, as a result of which the pledge rights of the pledgee shall pass to another person, preserving the ownership rights of the pledger over the pledged Government bonds.

8) blockage of pledged Government bonds, as a result of which command over the Government bonds by any person shall be blocked, retaining the ownership rights of the pledger over the pledged Government bonds and the pledge rights of the pledgee, and allowing to perform operations with the blocked Government bonds only by the decision of the court and/or the enforcement officer.

9) release of pledged Government bonds, as a result of which Government bonds are released from the bank and can be disposed in accordance with this article.

10) transfer of Government bonds, as a result of which, based on a judicial act, ownership and/or pledge rights existing before the blockage over the Government bonds can be restored, or applicable rights of ownership and (or) pledge can be terminated and new ones registered.

11) Redemption of pledged Government bonds, which causes redemption of pledged government bonds or a part thereof according to the terms of issuance of Government bonds, all rights to the redeemed government bonds and appropriate property rights (including collateral) cease.

12) payment of interest rate on pledged Government bonds, as a result of which, in accordance with the terms of issuance of Government bonds, Government bond owners shall be paid the income of Government bonds interest or coupon rates.

402. Government bonds pledge, termination of pledge, transfer of the subject of pledge, matching of orders of the pledgee from the funds received from the sale of Government bonds can only be done within the limits of balance on the pledger client's corresponding Depo account (free or pledged).

ARTICLE 39. Terms of Pledge of Government Bonds

403. Without transfer of matching funds, Government bonds pledge operations shall be carried out as per following terms:

1) if the pledger is a Central Depository's client, the latter presents to the Account Operator (Central Depository) the instruction on Government bonds pledge and a copy of the pledge contract.

2) based on the submitted instruction, the Account Operator shall verify availability of the necessary amount of Government bonds on the customer's free securities Depo account and, in case of positive result, shall input a instruction into the Software System, as a result of which the securities shall be pledged and based on which the Software System shall form an MT542 instruction.

3) in case of negative verification result the instruction shall be rejected and returned to the client, indicating the reason for rejection. Otherwise, the Central Depository shall accept it for fulfillment and, in its turn, shall present a corresponding Depot instruction to the Central Bank.

4) upon receiving the Depo instruction, the Central Bank shall carry out appropriate verifications: in case of negative verification result the Depo instruction shall not be fulfilled and shall be returned to the Central Depository, indicating the reason for rejection, and the operation shall be considered to be rejected.

5) in case of positive verification result notices on the pledge rights shall be made, after which the Central Bank shall send confirmation of operation fulfillment to the Central Depository (in case of having a pledgee client, the RA Central Bank shall notify the Central Depository regarding the pledge, by submitting to the Central Depository a copy of the instruction provided to it, which shall verify the fulfillment of the operation).

6) Based on the confirmation received from the Central Bank the Central Depository shall make corresponding records in the Software System of Depo calculations maintained by it – the Software System shall transfer Government bonds from the pledger's free securities Depo account to the pledged securities Depo account of the latter, formulating the pledge rights of the pledgee over those Government bonds, after which the operation shall be considered to be done, and the pledgee client and/or the pledger client shall be notified by defined documents (the pledgee client shall be provided a reference on Government bonds pledged in favor of the latter, and the pledger client shall be provided a reference on Government bonds pledged by the latter and a statement from his pledged Government bonds Depo account) about the fulfillment of the operation.

404. Pledge operations of Government bonds through counter transfer of funds shall be carried out in the following way:

1) The operation of pledging government bonds through counter transfer of funds is initiated simultaneously by the pledger and the pledgee. For this purpose, the customer-pledgee and the customer-pledger submit the respective Instructions to the Account Operator.

2) The account operator shall thoroughly check the submitted documents. If the pledger is a client of the Central Depository, the validity of the Instruction and the presence of the required amount of government bonds in the depo account of the free bonds of the client-pledger shall be checked. In case of a positive result, the Account Operator enters the relevant Instruction into the Software system, based on which the Software system generates and submits the relevant MT540 Instruction to the Central Bank of the Republic of Armenia. If the pledgee is a client of the Central Depository, the validity of the Depo Instruction and the availability of necessary funds in the relevant cash account is verified. In case of a positive result, the software system generates and submits the relevant MT541 order to the Central Bank of the Republic of Armenia.

3) then similar actions defined in Rules under point 403, sub points 5) and 6) shall be performed

4) in case of a positive verification result the Central Bank shall make a cash transfer to the Trading account (when the pledger is a Central Depository client), and shall make corresponding accounting statements and other records related to the rights to pledge.

5) the Central Bank shall send a confirmation on the operation fulfillment to the Central Depository.

6) based on the confirmation of the Central Bank, the Central Depository shall make corresponding records (accounting statements) in the Software System, as well as shall transfer cash funds to the Aggregated cash account of investors by the Account operator servicing the pledger client, after which the operation shall be considered to be done, and the pledgee client and/or the pledger client shall be notified about the execution of the operation through due documents (certificate, statement).

7) if both the pledger and the pledgee are simultaneously customers of the Central Depository, then the Central Depository shall submit the Government bonds pledge instruction to the Central Bank only after receiving the counter Depo instructions from the pledger and the pledgee. In this case the Central Depository shall fulfil a transfer of the borrowing amount to the Aggregated cash accounts of the clients of Account operator servicing the Cash account of the pledger.

ARTICLE 40. Termination of Government bonds pledge

405. In case of termination of Government bonds pledge, the Government bonds shall be transferred from the pledged Depo account of the pledger to the free securities Depo account of

the pledger, with restoration of free command rights of the pledger over the Government bonds and termination of pledging rights of the pledgee over those Government bonds.

406. The operation of termination of pledge of government bonds can be performed both in respect of the entire volume of pledged government bonds and a part of it.

407. Termination of pledge of government bonds without counter transfer of funds Operations are carried out under the following conditions:

1) the pledgee client shall submit an instruction on release of pledge to the Account Operator.

2) The Account Operator verifies the submitted documents and the validity of the Instruction and enters it into the Software System. The software system checks the presence of Government bonds in the relevant account in the volume necessary for the termination of the pledge and the fact that these Government bonds are pledged in favor of the customer-pledger. If the check result is negative, the Depo instruction is not executed and is returned to the submitter with the indication of the reason for rejection.

3) based on the instruction, the Software System shall submit a corresponding Depo instruction (MT545) to the Central Bank.

4) upon receiving the Depo instruction, the Central Bank shall carry out corresponding verifications and, in case of a positive verification result, shall make a record on termination of pledging, then shall send a confirmation on the operation fulfillment to the Central Depository.

5) in the case if the pledger is the client of the Central Depository, the Central Bank shall provide the Central Depository with a copy of the Depo instruction presented to the Central Bank by the person providing custodial services to the pledgee, which shall confirm the fulfillment of the instruction.

6) based on confirmation of the Central Bank, the Central Depository shall make corresponding records in the Software System, after which the operation shall be considered to be done and the clients (the pledgee and/or the pledger) shall be notified about the operation fulfillment by corresponding documents (certificate, statement).

7) if the result of verification made by the Central Bank is negative, the Depo instruction shall not be fulfilled and shall be returned to the presenter with indication of the reason for rejection, and the operation is considered to be rejected.

408. Termination of pledging of government bonds by counter transfer of funds Operations are carried out as follows:

1) The operation of terminating the pledging of government bonds is initiated simultaneously by the pledger and the pledgee. In order to carry out the operation, the customer-pledger and/or the customer-pledgee submits the relevant Instructions to the Account Operator.

2) The account operator checks the submitted documents. Moreover, if the client of the Account Operator is the pledgee, the verification should include the verification of the validity of the Depo instruction and the presence of the necessary volume of the relevant pledged government bonds. In case of a positive result, the Account Operator enters the corresponding Instruction in the System, on the basis of which the Software system generates and submits the corresponding MT543 Instruction to the Central Bank of the Republic of Armenia. If the client of the Central Depository is a pledger, the verification carried out by the Account Operator should include the verification of the validity of the Depo instruction, the necessary volume of the government bonds pledged in favor of the given pledgee in the Depo account of the pledged bonds of the client-pledger, and the availability of the necessary funds in the summary cash account of the clients of the Account Operator. In case of a positive result, after the Account Operator enters the relevant Instruction in the System, the Software system generates and submits the corresponding MT544 Instruction to the Central Bank of the Republic of Armenia.

3) then similar actions defined in Rules under point 403, sub points 3) and 4) shall be performed.

4) in case of a positive verification result, the Central Bank shall make transfer Trading account (when the pledgee is a Central Depository client), and shall make corresponding accounting statements and other records on termination of pledging rights.

5) then the Central Bank shall send an operation confirmation (if the pledger is the client of the Central Depository, shall send a statement from the corresponding Depo account) to the Central Depository.

6) Based on the documents received from the Central Bank, the Central Depository shall make corresponding records in the Software System, and if the client of the Central Depository is the pledgee, then the Central Depository shall transfer corresponding amount of funds to the segregated Cash account of the Account operator's customers servicing the pledgee.

7) after the fulfillment of the operation the client(s) of the Central Depository shall be notified about the fulfillment of the operation by defined documents (certificate, statement).

8) if both the pledger and the pledgee are clients of the Central Depository at the same time, the Central Depository executes the Instruction to terminate the pledging of government bonds and transfers funds in the appropriate amount to the summary cash account of the customers of the Account operator serving the pledger after receiving the counter instructions of the pledger and the pledgee.

ARTICLE 41. Refusal of the pledge of government bonds and satisfaction of the pledgee's claims at the expense of the proceeds of the sale of the pledged government bonds

409. The operation of rejecting the object of the pledge is performed in the event that in case of non-fulfillment of the obligation to the pledgee secured by the pledge of government bonds,

the pledgee without a court order renounces the pledged government bonds (or a part of them) by handing them over to the property of the pledgee.

410. The operation of refusal from the collateral can be made only in the case if a corresponding condition is defined in the pledge contract or in the separate agreement signed between the pledgee and the pledger.

411. In case of an operation of refusal from the pledged Government bonds shall be transferred from the pledger's pledged securities Depo account to the pledgee's free securities Depo account, with termination of ownership rights of the pledger and pledging rights of the pledgee and rising of ownership rights of the pledgee over those Government bonds.

412. The operation of refusal from the collateral shall be initiated by the pledger.

413. The operation of refusal from the collateral shall be performed as follows:

1) the pledger client shall submit an instruction on refusal from the collateral to the Account Operator.

2) The account operator verifies the validity of the Depo instruction and the presence of State bonds pledged in the required volume in favor of the given pledgee in the Depo account of the pledged bonds of the client-pledger. If the check result is negative, the Depo instruction is not executed and is returned to the submitter with the reason for rejection. Otherwise, the Account Operator accepts the execution, performs the necessary registrations in the System, after which the Software System is created and submits the relevant Depo Instruction (MT546) to the Central Bank of the Republic of Armenia.

3) upon receiving the Depo instruction, the Central Bank shall carry out verifications in accordance with rules and procedures of the Central Bank.

4) in case of a positive verification result, corresponding accounting statements and other records on termination of pledging rights shall be done.

5) Then the Central Bank shall send an operation confirmation to the Central Depository (in case of a pledgee client the Central Bank shall notify the Central Depository about the fulfillment of the instruction by providing with a copy of the Depo instruction).

6) based on the confirmation received from the Central Bank, the Central Depository shall make the relevant records (accounting statements) in the Software System, after which the operation shall be considered completed, and the pledgee and/or the pledger shall be notified about the instruction fulfillment by defined documents (certificate, statement).

414. In case of satisfaction of the pledgee's claims by the amount gained from sale of pledged Government bonds the pledger shall sell the Government bonds to a third person and satisfy the pledgee's claim from the amount gained from the sale of Government bonds, moreover:

1) the operation to satisfy the pledgee's demands at the expense of the amount of the sale of pledged government bonds without a court order can be performed if the possibility of

performing such an operation is provided for in the pledge contract or in a separate agreement between the pledger and the pledgee;

2) the operation in question is carried out through two separate operations: the operation of terminating the pledge initiated by the pledgee in accordance with the procedure defined by the Rules, and the operation of selling the government bonds released by the pledger to a third party;

3) as a result of the sale of government bonds, the funds paid to the pledger are transferred to the pledgee.

ARTICLE 42. Replacement of Government bonds Collateral

415. The operation of replacement of pledged Government bonds shall be carried out in the case, when Government bonds are pledged with a pledge contract, the redemption (partial redemption) date of which is prior to the date of performing basic obligations defined in the pledge contract, or in other cases defined in the pledge contract.

416. In case of replacement of the collateral, pledge of the pledged (replaceable) Government bonds shall be terminated, in the result of which those Government bonds shall be transferred from the pledger's pledged bonds Depo account to the pledger's free Depo account, with termination of pledging rights of the pledgee over those Government bonds, at the same time the replacing Government bonds shall be pledged, in the result of which those Government bonds shall be transferred from the pledger's free Depo account to the pledger's pledged Government bonds Depo account, with the registration of the pledgee's pledge rights over the replacing Government bonds.

417. Replacement of the pledged Government bonds can be made only with the consent of the pledgee, unless otherwise specified by the Law or the pledge contract.

418. .

419. Operation shall be initiated simultaneously by the pledger and the pledgee. The pledger client shall submit to the Account Operator the pledger's instruction on replacement of pledged Government bonds and the modified pledge contract, and the pledgee client – the pledgee's instruction on replacement of pledged government bonds.

420. In the case of having a client - pledgee, the Account Operator checks the validity of the Depo instruction and the presence of the appropriate volume of government bonds pledged in the relevant account of the pledgee, and as the Account Operator of the pledger, checks the validity of the Depo instruction, existence of the necessary volume of replaceable government bonds pledged in the deposit account of the customer-pledger in favor of the pledgee, existence of the necessary volume of replaceable government bonds in the free depository account of the pledger and provisions of the pledge agreement.

421. In case of negative results of verifications carried out by the Account Operator, the Depo instruction shall not be fulfilled and shall be returned to the client (pledger and/or pledgee) with indication of the reason for rejection.

422. In case of positive results of verifications the Account Operator shall accept the Depo instruction for fulfillment and shall make corresponding records in the Software System. Based on the entered data, corresponding Depo instructions (MT547, MT548) shall be formed by the Software System and submitted to the Central Bank.

423. If both the pledger and the pledgee are served by the Central Depository at the same time, then the Central Depository, after receiving the counter Instructions of the pledger and the pledgee, submits the Instruction to replace the object of the pledge to the Central Bank of RA.

424. Upon receiving the Depo instruction, the Central Bank shall carry out verifications in accordance with the rules and procedures of the Central Bank. In case of a negative result of verification the Depo instruction shall not be fulfilled and shall be returned to the Central Depository with indication of the reason for rejection, and the instruction shall be considered to be rejected.

425. In case of a positive result of verification the Central Bank shall make corresponding accounting statements and other records on change of the pledging rights. Then a confirmation of operation fulfillment shall be sent to the Central Depository, as a Sub-custodian of the pledger and/or the pledgee, as well as shall send a statement from the corresponding Depo accounts after the end of the business day.

426. Based on the confirmation received from the Central Bank, the Central Depository shall make corresponding records in the System, after which the operation shall be considered to be done, and the pledger and/or the pledgee shall be notified on the fulfillment of the operation with defined documents (certificate, statement).

ARTICLE 43. Replacement of the Pledger of Government bonds.

427. Pledger replacement is an operation, as a result of which the ownership right over the pledged Government bonds shall be transferred to another person (new pledger), preserving the pledging right of the pledgee over the pledged Government bonds. The pledger replacement operation shall be performed in case when the pledger's ownership right over the pledged Government bonds is transferred to another person in accordance with the RA Legislation. In case of pledger replacement the pledged Government bonds shall be transferred from the pledger's pledged Government bonds Depo account to the new pledger's pledged Government bonds Depo account, with corresponding simultaneous re-registration of pledging rights under the name of the same pledgee.

428. Operation of replacement of the pledger of government bonds is initiated by the pledgee or its successor.

429. The pledger client of the Government bonds shall submit to the Account Operator an instruction on replacement of Government bonds pledger, which contains the consent of the pledger, new pledger, certified by persons providing custodian services to them.

430. The account operator verifies the submitted documents, as well as the presence of the necessary amount of government bonds pledged in favor of the given pledgee in the pledged government bonds depository account of the pledger. If the verification result is negative, the Depo order is not executed and is returned to the client with the reason for rejection.

431. In case of a positive result of verification the Account Operator shall make corresponding records in the Software System. Based on the entered data the Central Depository shall form an MT549 Depo instruction and shall submit it to the Central Bank. If necessary, copies of other submitted documents shall be attached to the instruction.

432. Upon receiving the Depo instruction, the Central Bank shall carry on corresponding verifications in accordance with the rules and procedures of the Central Bank. In case of a negative result of verification the Depo instruction shall not be fulfilled and shall be returned to the Central Depository with indication of the reason for rejection, and the instruction shall be considered to be rejected. In case of a positive result of verification the Central Bank shall make a record on change of the pledging rights, sending to the Central Depository a confirmation on the fulfillment of the instruction, also sending a statement from the corresponding Depo account after the end of the business day.

433. If in the operation of pledger replacement the Central Depository acts as a custodian of the pledgee and/or the new pledgee, and does not act as a custodian of the pledger, then the Central Bank shall provide the Central Depository with a copy of the Depo instruction presented by the person providing custodial Services to the pledger, and copies of other documents.

434. Based on the documents received from the Central Bank, the Central Depository shall make corresponding records in the Software System, after which the Operation is considered to be done and the pledgee and/or the pledger and/or the new pledger shall be notified about the fulfillment of the Operation with defined documents (certificate, statement, copies of documents).

ARTICLE 44. Replacement of the Pledgee of Government bonds

435. Pledgee replacement is an operation, in the result of which the pledging right of the pledgee shall be transferred to another person, preserving the ownership right of the pledger over the pledged Government bonds.

436. The pledgee replacement is the pledgee's transfer of its rights specified in the pledge contract to another person (new pledgee) as a result of cession of the main claim and transferring the creditor's rights to another person.

437. .

438. The pledger's consent shall not be required for the transfer of the pledgee's right to a new pledgee, unless otherwise provided by law or the contract.

439. In case of pledgee replacement only the records on pledging rights shall be changed: the pledging right of the pledgee shall be terminated and re-registered in favor of the new pledgee.

440. The operation of pledgee replacement shall be initiated by the pledgee. For pledgee replacement the pledgee client shall submit to the Account Operator an instruction on pledgee replacement, as well as documents confirming the right of the new pledgee over the pledged Government bonds; including:

1) The cession contract, with which pledgee's rights specified in the pledge contract shall be yielded to the new pledgee.

2) The cession contract, with which the right to claim the main obligation, guaranteed by the pledger, shall be transferred to the new pledgee.

3) In case the pledger's consent is required by law or by the pledge contract for the pledgee replacement operation, the Depo instruction on pledgee replacement must contain the pledger's consent, certified by the person providing custodial Services to the pledger.

441. The Account operator shall verify the submitted documents and the presence of the required amount of pledged government bonds. If the verification result is negative, the Depo instruction is not executed and is returned to the client with the reason for rejection.

442. In case of a positive result of verification, the Account Operator shall make corresponding records in the Software System. Based on the entered data a corresponding Depo instruction (MT550) shall be formed by the Central Depository and submitted to the Central Bank, if necessary, with copies of the other documents attached.

443. Upon receiving the Depo instruction the Central Bank shall carry out corresponding verifications in accordance with the rules and procedures of the Central Bank. In case of a negative result of verification the Depo instruction shall not be fulfilled and shall be returned to the Central Depository with the indication of the reason for rejection, and the operation shall be considered to be rejected. In case of a positive result of verification, the Central Bank shall make records on re-registering the right and shall send a confirmation on the fulfillment of the operation to the Central Depository. If the Central Depository acts as a securities sub-custodian of the pledger/new pledgee, the Central Bank shall present the copies of Depo instructions received from the person providing custodial services to the previous pledgee, which shall confirm the performance of the given operation, also attaching the copies of other documents submitted.

444. Based on the documents received from the Central Bank, the Central Depository shall make corresponding records in the Software System, after which the operation shall be considered to be done, and the user shall be notified by defined documents (certificate, copies of documents).

ARTICLE 45. Redemption of Pledged Government Bonds

445. As a result of the redemption Operation of the pledged Government bonds, the redemption of the pledged Government bonds or a part of them is carried out in accordance with the conditions of the issuance of the Government bonds, all rights to the redeemed Government bonds cease, and corresponding property rights arise for the funds paid as redemption.

446. The Operation on redemption of pledged government bonds is carried out when the government bonds of the given issue remain restricted by collateral as of the date of redemption/partial redemption.

447. Redemption (partial redemption) of the pledged Government bonds is carried out simultaneously with the Operation of redemption (partial redemption) of the entire volume of allocated Government bonds of the given issue, at the initiative of the RA Central Bank.

448. In case of redemption of pledged Government bonds, funds accumulated in the result of repayment shall become the subject of pledge, and re-registration (re-formulation) of pledging right into right of pledge over the funds shall be made.

449. The registration of the pledging right over the funds accumulated in the result of redemption of pledged Government bonds shall be carried out in the following manner:

1) the Central Bank shall transfer the funds accumulated in the result of redemption of pledged Government bonds to the special intermediate cash account of the Central Depository held in the Central Bank (if the pledger is a client of the Central Depository), and re-registration (re-formulation) of pledging right into right of pledge over the funds shall be made. The calculation shall be made by each pledger, pledgee and issue of the Government bonds. In case of having a pledger client and/or a pledgee client, the Central Bank shall notify the Central Depository about the given transfer.

2) The Central Depository shall notify the customer-pledger about the transfer; within two banking days after receiving the notification the pledger undertakes to sign an agreement with the pledgee, stating that the funds generated from the repayment of the Government bonds subject of pledge will be accounted for in a commercial bank, being the third party. The agreement is ratified by the given commercial bank, the pledger, the pledgee, the Central Depository and the person providing custody services to the pledgee, and within five banking days from the moment of receiving the information about the transfer from the Central Bank of RA, the Central Depository submits it to the Central Bank of RA. Payment Order to transfer the funds from the intermediate account shall be attached to the agreement. If the Central Depository does not submit the documents within the specified period, the Central Bank of RA has the right to transfer the pledged funds to the notary's deposit, providing the notary with information about the Central Depository of the pledged funds and the person providing custody services to the pledgee.

3) based on the received agreement and the payment order, the Central Bank shall transfer the funds from the intermediate account to the correspondent account of the commercial bank that registered the pledging right; shall remove from its records the pledging right over the funds and shall notify about it the Central Depository and the person providing custodial services to the pledgee.

4) based on the presented agreement and the bank transfer, the commercial bank that registered the pledging right, shall deposit the funds on the special deposit account of the pledger opened in the given commercial bank and afterward shall implement the accounting service of the

given pledge, Instructions of the pledger and the pledgee, and, in cases defined by law, based on the decision of the court and (or) the enforcement officer.

5) the client of the Central Depository acting as a party of the operation shall be notified about the fulfillment of the operation by corresponding documents (statement, certificate).

ARTICLE 46. Interest Payment on Pledged Government Bonds

450. The operation of interest payment on pledged Government bonds shall be made in case when an interest or coupon income (hereinafter referred to as “interest”) payment is made to the owners of the Government bonds according to the terms on issuing Government bonds.

451. The interest payment on pledged Government bonds shall be made along with the operation of interest payment on the whole volume of the given allocated Government bonds of the given issue, and shall be initiated by the Central Bank.

452. The pledgee’s pledging right shall apply to the interest received from the pledged Government bonds in the cases specified by the pledge contract.

453. .

454. If the pledger is a Central Depository client, the operation of interest payment on pledged Government bonds shall be made in the following order:

1) the Central Bank shall deposit the interest on the Central Depository’s special account held in the Central Bank, and notify the Central Depository about the same.

2) if the pledgee's pledge right under the pledge agreement does not apply to the interest received for the pledged Government bonds, then the Central Depository submits an Instruction to transfer these funds to the Trade Account, also certified by the person providing custody services to the pledgee.

3) after fulfilling by the Central Bank of the payment order, the Central Depository shall deposit cash funds in appropriate amount to the Aggregated cash account of clients of the Account Operator servicing the pledger client.

4) if the pledgee's pledge right under the pledge agreement applies to the interest received for the pledged Government bonds, then the provisions of the Rules for funds generated as a result of the repayment of pledged Government bonds shall apply.

ARTICLE 47. Provision of References, Statements, Reports on Operations with Government Bonds

455. After execution of Depo Instructions, the Account operator provides the client with a report on the execution of that Instruction before the end of the next working day.

456. In cases not defined by this article, extracts, reports and references from the System regarding Operations with Government bonds are provided in the general order defined by the Rules.

457. In case of recording movement in the Depo account, the Account Operator shall provide the client by the request from the latter with reference on the Government bonds owned by him, after the movement until the end of the next business day.

458. In case of having a pledgee-client, after pledge of Government bonds in favor of the pledgee, until the end of the next business day, the Account Operator shall provide the client with a reference on Government bonds pledged in favor of the latter.

459. Statements from securities accounts, reports on operations made with Government bonds, references on Government bonds owned by the client and on Government bonds pledged in favor of the pledgee client, shall be provided in hard copy, in an electronic or facsimile form.

ARTICLE 48. Terms of Closing Securities Account and Termination of Custody Agreement in Case of Government Bonds Custody

460. If the Account Holder is willing to terminate the custody agreement with the Account Operator and to close the securities account, where Government bonds are registered, then the Account Holder is obliged to inform the Account Operator at least 20 (twenty) business days beforehand and shall be guided by the Rules.

461. For the purpose of closing the securities account, in which Government bonds are registered, the Account Operator shall submit to the Account Holder a written notice on necessity to submit instruction on portfolio transfer of the Government bonds to the account opened at another Account Operator.

462. If the Account Holder does not submit an Instruction to transfer the portfolio to an account opened with another Account Operator, then before terminating the custody agreement, the Account Operator shall notify the Account Holder of the need to submit an Instruction to transfer the Government bonds in the latter's account to an account opened with another person providing custody services.

463. If the Account Holder does not submit a "Free Delivery of Securities" instruction for transferring his securities for custody to another person providing custodial services, the Account Operator shall be authorized not to terminate the custody agreement.

464. After termination of the custody agreement, the Central Depository must transfer to the Account Holder his Government bonds and funds (if any) in a the three-day period.

CHAPTER 6. SUB-CUSTODY OF SECURITIES ACCOUNTED THROUGH FOREIGN CUSTODIAN

ARTICLE 49. Terms of sub-custody of securities accounted for by foreign custodians and provision of other services related to them

465. The Central Depository carries out custody (sub-custody) of securities registered through the Foreign Custodian through the nominee's account opened with the Foreign Custodian. The services specified in this article are provided exclusively to the members of the System who have been granted the permission of the member of the system using the services of the Foreign Custodian in accordance with the procedure defined by the Rules.

466. The Central Depository registers and records the securities available in the Nominee's account opened with the Foreign Custodian in the Securities Accounts opened for the Account Holders in the System, concluding Foreign Securities sub-custody agreements with the Account Holders, if necessary. In addition, the Circulars of the head of the executive body of the Central Depository may set mandatory instructions on registering and accounting the securities in the Nominee's account opened with the Foreign Custodian in the Securities accounts opened in the System.

467. Securities owned by more than one Account Holder and registered through the Foreign Custodian can be recorded on the Nominee's account opened with the Foreign Custodian of the Central Depository.

468. The securities recorded in the Central Depository through the Foreign Custodian may be pledged, frozen (including for the purpose of participating in trading on the Regulated Market) and used as collateral in another form based on the Account Holder's instruction.

Furthermore, based on the specifics of operations with the securities mentioned in this point and the purpose of the operations with these securities, the Central Depository may assign additional identifying numbers to these securities.

469. Within a reasonable period of time the Central Depository transmits the information on Corporate Operations received from the Foreign Custodian with the securities in the Nominee's account to the Account Holder through the Account Operator. If the Central Depository has not received an Instruction for Corporate actions with securities from Account Holders in time, then the Central Depository does not carry out these Corporate actions on its own initiative.

470. The Account Holder shall be liable for execution of rights, arising from the securities, registered on the Central Depository's nominee account opened with the Foreign custodian, except for cases, when the Central Depository was authorized by the Account Holder in order, defined by the Law, to execute any liability, arisen from those securities

471. At the request of the account holder, the Central Depository can assist the latter through the Foreign Custodian to exercise the rights arising from the Foreign securities, including performing the following actions:

- 1) receipt, calculation and transfer of income from foreign securities (also using the Cash accounts of the System Members);
- 2) representation of the Account Holder's interests in securities owners' (shareholders) meeting (participation in remote and current voting based on the power of attorney, issued by the Account Holder's);
- 3) assistance to the Account Holder in obtaining of information on foreign securities Issuer, securities issued, as well as in the process making suggestions on the agenda of shareholders meeting and candidates for managerial bodies;
- 4) Acceptance and transfer of applications on subscription and redemption of investment fund shares recorded through Foreign custodian.

471.2. Before carrying out Operations with securities accounted for through the Foreign Custodian, the Central Depository checks the possibility (permissibility) of carrying out Operations with securities of the given ISIN through the Foreign Custodian on the instructions of the System member.

471.2. Once the securities registered through the foreign custodian are opened with the foreign custodian and recorded in the Nominee's account in the Central Depository, the Central Depository is not responsible for the operations carried out by the Foreign Custodian with these securities.

ARTICLE 50. Procedures of Cross-Border (External) Operations in Securities Accounted Through Foreign Custodians

472. With regard to the execution of their rights by owners of foreign securities, the Central Depository shall:

- 1) perform all the actions, envisaged by the custody contract, Foreign securities' sub-custody agreement (if available) and the Rules;
- 2) receive information and documents from Foreign custodian (with which the Central Depository has opened a nominee account) and forward them to the Account Holders;
- 3) forward information and documents, received from the Account Holders, to the Foreign custodian;
- 4) upon agreement with the Account Holder, perform necessary actions, envisaged by the legislation of the state of registration of the Issuer of securities accounted by Foreign custodian, in order to protect the Account Holder's interests in the course of executing operations, related to securities, by the issuer;

5) provide information on the Account Holders to the Foreign custodian (with which the Central Depository has opened a nominee account) during the process of compiling the list of the issuer's securities owners with the purpose of executing account holders' rights;

6) upon agreement with the Account Holder, ensure execution of the Account Holder's voting right on the general meeting of shareholders through participation of the Central Depository's representative to the general meeting and voting on the Account Holder's instruction.

473. Those actions of the foreign securities issuer (including corporate actions), which relate to securities of given class and/or type and all of its owners (including Global operations) and are reflected in the Central Depository's nominee account, opened with the Foreign custodian, shall also be reflected in the account of given security's owners (nominees) opened in the System, based on the documents, provided by the Foreign custodian.

474. The Central Depository shall notify the customer on Global operation taking place in a way, defined by sub-custody agreement, and request agreement to receive income.

475. Operation on foreign securities conversion shall be performed according to the issuer's decision on securities conversion and the statement on number of securities of new class and/or type transferred to the Central Depository's nominee account, provided by the Foreign custodian.

In case of any discrepancies between calculation data and number of transferred securities, the Central Depository shall not perform the operation up to and until final regulation of the controversial issue.

If as a result of securities conversion the number of customers' securities has fractal residuals, fractal part of securities shall be bought back in accordance with the requirements of the legislation in force in the state of foreign securities registration.

Statement, provided by the Foreign custodian shall serve as a basis for securities conversion and certify execution of conversion through the Central Depository's nominee account, opened with the Foreign custodian. Securities conversion operations shall be performed during the day of receiving the documents, certifying conversion operation on the Central Depository's nominee account. The Central Depository shall provide the Account Holders with report on securities conversion on the next business day, following the day of executing the operation.

476. Transfer of securities accounted through Foreign custodian, as income shall be performed in accordance with the issuer's decision on payment of income on securities and the statements, provided by the Foreign custodian on actual transfer of securities to the Central Depository's nominee account opened with the Foreign custodian. The Central Depository shall transfer securities to the Account Holders' accounts on the date of receiving relevant statements on actual transfer of securities to the Central Depository's nominee account opened with the Foreign custodian, if the latter have been received during the next business day following the day of

performing the operation. The Account Operator shall notify the Account Holder on the securities transfer during the next business day following the day of operation fulfillment.

477. The cash means transferred to the Central Depository's nominee account for owners/nominees of securities accounted through a foreign custodian within the given securities sub-custodian activities, shall be reflected by the Central Depository in the customers' aggregated cash account of Account Operator (if the Account holder is Direct System participant, in the latter's own cash account) servicing the Account Holders possessing these securities proportional to number securities belonging to the latter, unless otherwise stipulated in the documents on cash transfer, provided by the Foreign custodian (with which the Central Depository has opened a nominee account).

478. In cases, stipulated by legislation of the state of the foreign securities' registration, based on the Issuer's or other entities' request the Central Depository shall provide the list of foreign securities owners maintained in the securities accounts. Form and content of the requested information shall be defined by the request, taking into account legislative requirements of the state of foreign securities registration. The Account Holder shall be obliged to provide the Central Depository with the information requested by the latter within three working days after receiving the request.

479. With the purpose of executing operations with securities maintained or subject to maintenance on the Account Holder's securities account, as well as for providing applications on investment fund shares subscription and redemption, as envisaged by the Rules of the Central Depository and the Account Operator, the Account Holder who is serviced by Account operator shall submit to the Account Operator the instructions, defined by the Rules, which then the Account Operator shall forward to the Central Depository through input thereof to the Software system. In case when instruction is impossible to forward through input to the Software system, the Account Operator shall submit it to the Central Depository via CBANet network or in hard copy. The Account Holder shall submit to the Account Operator the documents, defined for execution of the operations, specified in the instruction, as well as other documents, required by the Foreign custodian.

480. Based on the instructions registered by the Account Operator in the System within due time, the Central Depository shall compose instructions, according to the Foreign custodian's rules and submit them for execution. Moreover, the recommendation within the meaning of this paragraph shall be considered submitted in due time, if it has been registered in the System at least one working day before the deadline for the implementation of the operation, as defined by the Rules of the Foreign custodian.

481. After receipt of information from the Foreign custodian on execution or rejection of the instructions (if such is prescribed by the Foreign custodian rules and/or contract, concluded between the Central Depository and the Foreign custodian), submitted by the Central Depository, the latter shall make the relevant record on execution or rejection of the operation with securities

accounted through Foreign custodian in the System, if necessary, informing about it the Account Operator. The Account Operator shall be obliged to notify the Account Holder on execution or rejection of operation before the end of the business day after making the record in the System.

482. In order to receive information on residuals of foreign securities on its account, as well as operations, performed with securities account, the Account Holder shall apply to the Account Operator. Based on the Account Holder's application the Account Operator shall provide the relevant reports (statement, reference), as defined by the Rules. The Account Operator shall derive mentioned reports from the System through running the relevant query, and in case of impossibility to do so the Account Operator shall apply to the Central Depository via CBANet network or in paper form to obtain necessary information, to which the Central Depository shall respond within maximum 3 (three) working days.

483. The Account Holder shall be authorized to request also other reports and/or information from the Account Operator regarding securities accounted through Foreign custodian, if such are defined in the Rules of the Foreign Custodian.

484. If the Central Depository (Account Operator) provides information electronically or via facsimile communication, the Central Depository (Account Operator) is not responsible for this information becoming known to third parties.

485. The Account Holder may submit to the Account Operator instruction on implementation of transactions in securities accounted through foreign custodian. Moreover, in order to execute the Delivery versus Payment settlement instructions, the Account Holder shall ensure relevant funds on the nominee's cash account of the Central Depository, opened with a Foreign Custodian, within the time prescribed by the Rules of the Foreign Custodian. In case of transferring funds to the nominee's cash account of the Central Depository, opened with a Foreign Custodian, the Account Holder shall, if necessary, within the time prescribed by the Rules of the Foreign Custodian, with the mediation of the Account Operator, submit to the Central Depository the cash receipt (Pre-advice) instruction, indicating the details of the relevant cash transfer agent, the currency and the amount of funds transferred, the expected date of receipt of funds, and, where appropriate, the final beneficiary of the funds, as well as other information related to the transferred funds, as required in the System. The Account Operator shall submit the cash receipt instruction to the Central Depository by inputting it into the Software System. In the event of non-compliance of the data indicated in the cash receipt instruction and the actual cash transferred to the nominee's cash account opened with the Foreign Custodian, Account Holders may be charged for the adjustment of the information, as defined in the Central Depository's Rules on Tariffs.

486. In cases, defined by the Rules, when the Central Depository directly provides sub-custodian services, the Direct System participant shall submit instructions, stipulated by this Article, directly to the Central Depository in order, defined by the contract, concluded between the Central Depository and the Account Holder.

487. In case of receipt of the confirmation of the deposit of money to the Nominee's cash account from foreign custodian opened by the latter, the Central Depository shall deposit those cash funds into the appropriate Cash Accounts of the System member.

488. The Central Depository shall accept instructions, submitted by the Account Holder (including those input by the Account Operator in the Software System), during the operational hours of the Central depository, unless other longer term is specified by the sub-custodian contract, concluded between the Central Depository and the Account Holder. Instructions, accepted after the closing of the operational day shall be considered accepted on the following operational day. In any case, the order and terms of submitting instructions by Account Holders for the purpose of implementing operations with securities accounted through Foreign Custodian and with cash shall be aligned with the order and terms of acceptance of the corresponding instructions by the Foreign Custodian, as defined in the Rules of the latter.

CHAPTER 5. CLEARING AND/OR SETTLEMENT OF SECURITIES TRANSACTIONS

ARTICLE 51. Method and Principles of Clearing and Settlement of Securities Transactions

489. The Central Depository shall determine and clear mutual liabilities, resulting from securities transactions concluded in the Regulated Market, by method of centralized clearing, via netting.

490. The Central Depository shall accomplish the settlement of securities transactions, concluded in the Regulated Market, through full backing of securities and cash (predeposition) by Delivery versus Payment principle.

491. The Central Depository shall accomplish the settlement of securities transactions, concluded in the Regulated Market, in T+O system, where "T" is the date of conclusion of the transaction in the Regulated Market, and "O" is the number of business days after the date of conclusion of the contract.

492. The instructions addressed to the Central Depository from the MSSRM through the System or received from the MSSRM customers, and the data related to the trading, received from the Regulated market operator, shall serve as a basis for the Central Depository for performing clearing and settlement of operation in the Regulated market.

493. For obtaining access to the securities accounts with the purpose of execution of orders, defined in point 492 of the Rules, the MSSRM shall submit to the Account Operator servicing its or its client's securities account the client's application on account access, indicating in it as well the term of access. The Account Operator shall be obliged to immediately provide the MSSRM the corresponding access to the securities account, whereby the MSSRM is entitled to execute the following operations in that securities account, as defined in the Rules:

- 1) Blockage and termination of trading blockage of securities in its or its clients' securities account;

2) Trading blockage or termination of trading blockage of cash available in its or its clients' account.

494. The access to the securities account provided to the MSSRM by the Account Operator may be terminated based on the expiration date of granting access, or based on the request submitted by the Account Holder to the Account Operator, or on the basis of the recommendation letter received from the MSSRM.

495. In case of making changes in the accounts of the Account Operator's client as a result of concluding transactions in the Regulated market, the MSSRM shall be obliged to inform the Account Operator after closing of trading session, and the Account Operator shall be obliged to provide statement on residuals of securities accounts to its customer free of charge, based on the request submitted by the latter.

496. The MSSRM shall input data, necessary for blockage, termination of trading blockage, in the System by composing the relevant instruction. Afterwards, the MSSRM shall take further steps in accordance with the messages, received from the Software System. The acceptance or rejection of orders in the System shall be confirmed by messages, composed by the System.

497. Clearing and settlement shall be conducted through two Cash accounts of the MSSRM for each currency: one for own transactions, the other for client's transactions.

498.

499. In the terms of this chapter documents (notifications) shall be considered received on:

1) The time of receipt of documents, sent through the CBANet network, shall be the time, indicated in the delivery receipt of that document;

2) the time of receipt of electronic confirmation sent by the Central bank of RA by the Central depository, in case of documents, received through Bankmail;

3) the time of passing the document to the authorized representative of the person who received the paper copies of the documents;

4) the time of automatically placing the information exchanged between the Central Depository and the Operator of the Regulated Market in accordance with this section in an environment accessible to the Central Depository or the Operator of the Regulated Market.

ARTICLE 52. Guarantee

500. For the purpose of ensuring settlement of securities transactions, concluded in the Regulated Market, in accordance with the provisions of this chapter, before the beginning of the trading session or during the trading session the MSSRM shall execute the following:

1) Trade prohibition of the securities in the securities accounts of its own or its client (as the nominee), with which the MSSRM plans to perform sales operations its own or its client account during trading. The prohibited securities in the Securities Accounts mentioned in this point are a means of ensuring the fulfillment of sales obligations by MSSRM.

2) Trading prohibition of such volume of funds in its own or its clients' summary Cash Account, with which the MSSRM plans to carry out Operations on its own account or on its client's account during the trade.

ARTICLE 53. Trading Blockage and Its Termination, Securities Deposition

501. For the purpose of execution of securities blockage for trading, the MSSRM shall input the following information in the appropriate section of the System:

- 1) Securities account number;
- 2) Identification code of securities to be blocked;
- 3) Quantity of securities to be blocked;
- 4) Number of Cash account authorized for accrual of quotation currency of securities subject to blockage.

502. Deposition of securities for trading at the Regulated market in the technical account shall be performed automatically by the System in five minutes interval starting from 10³⁰ until 14⁴⁵ of the trading day, based on information on trading blockage, available in the System.

503. Pre-deposition of securities, deposited for trading during the previous trading session in the Regulated market and as of end of settlement during the trading day, shall be performed by the System automatically on 10³⁰ of the given trading day.

504. The System shall automatically match the data, included in the trading blockage order by the MSSRM, with the identical information existing in the System and in case of revealing any mismatch trading blockage instruction shall not be processed. Matching shall be made in sequence of composing the orders. After matching, the System shall inform the MSSRM about mismatch in securities blockage order by means of appropriate message

505. Securities blockage orders, inputted to the System after 14³⁰ of the trading day, shall enter the Regulated market operator on the next trading day.

506. Securities blockage shall be terminated in the following cases:

- 1) Based on order of termination of securities blockage, inputted to the System by the MSSRM for the purpose of depositing securities for trading on the Regulated Market;
- 2) As a result of withdrawal of securities, blocked for trading in the Regulated market;
- 3) As a result of withdrawal from blockage by MSSRM of securities, blocked for the purpose of trading in the Regulated market.

4) Suspension or termination of the MSSRM's right of trading in the Regulated Market;

5) In case of termination of MSSRM's status;

6) If until 10¹⁰ of given trading day the Central Depository has received appropriate decision on ban or bankruptcy from the state authorized body. Operations, resulting from the decision, received later than the time indicated in this point, shall be executed after the settlement of trading session results.

507. If securities were blocked on grounds, defined in point 508 of the Rules (except for sub-point 2), the termination of securities blockage for the trading session of that day shall be executed by 10³⁰ of that trading day or after completion of settlement of transactions, concluded in the Regulated Market. In case, defined in sub-point 2 of point 506 of the Rules, the securities blockage shall be terminated by securities withdrawal within the time frame, defined in this chapter for securities withdrawal during the trading session.

508. For the purpose of forming the order on unblocking securities in the Software System, the MSSRM shall select the respective order on blockage of securities, whose blockage is subject to termination. Afterwards, the MSSRM shall:

1) In case of partial termination of the trade prohibition, enter the number of securities that should remain under the trade prohibition.

2) In case of complete termination of the trade prohibition, it cancels the given Instruction.

509. In case of termination of securities blockage for trading the System shall automatically match inputted data with the identical information, existent in the System. The matching shall be made in sequence of forming the orders. After matching, the System shall inform the MSSRM about registration of termination of the blockage or rejection thereof by means of appropriate message. Meanwhile, the System shall provide the reason for rejection thereof. The MSSRM can eliminate revealed mismatches until 10³⁰ of the trading day or after completion of the settlement of transaction, concluded in the Regulated Market.

ARTICLE 54. Cash fund Blockage and Deposition

510. In order to ensure the conclusion of transactions in the Regulated Market, until 14⁴⁵ of the trading day, the MSSRM shall ensure the existence of cash funds, designated for trading, in its appropriate Cash account.

511. The transfer of funds of the MSSRM to the Trade account of the Central Depository is carried out on the basis of the Payment Instructions submitted to the Central Bank of the Republic of Armenia, in accordance with the procedure established by the contract signed with the Central Bank of the Republic of Armenia.

512. Replenishment of cash funds of Cash Accounts of the MSSR may also be ensured as a result of internal transfers from other Cash Accounts opened in the System.

513. Free cash means can be transferred back from the Central depository to the cash account defined by the MSSRM's based on the transfer instructions inputted to the System by the MSSRM. Within 5 (five) minutes at latest after receipt of instruction on the transfer of cash funds back the Central Depository shall prepare and send appropriate payment instruction to the CBA through the relevant message of Bankmail.

514. For the purpose of trading blockage, until than 14⁴⁵ of the trading day, the MSSRM may input cash deposition order in the System within the limits of its free cash means in its Cash account, including the following information:

- 1) Number of appropriate authorized cash account of the MSSRM;
- 2) Currency of cash;
- 3) Amount of cash;
- 4) Securities or cash account number, to which securities, acquired as a result of trades concluded in the Regulated market shall be accrued.

515. The Central Depository shall inform the MSSRM about successful acceptance of cash funds blockage order or shall notify the reasons of rejection, indicating the reasons.

516. Each trading day starting from 10³⁰ till 14⁴⁵ with interval of 5 (five) minutes the Central Depository shall make depositions on the Technical account.

517. The Central Depository shall transfer back cash residuals registered as free cash as of the end of settlement only upon instruction of MSSRM.

518. If at least thirty minutes before the beginning of the Trading session the Central Depository gets informed by telephone and via the CBANet network, that it is impossible (it was impossible) to ensure the acceptance of Instructions submitted electronically by the Central Bank of the Republic of Armenia by 10:10, or the submission of electronic messages confirming the execution of the Instructions to the Central depository, then the Central Depository immediately informs the Operator of the Regulated Market and the MSSRM via the CBANet computer network or by telephone. The latter or the commercial banks serving them, whose electronic Instructions have not been received by the Central Bank of the Republic of Armenia, submit the Instructions in the manner specified by the contract signed with the Central Bank of the Republic of Armenia.

519. If electronic receipt of messages, confirming transfers of cash funds or deposition of funds is impossible, due to the technical problems, then the Central Depository shall immediately inform the Central Bank and MSSRMs about that fact via telephone or CBANet network.

ARTICLE 55. Withdrawal of Securities and Cash

520. Withdrawal of securities and cash shall be performed in accordance with the rules of the Operator of the Regulated market, while the Central Depository shall receive information on withdrawals with interval of 5 (five) minutes from the Operator of the Regulated market in order defined in the contract conclude between them.

521. Based on the information on withdrawal of cash and securities, received from the Operator of the Regulated market, the Central Depository shall perform preliminary verification for comparability and consistency of data necessary for withdrawal of means.

522. If any mismatch is detected during preliminary checking, the Central Depository shall immediately make appropriate examination jointly with the Operator of Regulated Market. Afterwards, depending on the results of the examination, the Central Depository shall either make corrections on its own, or return them to the Operator of Regulated Market for correction.

523. The Central Depository shall transfer securities, withdrawn from technical account to the relevant securities account without their trading blockage and within no later than five minutes after receiving information from the Operator of the Regulated market.

524. The de-deposited funds are transferred to the relevant Cash Accounts within five minutes maximum after receiving information from the Regulated Market Operator.

525. If it is impossible for the Operator of the Regulated market to provide the withdrawal information to the Central Depository until 15⁰⁵, the withdrawal shall be performed during the settlement phase.

ARTICLE 56. Phases of Clearing and Settlement

526. The Central Depository carries out the Clearing and Final Settlement of transactions concluded on the Regulated Market in the following stages:

- 1) Provision of information on means deposited for trading in the Regulated market to the Operator of Regulated Market before and during trading session;
- 2) Receipt, processing of information on withdrawal of cash and securities from the Regulated market and performing the relevant transfers, as defined by the Rules;
- 3) Receipt of data on transactions, concluded during post-trading session in the Regulated market, from the Operator of Regulated Market;
- 4) Clearing of obligations and claims, arisen from transactions, concluded during trading and post-trading sessions;
- 5) Matching of means;
- 6) Settlement of transactions, concluded during trading and post-trading session.

ARTICLE 57. Provision of Information to the Operator of Regulated Market

527. Every five minutes starting from 10³⁰ until 14⁵⁰ of trading day the Central Depository shall inform the Operator of Regulated Market about the deposition of securities and cash of MSSRM's, as well as each MSSRM's own and client's securities, MSSRM's (as nominee) unique trading codes, assigned automatically by the System, securities and MSSRM's authorized Cash accounts.

Information, defined in this point shall automatically be generated by the Software system and placed by the Central Depository in the environment agreed with the Operator of Regulated Market.

528. Every five minutes starting from 10³⁰ until 15¹⁰ of trading day in the environment, agreed with the Operator of Regulated Market, the Central Depository shall check the information on number and price of securities traded (classified by transactions, belonging to MSSRMs and their clients), securities and cash means, as well as other information defined in this point, and automatically input them to the Software System.

529. The information, procedure and conditions, necessary for clearing and settlement of transactions, shall be defined by the contract concluded between the Central Depository and the Operator of Regulated Market.

530. The information, received from the Operator of the Regulated market, shall serve as a ground to the Central Depository for de-deposition of MSSRMs and their clients' securities and cash, as well as for accomplishment of clearing and settlement of obligations and claims, resulting from the transactions.

531. If due to technical failure or other reasons, it becomes impossible for the Operator of the Regulated Market to provide information to the Central Depository within the time frame, defined in this chapter, the Operator of the Regulated Market shall inform the Central Depository, accordingly, in order defined by the contract concluded between the Central Depository and the Operator of Regulated Market.

ARTICLE 58. Clearing

532. After the end of the trading session, the Central Depository shall execute preliminary checking for comparability and consistency of data needed for the settlement, on the basis of information on transactions, received from the Operator of the Regulated Market.

533. If any mismatch is detected during advance checking, the Central Depository shall immediately make an appropriate examination jointly with the Operator of Regulated Market based on the results of which, the Central Depository shall either make corrections on its own, or return them to the Operator of Regulated Market for correction.

534. After the preliminary verification, the Central Depository performs the Clearing of the claims and obligations arising from the transactions concluded on the Regulated Market during the Trading Session, according to each MSSRM (as nominee) and its clients, each currency and each class or type of securities. The Central Depository decides for itself:

- 1) One net cash claim and/or one net cash obligation (per currency);
- 2) One net securities claim and/or one net securities obligation per security class (type).

535. Net cash obligation indicates which part of the cash deposited by the MSSRM or its client, is an obligation toward the Central Depository (cash short position). Whereas, the net cash

claim indicates the cash amount that the MSSRM and its client shall receive from the Central Depository (cash long position).

536. Net securities obligation indicates class (type) and quantity of securities available in MSSRM's or its client's securities technical account to be transferred to the accounts of those, who purchased them (securities short position). Whereas, net securities claim indicates the quantity of securities that the MSSRM and its client shall receive from the Central Depository (securities long position).

ARTICLE 59. Settlement

537. If any mismatch is detected as a result of comparing cash and securities, the Central Depository must take all necessary measures to detect and eliminate reasons of mismatches before accomplishment of settlement, by involving also the Operator of Regulated Market in that process, if necessary.

538. The Central Depository shall determine net securities claims and/or obligations, arisen from conclusion of transactions for each MSSRM and/or its client.

539. On the basis of data defined in sub-point 1 of point 534 of the Rules, the Central Depository shall determine the amount of cash to be transferred to the MSSRM's private and MSSRM's Cash accounts for customers' transactions during the settlement. The Central Depository shall also check the calculations and eliminate mismatches.

540. Until 15⁴⁰ of given day the Central Depository shall conduct settlement by transferring securities from technical accounts and cash funds to the respective securities and Cash accounts of MSSRMs.

541. MSSRMs shall check whether transfers of their securities and Cash accounts as a result of settlement, matches with transaction registration certificates, received from the Operator of Regulated Market, as well as with information existent in the Software System.

542. If any mismatch is detected, the MSSRM shall notify the Central Depository about that fact until 16³⁰ of that trading day via telephone.

543. If after checks, made by the Central Depository, it appears that the mismatch alerted by the MSSRM was ungrounded, the Central Depository shall inform the respective MSSRM about that fact via telephone and CBANet network.

544. If after checks, made by the Central Depository, it appears that the mismatch alerted by the MSSRM was well-grounded, or it is suspected to be well-grounded, the Central Depository shall carry out appropriate inspections directly with the Operator of the Regulated market to find out possible errors taken place during the settlement.

545. The Central Depository shall have the right to carry out transfers without acceptance of over transferred funds to those appropriate MSSRM accounts, to which were mistakenly

transferred less funds from those MSSRM accounts, to which were mistakenly transferred more funds during the settlement.

546. If the Regulated market operator is unable to provide information necessary for the final settlements to the Central Depository until 15¹⁰ of the same trading day, shall after being notified from the Regulated market operator inform the same to the MSSRM by phone or via CBANet by mentioning the delay reasons.

547. In case the Regulated market operator fails to provide information necessary for the final settlements to the Central Depository until 17³⁰ of the same trading day, the Central Depository shall extend the operational day for the required time period in order to make the settlement.

PART III. ADDITIONAL SERVICES OF UNIFIED SYSTEM OF SECURITIES REGISTRATION AND SETTLEMENT

CHAPTER 6. CLEARING AND SETTLEMENT OF FOREIGN CURRENCY TRANSACTIONS

548. Clearing and final settlement of transactions concluded on the foreign currency trading platform organized by the Central Depository Regulated Market Operator is carried out in accordance with articles 51-59 of these rules.

CHAPTER 7. OPERATIONS CONCERNING PAYMENT OF COUPONS, REDEMPTION OF BONDS, PAYMENT OF DIVIDENDS ON SECURITIES

600. For the purpose of distribution of funds as a result of payment of bond coupons or redemption of bonds, between the Issuer and the Central Depository, through the mediation of the Account Operator (or directly, if the Issuer is a direct participant of the System), a Service Provision Agreement is concluded, on the basis of which the Issuer submits a corresponding Instruction to the serving Account Operator to pay bond coupons or bond redemption amounts. The Instruction states:

- 1) Issuer's name and securities ISIN or SIN.
- 2) Issuer's bank account number, from which the transfer of funds intended for the payment of coupons and/or redemption amounts to the relevant cash account must be made;
- 3) the amount and currency of the amount to be distributed to Account Holders as bond coupons and/or redemption amounts;
- 4) the date on which the Account Holders included in the Register have the right to receive a coupon and/or repayment amount;
- 5) the date when the funds must be transferred to the bank or cash accounts specified by the Account Holders (payment day);
- 6) Other information defined by the rules of the account operator (if any).

601 At least three working days before the date of payment of coupons and/or principal amounts, the Issuer is obliged to ensure the availability of funds in the Cash

Account of the serving Account Operator (and if the Issuer is a direct participant of the System, then personally) in the amount specified in the Instruction.

602 The Account Operator/Direct Participant of the System submits the Instruction to the Central Depository, as a result of which, within 3 working days after the submission of the Instruction, the coupons are paid according to the balances of the Account Holders' Securities accounts to the bank and/or cash accounts specified by them and entered in the System. Moreover, if there is a Securities account of the nominee or Foreign nominee in the list of Securities Accounts mentioned in this point, the Central Depository transfers the funds to that nominee's or Foreign nominee's bank and/or Cash account entered in the System. After receiving the funds, the nominee is obliged to ensure their transfer to the bank and/or Cash account of the final owner.

603 In case of redemption of bonds, the Account Operator/Direct Participant of the System submits the Instructions for the payment of coupons and/or principal amounts to the Central Depository by 9:00 on the redemption day (if the redemption day is a non-working day, then on the working day following the redemption day). Redemption amounts are paid within 3 working days after the submission of the Instruction.

604 In case of payment of dividends, a service contract shall be concluded between the Issuer and the Central Depository through the intermediation of the Account Operator (or directly, if the Issuer is Direct System participant), whereby the Issuer shall submit the respective order to its servicing Account Operator (to the Central Depository, if the Issuer is Direct System participant) for making payments of dividends to the shareholders. That order shall indicate the following:

1. The name of the securities Issuer and ISIN or SIN;
2. The Issuer's banks account, from which the transfer of cash funds, designated for payment of dividends must be accomplished to the appropriate Cash account,
3. Amount and currency subject to distribution to the Account Holders,
4. The date at which the Account Holders included in the registry shall have the right to receive dividends.
5. The date when the funds are to be transferred to the bank or Cash Accounts specified by the Account Holders (payment date).
6. Other information, defined by rules of the Account Operator (if any).

605 The Issuer shall be obliged by 12:00 on the day of payment of the dividends ensure availability of cash funds in the Cash accounts of the Account Operator servicing him/her (and if the issuer is a Direct System participant then personally) in the amount specified in the Instruction.

606 The Account Operator/Direct Participant of the System submits the Instruction to the Central Depository, as a result of which dividend payments are made within 3 working days after

the submission of the Instruction, according to the balances of the Account Holders' Securities accounts, to the bank and/or cash accounts specified by the latter and entered in the System.

607. The Account Operator shall provide the service herein to the Issuer for those Account Holders, whose securities accounts contain bank account and/or Cash account data. Moreover, if the bank and/or cash accounts of the Account holder is opened with a financial institution operating outside RA, the Central Depository has the right to claim the Account holder refund of actual costs of transfer.

607.1 In cases stipulated by the Agreement the Central Depository can inform the entities or authorities stipulated by the Issuer on actually paid or unpaid coupons, principal amount or dividends, within the provided period.

CHAPTER 8. MONITORING OF SECURITIES ACQUISITION AND OTHER RESTRICTIONS DEFINED BY LAW, CHARTER OF ISSUER OR INTERNAL LEGAL ACTS

608. For the purpose of procuring the services of supervising securities acquisition and other preservation of limitations, defined by the Law and the Issuer's charter, the latter shall submit the following documents to the Account Operator:

- 1) an application that contains a note about the desire to use the Service;
- 2) originals or duly certified copies of documents (including articles of association, employee share ownership plan, contract, corporate decision, etc.) containing provisions on the limitation of the right to be certified by the security, preservation of the right of preference. In the event that the Issuer has not established a special procedure for the application of the right of preference, the provisions defined by RA legislation shall be applied by the Account Operator to the control of the application and maintenance of the right of preference according to the Issuer's application;
- 3) Other documents or information, defined by rules of the Account Operator (if any).

609. The Account Operator shall examine the documents within two business days after submission thereof.

610. Within one business day after examination, the service contract shall be concluded between the Issuer and the Central Depository through the intermediation of the Account Operator, by attaching the summary prepared by the Account Operator and certified by the Issuer and the Account Operator. The summary shall contain information on supervisory mechanisms to be implemented by the Central Depository for restriction of a right to given securities, reservation of a preferential right, taking into account the provisions of the Republic of Armenia legislation and the document, mentioned in sub-point 2 of point 608 of the Rules.

611. The next business day after conclusion of the contract is considered as the beginning of provision of the service (unless other time is defined by the contract or summary), whereby appropriate record on restriction is made in the System.

612. Every time the Account Operator receives an application to register an Operation, in respect of which there is a record of the restriction defined by this section in the System, and there are grounds for the refusal of the Operation from the summary sheet, the Account Operator shall refuse the registration of the Operation and submit the reasons for the refusal of the Operation in writing or request additional documents specified in the non-variable sheet, which are necessary to exercise full control over the maintenance of the specified limitation/preemption right.

CHAPTER 9. NOTIFICATION TO ISSUER ABOUT MOVEMENT OF SECURITIES (SECURITIES TRANSFER ORDERS) AND BLOCKAGE FOR TRADING

613. In order to use the service of notification on securities turnover (securities transfer instruction) and blockage for pledge, the Issuer shall submit an application to the Account Operator, by indicating its wish to use the service, defined in this chapter. The application shall include also securities ISIN or SIN, for which the services shall be provided.

614. Within 1 (one) business day after receipt of application by the Account Operator, the service contract, defined in this chapter, shall be concluded between the Issuer and the Central Depository through the intermediation of the Account Operator.

615. The day, following the conclusion of the contract defined in this chapter, shall be considered as the beginning of provision of the service, after which the Account Operator must notify the Issuer about registration in the System of operations, resulting from movement and blockage of Issuer's securities, within one business day after registration of that operation in order, defined in the contract.

CHAPTER 10. DIRECT PROVISION OF INFORMATION BY THE CENTRAL DEPOSITORY

616. The Central Depository shall be entitled to directly provide information, without the mediation of the Account Operator, in the following cases:

- 1) in case of inquiries made by the System Members in paper form, including for the purpose of providing to persons carrying out external audit;
- 2) based on the inquiry of those persons, who have previously been Central Depository customers or want to obtain a reference on non-possession of securities registered under their names in the Central Depository;
- 3) to state bodies and bankruptcy managers, in the scope of inquiries made by the latter within their competency;
- 4) other cases, prescribed by the Law, normative legal acts, as well as the contract concluded by the Central Depository.

617 The Central Depository answers the inquiries defined by the paragraph 616 of the Rules within five business days upon receipt of the request unless otherwise provided by law or other normative legal acts.

PART IV. PROTECTION OF CLIENTS RIGHTS IN UNIFIED SYSTEM OF SECURITIES REGISTRATION AND SETTLEMENT

CHAPTER 11. PROCEDURE FOR SUBMISSION OF COMPLAINTS ABOUT OPERATIONS OF PARTICIPANTS OF UNIFIED SYSTEM OF SECURITIES REGISTRATION AND SETTLEMENT AND EXAMINATION OF THOSE COMPLAINTS

ARTICLE 67. Persons having right to submit complaints about operations of the Central Depository and/or Member of the System

618. Issuers and/or Account Holders have a right to submit complaint about operations of the Central Depository and/or Member of the System, relating to their infringed rights.

ARTICLE 68. Procedure for Submission of Complaints About Operations of Participants of Unified system of securities registration and settlement

619. The Issuer and/or the Account Holder, which believe that the Member of the System has infringed their rights, have a right to submit a complaint to the Central Depository within three months after infringement takes place, or the infringement comes to their knowledge.

620. The complaint shall be submitted in writing, by clearly grounding the facts, mentioned therein and attaching appropriate written evidences.

ARTICLE 69. Examination of Complaints About Central Depository's Operations

621. The complaint, received about the Central Depository's operations, stipulated by these rules, shall be assigned to respective employee of the Central Depository (hereinafter: Responsible Employee) by the head of executive body thereof. The Responsible Employee must examine the claim of the complaint within five business days and submit to the head of the executive body of the Central Depository the proposition to satisfy, partially satisfy or refuse that claim, by giving respective reasoning.

622. If the examination of the claim needs additional materials from the person, who submitted the complaint, the time frame stipulated in point 621 of the Rules shall be extended for two business days.

623. If the person, who submitted the complaint, refuses to provide additional documents or materials proving reasonableness of the complaint, then the Responsible Employee shall prepare the proposition on the basis of documents submitted in advance, by making appropriate note thereon.

624.

625. On the basis of Responsible Employee's request, within one business day, the information and documents, needed for discussion of the complaint, must be submitted to that Responsible Employee by appropriate departments of the Central Depository.

626. On the basis of proposition or response, submitted by the Responsible Employee, the head of the executive body of the Central Depository shall take a final decision, after which the respective letter shall be sent to the person, who submitted the complaint.

627. The person, who submitted the complaint, in any case, has a right to appeal against the Central Depository's operations, as well as against response received to its letter in accordance with the procedures, stipulated by the Republic of Armenia legislation.

ARTICLE 70. Examination of Complaints About Operations of Member of the System by the Central Depository

628. By receiving complaint about operations of Member of the System, the Central Depository must require clarification on that complain from the Member of the System within 2 business days.

629. By receiving the Central Depository's request for submission of clarification, the Member of the System, within 3 business days, must provide grounded response to the complaint, by submitting respective documents (if any).

630. If necessary, the Central Depository shall have a right to organize extraordinary inspection in the Member of the System to verify the fact, mentioned in complain. The verification herein shall be implemented by the task force, indicated in point 62 of these rules, in accordance with provisions, fixed in decree on conducting inspection issued by head of executive body of the Central Depository.

631. In case any violation is detected during the inspection or examination of the complaint, the Central Depository has a right to:

- 1) Personally eliminate the violation;
- 2) Require from the person to eliminate the violation committed by it within the time frame, fixed by the Central Depository;
- 3) Along with sub-points 1 and 2 of this point, apply sanctions, prescribed by these rules, to the person, who committed the violation.

PART V. TRANSITIONAL PROVISIONS

CHAPTER 13. TRANSITIONAL PROVISIONS

632. The Rules shall be approved by the Supervisory Board of the Central Depository and come into force upon registration with the Central Bank of Armenia in accordance with the procedures, defined by the Republic of Armenia legislation.

633. Within three months after the Rules coming into force the Members of the System shall be obliged to align their internal legal acts, regulating provision of intermediated services.

634. Upon the Rules coming into force, contracts for maintenance of register of shareholders between the Central Depository and Issuers shall remain in force, but all Issuers, whose register of shareholders is maintained by the Central Depository, and which would apply to the Central Depository for its services, must re-conclude the Registry maintenance contract with the Central Depository through the Account Operators.

635. The term mentioned in point 206.1 (2) of these Rules is applicable for those entities only, who made investments in the charter capital of the given issuer before August 1, 2019.

636. Those System members who, used the services with securities registered through a foreign custodian, before the entry into force of the regulations on the authorization of the System member using the services of a foreign custodian, may submit documents prescribed by the Rules for obtaining permission of a member of the system to the Central Depository within 1 (one) month after the entry into force of those regulations. In case of failure to submit the documents within the period specified in this point or in the case of refusal by the Central Depository to grant the permission of the System member using the services of the Foreign Custodian, the access of the System members specified in this point is terminated and they are given a 1-month period for transferring their securities accounted for through the Foreign Custodian in accordance with the Rules from the account of the nominee of the depository to other Securities accounts. If the securities are not transferred from the account of the nominee of the Central Depository to other Securities accounts within a period of 1 month, the Central Depository freezes these securities. Moreover, the custody and other fees defined by the "Rules on Tariffs" continue to be calculated and charged for the frozen securities. Frozen securities can be unfrozen exclusively for the purpose of transfer to the securities account opened in the Central Depository of the system member using the services of the Foreign Custodian.

Procedure for assigning individual identification numbers to securities accounts

No.	Type of securities account	Description	Character describing securities account
1	Own securities account	Own securities account shall be opened for registration of securities, belonging to the holder of those securities	0
2	Nominee securities account	Securities account shall be opened in the name of the Republic of Armenia resident custodians for registration of securities, belonging to other holders of those securities	1
3	Foreign nominee securities account	Securities account shall be opened in the name of foreign custodians for registration of securities, belonging to other holders of those securities	2
4	Securities placement account	Securities account, where issued and not yet placed securities are registered	3
5	Issuer securities account	Securities account shall be opened for registration of securities placed by the issuer and	4

		being under possession of the issuer	
6	Common ownership securities account	It is a common ownership securities account, where securities belonging, by proportional ownership principle, to more than one person, are registered	5
7	Joint ownership securities account	It is a common ownership securities account, where securities belonging, by joint ownership principle, to more than one person, are registered	6

1. The Account Operator or the Central Depository shall assign an individual identification number to each securities account.

2. Individual identification number shall be assigned to the securities account by the following principles:

1) The number, assigned to securities account by the Account Operator, shall comprise 13 characters;

- First character shall be 7;
- Next 3 characters shall describe the Account Operator;
- The 5th character shall define the type of securities account, according to definitions mentioned in the table provided above;
- Next 7 characters shall be defined by the automated system in each securities account opened by Account Operator, by turns;
- 13th character is a check digit, which is calculated according to the method, set out in

3. Calculation methodology of the 13th check digit of securities account number

- Step 1: each character of identification number is replaced by respective digits included in the table stated below.

0=0	6=6	C=12	I=18	O=24	U=30
1=1	7=7	D=13	J=19	P=25	V=31

2=2	8=8	E=14	K=20	Q=26	W=32
3=3	9=9	F=15	L=21	R=27	X=33
4=4	A=10	G=16	M=22	S=28	Y=34
5=5	B=11	H=17	N=23	T=29	Z=35

In derived series the digits, indicating the decimal numeral and unary numeral of two-digit number, shall be considered as separate members of the row.

Step 2: Each figure is multiplied by respective factor. For figures of odd positions in the row, the factor is 2, for figures of even positions the factor is 1. Calculation of positions of characters is made in the row from the left to right.

Step 3: all figures of the row, received from the previous step, are summed up.

The figures, indicating decimal numerals and unary numerals of two-digit number of the row, are considered as separate members of the row.

Step 4: If the figure, found through summing up, is multiple of 10, the check digit shall be "0". Otherwise, the check digit shall be calculated, by deducting the figure found in 3th stage from the figure, which should be the smallest figure of those, being bigger than the figure, found in 3th stage, and multiple to ten.

Information on the Member of the System
(to be Completed by the Member of the System)

Full and short names in Armenian, as stated in founding documents (also in Russian, English, if any)						
Number, date (day/month/year) of registration and country of registration						
Postal address (location)						
Telephone, fax number						
Authorised electronic mailing address in CBANet network or other eligible electronic mailing address						
Website address						
Remote terminal's Real IP address in CBANet network and internet						
First name, middle name and last name, position, of the contact person*						
Trading code, assigned to the Member of the System by the Operator of the Regulated Market*						

Contact person is the employee of the System participant, who can be contacted by the Central Depository for technical and/or administrative issues.

Date of completion ,_____, _____ 20___. Seal

Name, patronymic, surname of head of executive body of the Member of the System **Signature**

System software module installation deed

The concepts used in this deed have the meanings, defined in rules of the “Central Depository of Armenia” OJSC “On Operation of Unified system of securities registration and settlement”.

By this deed, “Central Depository of Armenia” OJSC and

(hereinafter: Member of the System) confirm that on _____ (day/month/year) the software module of the System was installed in computer at the following address of Member of the System_____.

The Parties hereby confirm that the software module complies with the requirements, set by rules of the Central Depository “On Operation of Unified system of securities registration and settlement”.

Central Depository

The Member of the System

3. The member of the system has informed its client about the existing investor protection mechanisms.

yes

no

If there are violations, please provide legal grounds and nature thereof-----

4. The services of the System member are available to customers at all branches of the System member

yes

no

If there are violations, please provide legal grounds and nature thereof-----

5. Complaints were submitted by customers regarding the service of the System member.

yes

no

If there are complaints, please provide legal grounds and nature thereof-----

6. The member of the system maintains separate accounting for each client, as well as for his and his clients' funds;

Yes

No

If there are violations, please provide legal grounds and nature thereof-----

7. Insolvency of the member of the system defined by the first clause of Article 2 of the RA Law "On Bankruptcy of Banks, Credit Organizations, Investment Companies and Insurance Companies"

Yes

no

If there are any, then indicate the grounds, the measures taken to eliminate them-----

8. The member of the system carries out proper archiving of electronic and paper documents in accordance with the requirements of RA legislation.

Yes

No

If there are violations, please provide legal grounds and nature thereof-----

9. The internal legal acts of the member of the system define the detailed description, procedure and terms of the services provided by him.

Yes

No

If there are violations, please provide legal grounds and nature thereof-----

10. As a result of the previous inspection by the internal audit, the description of the measures taken to eliminate the violation mentioned in this report (in case of violations) and the existence of the fact of the elimination of the violation or its reduction;

“ _____ ”

(Company name of Member of the System)

Head of internal audit division (Name, Patronymic, Surname)

Date (day/month/year)

L.S.

List of registered shareholders (nominees) of “_____” _____C’s (Company name of Issuer)

as of _____.

(day/month/year)

Securities ISIN or SIN

Quantity of issued securities

Quantity of underwritten securities

Nominal value of securities (including currency)

Total nominal value of underwritten securities

Allocation price

Allocation base

No.	Full name of the securities holder (nominee) or company name (if legal entity)	Type of securities holder, co-holder or nominee	Number in Central Depository (if any)	Type of document certifying identity or state registration (if legal entity)	Data of Passport, document, certifying state registration	of securities holder (if legal entity), or equivalent	Date of birth	Address	Bank account number (if any)	Quantity or securities	securities, rights of which are limited	Nature and grounds for limitation of securities rights	terminating limitation of securities rights	Personal information about pledger (if any), according to previous columns

/ _____ / Head of executive body
of Issuer (full name)

Seal

/ _____ /
Signature

Procedure for implementation of operations with Government bonds by Treasury Direct of Ministry of Finance of RA

1. Only own accounts of individual clients can be opened in the System By the TD .
2. In the accounts maintained by the TD subject to custody shall be only the Government bonds of RA.
3. The TC shall carry out operations on transfer, placement, repurchase and redemption of securities with the cilents' accounts.
4. Saving coupon bonds are subject to transfer only in cases defined by the legislation of RA and other normative legal acts.
5. The Ministry of Finance of RA for the purpose of placement of Government bonds shall submit to the Central Depository the request of granting ISIN to the bond subject to placement.
6. The Central Depository based on the request of granting ISIN shall input into the System the information concerning the bond.
7. Before placement of the Government bonds the TD shall input into the System the information about the terms of placement and repurchase of the placed bonds, as well as other necessary information about the placement and repurchase of bonds.
8. Individuals wishing to purchase a bond through the TD will have to conclude a service contract on operations with Government bonds with TD for the purchase of bonds on the basis of which the TD opens a securities account for them.
9. After the submission of a corresponding request and executing of payment for the purchase of Government bonds by the Account Holder the TD shall input into the System an instruction of delivery with consent (FoP) indicating the account number of the client as receiving party.
10. On the day of settlement of the instruction of delivery with consent based on the confirmation of transfer of Government bonds received from the Central Bank in the System execution of inputted FoP instructions shall be fulfilled in the result of which the Government bonds purchased by the clients shall be transferred from the placed securities account of Ministry of Finance opened in the System to own accounts of Account Holders maintained by the TD.

11. For bonds repurchase the Account Holder shall present to the TD a bond repurchase request after which the TD shall input into the System an instruction of delivery with consent (FoP) indicating the account number of the Issuer of Ministry of Finance as receiving party.

12. On the day of settlement of the repurchase based on the confirmation of transfer of Government bonds received from the Central Bank in the System execution of inputted FoP instructions shall be fulfilled in the result of which the Government bonds subject to repurchase shall be transferred from own accounts of Account Holders maintained by the TD to the securities account of the Issuer of Ministry of Finance opened in the System.

13. The Central Bank of RA shall deposit the amount paid for repurchase of Government bonds as well as the amount of coupons connected with saving coupon bonds into the Trading account based on the instruction of the Ministry of Finance of RA and simultaneously shall inform about it the Central Depository via message.

14. The Central Depository based on the data inputted into the System by the TD shall during the same working day compose and present to the Central Bank of RA the instructions of respective cash funds transfer to the Bank accounts of the Account Holders about the belonging of the amounts designed for repurchasing of Government bonds.