

APPROVED  
by the extraordinary meeting of shareholders  
of “ARMBROK” ojsc on 4 November 2022

Aram Kayfajyan, Chairman of the Meeting and  
Chief Executive Officer of “ARMBROK” ojsc

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“ARMBROK” open joint stock company

# Rules for Foreign Currency Buying and Selling Transactions

(updated)

Rules of “Armbrok” open joint stock company (hereinafter: “the Company”) for foreign currency buying and selling transactions have been developed based on the legislation governing the securities market of the Republic of Armenia, legal acts of the Central Bank of Armenia, and the Company's charter and govern the procedure for carrying out dealer and broker transactions in foreign currency.

## **Rule 1. Definitions**

**“Law”**: Law of the Republic of Armenia “On Securities Market”.

**“Currency”**: funds as defined by point 3, Article 3 of the Law of the Republic of Armenia “On Currency Regulations and Currency Control”.

**“Client”**: person using the Company’s services.

**“Broker transaction”**: transaction in Currency executed on behalf of the Company or the Client, on the Client’s account.

**“Dealer transaction”**: transaction in Currency executed on behalf of the Company on the Company’s account.

**“Order”**: an instruction issued by the Client to execute a transaction in Currency.

**“Servicing bank”**: the bank where the Company has its accounts in Drams and Currency.

**“Stock exchange”**: “NASDAQ OMX Armenia” open joint stock company.

**“Internal transaction”**: a Currency purchase or sale transaction with the Company and the Client being the parties.

**“External transaction”**: a Currency purchase or sale transaction with one of the parties being the Company or the Client, and the other, a third party.

## **Rule 2. Procedure for Submission of Orders by Clients**

- a) Any transaction in Currency for the Client and on the Client’s account may only be carried out based on the Client’s order delivered to the Company prior to the execution of the transaction.
- b) The Client shall submit Orders in the format approved by the head of the executive body of the Company or in any other format preferred by the Client, which, however, shall contain all the information required in the Order format approved by the head of the executive body of the Company.

- c) The Order submitted by the Client to the Company shall indicate whether an Internal or an External transaction is to be executed.
- d) The Client shall submit, amend, or withdraw his Orders pursuant to the procedure specified in the Company's Regulation on Document Circulation and Information Exchange for Provision of Investment and Non-Core Services.

### **Rule 3. Procedure for Execution of Transactions**

- a) When executing Broker transactions in Currency the Company shall:
  - 1. Make sure that Orders for the transaction have been properly registered and submitted for execution.
  - 2. Other conditions being equal, execute Orders in the sequence, in which they were received, except if this is impossible due to the parameters of the Order or the market situation.
  - 3. Immediately advise the Client on any material difficulties or adverse circumstances that make it impossible to duly comply with the terms and conditions of the Client's Order.
- b) Orders placed by the Client shall be executed by the end of the business day following the order submission date. Should it be impossible for the Company to comply with the order due to no adequate exchange rate available, the order shall be deemed to have been cancelled.
- c) Proceeds received as a result of the Currency buy Order may, at the Client's discretion, remain on the Client's account with the Company or be repaid to the Client. A relevant instruction must be contained in the Client's Order.
- d) If the Client chose to withdraw the Currency purchased as a result of the execution of the Order, then the funds shall be returned to the Client by the end of the business day following the execution of the Order.
- e) The Client's Orders may only be executed within the balance of funds available on his account with the Company.

#### **Internal transactions**

- f) Internal transactions based on the Client's Order shall be effected by making relevant records to the Client's account with the Company (by registering the transaction).
- g) For the purpose of executing Internal transactions the Company shall establish buy and sell exchange rates—at least for those Currencies, in which at least one of the Clients holds his funds with the Company. All Internal transactions shall be executed using exclusively the said exchange rate.

- h) If the Client orders an Internal transaction, and the Company lacks funds to execute the Order, then it may be executed through an External transaction.
- i) All Internal transactions are free of charge to the Client.

#### **External transactions**

- j) While executing an External transaction, in order to ensure better result, the Company may combine a Client's Order or a transaction carried out on the Company's account with another Client's Order and execute them collectively, provided that:
  - 1. For none of the Clients this method provides a worse result, than if the Orders were executed separately,
  - 2. It is generally in the best interests of the Client.
- k) If a Client's Order is combined with a transaction carried out on the Company's account, then, in the event the combined Order is executed in part, priority will be given to the Client.
- l) Orders submitted by the Clients shall have priority execution over the Company's Dealer transactions.
- m) External transactions may be executed by the Company either on the Stock exchange or through Servicing banks. When choosing the transaction execution venue for a Client's Order, the Company shall be governed by the Order execution policy.
- n) Transactions on the Stock exchange shall be done and executed pursuant to the legislation in force, legal acts based thereon, and the rules of the Stock exchange.
- o) Transactions via Servicing banks shall done by issuing them with a currency conversion order. The format, submission, and execution procedure thereof shall be defined by the legislation in force in the Republic of Armenia and the bank's internal regulations.
- p) Should it be impossible for the Company to execute the Client's order, or a part thereof, on the Stock exchange, then the remaining portion of the Order shall be executed through Servicing banks.
- q) The Client shall be charged a fee for External transactions—as and at the rate defined by Rule 8 of the Company's Rules for Broker/Dealer Operations.

### **Rule 4. Registration of Transactions**

- a) The Company shall register all buy/sell transactions executed based on the Client's Orders.
- b) Records on the transaction executed shall be made no later than by the end of the business day, on which the Company executed the Order.
- c) Records kept pursuant to point a) of this rule shall include the following:
  - 1. Client's name (full name) and/or identification code,
  - 2. transaction date (dd/mm/yy),
  - 3. Currencies traded (ISO code),
  - 4. exchange rate,
  - 5. transaction value (in the currencies bought and sold).

## **Rule 5. Order Execution Policy**

- a) The Company's Order execution policy is approved by its Chief Executive Officer.
- b) The Company's Order execution policy shall comprise information on various transaction execution venues (methods), as well as on the factors that are considered during the venue selection process.
- c) The Company shall inform the Clients about its Order execution policy and obtain their preliminary consent to the provisions thereof being applied to them.
- d) The Company shall review its order execution policy if any essential changes have occurred that prevent the Company from executing Client's Orders on the best possible conditions through the transaction execution venues defined in the policy.

## **Rule 6. Submission of Reports to Clients**

- a) If the Client's Order was executed, the Company shall immediately, but in any case no later than by the end of the business day following the transaction date, provide the Client with a report on Order execution.
- b) The report on Order execution shall contain at least the following details:
  - 1. Name of the Company,
  - 2. Full name/name (in case of legal entities) of the Client or client identification code,
  - 3. Transaction date (yy/mm/dd),
  - 4. Order type (market, limit, etc.),
  - 5. Transaction type (internal or external),
  - 6. ISO code of the currency bought by the Client,

7. ISO code of the currency sold by the Client,
  8. Amount of the currency bought by the Client,
  9. Amount of the currency sold by the Client,
  10. Transaction exchange rate,
  11. Total commission or other fees charged. If requested by a non-professional client, breakdown for each fee charged must be provided,
  12. Details, terms, and deadlines for the payment of fee by the Client, unless he was notified accordingly beforehand (bank account number, etc.),
  13. Report submission date.
- c) The report defined by point a) of this rule shall be presented in the format approved by the head of the Company's executive body.
  - d) If the Client's Order is executed in tranches, the Company shall submit to the Client reports for each tranche.
  - e) The report submitted to the Client pursuant to these rules shall bear the signature of the head of the executive body of the Company or a person authorized by the latter, as well as the Company seal, except if it is sent electronically through a reliable communication channel. In the latter case the report may be submitted without a signature or seal.
  - f) Reports defined in this rule shall be delivered to the Client by hand, or, if delivery through this method is impossible, by sending it to the Client via a reliable communication channel.
  - g) The Client shall notify the Company of any objections to the report submitted under this Rule within five (5) business days upon receipt thereof, otherwise the report and the underlying transaction shall be deemed accepted by the Client.

## **Rule 7. Final Provisions**

- a) Orders submitted by Clients pursuant to these Rules may be compiled in Armenian or—at the Client's preference—in other languages (English, Russian).
- b) Unless otherwise stipulated by the Company's Charter, these rules and any amendments and addenda hereto shall be approved by the general meeting of shareholders of the Company and shall come into effect upon approval.