

	<b>QUALITY MANAGEMENT SYSTEM</b>	<b>ACBA 75 PR 54#4</b>		
	<b>"ACBA BANK" OJSC PROCEDURE OF BROKERAGE SERVICE IN SECURITIES MARKET</b>	<i>Approval date 30/09/20</i>	<i>Edition 5</i>	<i>Page 1 of 12</i>

## PURPOSE

The purpose of "ACBA BANK" OJSC procedure of brokerage service in securities market (hereinafter referred to as "the Procedure") is to define the main procedure and terms of provision of brokerage services in securities market by "ACBA BANK" OJSC (hereinafter referred to as "the Bank").

## APPLICATION SCOPE

This Procedure is applied by territorial and structural subdivisions of the Bank.

## RELATED DOCUMENTS

RA Law "On Securities Market"	
RA Central Bank decision N113-N on the approval of Regulation 4/07 "Requirements on investment services providers' activities", dated 08.04.2008	
CBA Board Decree N 69-N, dated March 11, 2008, on approval of the Regulation 4/06 "Qualification Criteria for Qualified Investors and Procedure for Registering Persons as Qualified Investors"	
"ACBA BANK" OJSC procedure on custody services mediation of securities registered with the "Central Depository of Armenia" OJSC's unified system of securities registry and settlement	ACBA 75 PR 40
"ACBA BANK" OJSC procedure on custody of public bonds	ACBA 75 PR 29
"ACBA BANK" OJSC order on combating against money laundering and financing of terrorism and keeping the international sanctions	ACBA 72 ORD 37
"ACBA BANK" OJSC procedure on opening, keeping, control and termination of current (settlement) accounts	ACBA 72 PR 01
Information about the Bank	eFO 75-12-33
Description of possible risks concerning investments in securities	eFO 75-12-34
Policy of limitation of conflict of interests of the Bank and the Customer	eFO 75-12-35
Questionnaire on investment experience and knowledge	eFO 75-12-36
Minutes on customer classification as professional	eFO 75-12-46
Consent on classification as a professional customer	eFO 75-12-37
List of persons authorized by the legal entity under the provision of brokerage services	eFO 75-12-38
Password Paper	eFO 75-12-47
Application on depositing of funds and trade freezing of securities	eFO 75-12-39
Securities purchase/sale order N___ (in case of secondary market)	eFO 75-12-40
Securities purchase/sale order N___ (in case of primary market)	eFO 75-12-41
Notification on order rejection	eFO 75-12-42
Application on order suspension	eFO 75-12-43
Securities purchase/sale ticket	eFO 75-12-44
Transaction report	eFO 75-12-45
Agency agreement on foreign currency purchase and sale	eFO 72-00-677
Agreement on provision of brokerage services	eFO 72-00-678

## DEFINITIONS AND CONCEPTS

The concepts, used in this Procedure, have the following meanings:

	<b>QUALITY MANAGEMENT SYSTEM</b>	<b>ACBA 75 PR 54#4</b>		
	<b>"ACBA BANK" OJSC PROCEDURE OF BROKERAGE SERVICE IN SECURITIES MARKET</b>	Approval date 30/09/20	Edition 5	Page 1 of 12

**Customer** – an individual or a legal entity, which has applied to the Bank and signed the Agreement on provision of brokerage services, or which has applied to the Bank to use brokerage services;

**Responsible employee of Dealing Division** – an employee of the Bank, who has a relevant qualification and is authorized to perform brokerage activity;

**CBA** – Central Bank of Armenia;

**The Law** – RA Law “On Securities Market”;

**Regulation 4/07** - RA Central Bank decision N113-N on the approval of Regulation 4/07 “Requirements on investment services providers’ activities”, dated 08.04.2008;

**Regulation 4/06** - CBA Board Decree N 69-N, dated March 11, 2008, on approval of the Regulation 4/06 "Qualification Criteria for Qualified Investors and Procedure for Registering Persons as Qualified Investors";

**Security** – property right, defined as a security by the RA legislation;

**Brokerage service** – acceptance and transmission of orders on execution of transactions with securities from the Customers, as well as execution of transactions with securities on behalf of the Bank or of the Customer and to the account of the Customer;

**Bank account** – a customer account, opened with the Bank in AMD and/or foreign currency, which is envisaged for the execution of mutual calculations between the Customer and the Bank, which are envisaged by this Procedure and by the agreement and result from the brokerage transactions;

**Securities account/Depo account** – information basis for registration of rights on securities/RA state monetary bonds and ownership towards them and other property rights;

**Regulated market** – a system of organizational, legal and technical means, directly or indirectly accessible to the public, is called a regulated market, which regularly organizes a meeting location or means for offers on purchase/sale of securities, provides, ensures or implements the functions, usually performed for the organization of securities trade. The regulated market includes the stock exchange and other regulated markets;

**Non-regulated market** – a market that is not considered as regulated;

**Instruction** – a document, provided to the Bank by the Customer, or a message, presented to the Broker on the phone, which is the ground for the Bank to execute transactions with the securities and/or funds of the Customer;

**Order** – integrity of information, specified in the Order, which includes the conditions of price, volume and term, required for the execution of the transaction;

**Market order** – an Order, which envisages execution of the transaction with the best price, available in the market at the given moment;

**Limit order** – an Order, which envisages execution of the transaction with the term of purchase/sale of securities at not higher/not lower price, than the one, specified in the Order;

**Stop order** – an Order, which envisages execution of the transaction, in case the price of the given Securities reaches the price, mentioned in the Order, in the regulated market;

**Stop-limit order** – an Order, which simultaneously includes Limit Order on purchase/sale at one price and Stop Order on purchase/sale at another price; this order is accepted only in case of execution of transactions in the regulated market;

**Is valid until the end of trade session** – a term condition of the Order, according to which, the order is subject to execution until the end of the given trade session;

**Is valid until suspension** – a term condition of the Order, according to which, the Order, given by the Customer, is valid until the notification of its suspension by the Customer;

**Valid until the date of \_\_\_\_\_** – a term condition of the Order, according to which, the Order, given by the Customer, is subject to execution until the date, specified in it;

**Order acceptance electronic log** – an electronic log, maintained by the Bank, in which the Bank registers the significant terms of the Orders, sent by the Customers and accepted for execution by the Bank;

**Transaction registration electronic log** – an electronic registry, maintained by the Bank, in which the Bank registers the significant terms of the transaction, executed on the basis of the Customer’s Order;

**Trade session** – a period of the trading day, during which trade of securities is performed via an electronic trade system, by the procedure, established by the rules of the given Regulated Market;

**Account operator** – an organization, providing financial services, which transfers the orders and other information (documents), received from the account owner or other authorized persons, to “Central

	<b>QUALITY MANAGEMENT SYSTEM</b>	<b>ACBA 75 PR 54#4</b>		
	<b>"ACBA BANK" OJSC PROCEDURE OF BROKERAGE SERVICE IN SECURITIES MARKET</b>	<i>Approval date 30/09/20</i>	<i>Edition 5</i>	<i>Page 1 of 12</i>

Depository of Armenia” OJSC, under the agreement, signed with it, and under the scope of the authorizations, specified by the rules of “Central Depository of Armenia” OJSC;

**Customer’s funds** – AMD, foreign currency and securities, belonging to the Customer, by which the Bank provides Brokerage Services based on the Orders, submitted by the Customer, as well as AMD, foreign currency and securities, resulting from the provision of those services;

**Service information** – any information on the accounts of the Customer, which became available to the Bank as a result of customer service, information on the transactions of the Customer, executed upon the instruction of the Customer, or for the benefit of the latter, as well as service or trade secret of the Customer, information about any project or processing, invention, industrial or useful model, and any other information that the Customer intended to keep confidential, and the Bank was aware or should be aware of such an intention.

The concepts, used in this Procedure, but not defined, have the meaning, specified in the Law and other legal acts, adopted on its basis.

## AMENDMENTS AND SUPPLEMENTS

The amendments and supplements, made to the Procedure, are underlined.

## CHAPTER 1. GENERAL PROVISIONS

1.1. The Bank provides Brokerage Services in the RA securities market, as well as in foreign securities markets, permitted by the RA legislation and the CBA normative legal acts, where the provision of the services is technically possible for the Bank. The information on these markets is available on the official website of the Bank – [www.acba.am](http://www.acba.am).

1.2. The Bank provides Brokerage Services through execution of transactions in the Regulated and Non-regulated markets.

## CHAPTER 2. INFORMATION ABOUT THE BANK

2.1. Bank’s full name: “ACBA BANK” open joint stock company, Bank’s short name: ACBA BANK.

2.2. Address: 82-84 Arami str., Yerevan 0002, RA.

2.3. State registration: 29.03.1996, state registration certificate: N 0170.

2.4. License: Banking activity license N70.

2.5. Email: [acba@acba.am](mailto:acba@acba.am), website: [www.acba.am](http://www.acba.am), telephone: +(374)10 31 88 83.

2.6. The Customer can contact the Bank, receive documents and other information in Armenian, as well as English and Russian, based on the needs of the Customer.

2.7. The provision of investment services by the Bank is licensed and controlled by the CBA, which is located at 6 V. Sargsyan str., Yerevan, telephone: +(374)10 58 38 41, website: [www.cba.am](http://www.cba.am), email: [mcbacba.am](mailto:mcba@cba.am).

## CHAPTER 3. INFORMATION, PROVIDED TO THE CUSTOMER, PRIOR TO PROVISION OF BROKERAGE SERVICES

3.1. Before signing an agreement with the Customer, the responsible employee of the Dealing Division provides the following information/documents to the Customer:

- 1) Information about the Bank [eFO 75-12-33](#) (including, contact information, by which the Customer may get in touch with the Bank),
- 2) Main information on the terms of Brokerage Services, provided by the Bank,
- 3) Description of possible risks concerning investments in securities [eFO 75-12-34](#),
- 4) Information on expenses and commissions, occurring during the provision of Brokerage Service,
- 5) Policy of limitation of conflict of interests of the Bank and the Customer [eFO 75-12-35](#).

## CHAPTER 4. RECEIPT AND CLASSIFICATION OF CUSTOMER INFORMATION

4.1. Before signing the agreement on provision of Brokerage Services, the responsible employee of the Dealing Division receives the information from the Customer about his/her experience and knowledge in Brokerage Services or securities, being the transaction subject, to find out if the given service or the

	<b>QUALITY MANAGEMENT SYSTEM</b>	<b>ACBA 75 PR 54#4</b>		
	<b>"ACBA BANK" OJSC PROCEDURE OF BROKERAGE SERVICE IN SECURITIES MARKET</b>	<i>Approval date 30/09/20</i>	<i>Edition 5</i>	<i>Page 1 of 12</i>

Security meet the requirements of the latter. This information is provided to the responsible employee of the Dealing Division through the Questionnaire on investment experience and knowledge [eFO 75-12-36](#).

4.2. If the Customer provides insufficient information or refuses to provide information, the responsible employee of the Dealing Division warns the Customer, that the behavior of the latter does not allow to evaluate if the Brokerage Service or the securities correspond to the needs of the Customer.

4.3. If the responsible employee of the Dealing Division finds that the Brokerage Service or certain Security do not meet the needs of the Customer, the mentioned employee verbally notifies the Customer about that.

4.4. Based on the information, received from the Customer, the responsible employee of the Dealing Division classifies the Customer as Professional or Non-professional. In case of a professional customer, on the basis of the information, received from Questionnaire on investment experience and knowledge [eFO 75-12-36](#), the responsible employee of the dealing Division prepares Minutes on customer classification as professional [eFO 75-12-46](#), signed by the latter, which includes the customer's assessment results with the proper reasoning for classification as a professional customer. Consent on classification as a professional customer [eFO 75-12-37](#), must be signed by the Customer (in case of a legal entity or a private entrepreneur, upon availability of a stamp, the document must be also sealed). In all other cases, the Customer is considered as Non-professional.

4.5. The requirements for classification as professional customer are specified by the Regulation 4/07.

4.6. Prior to signing the Agreement on provision of brokerage services [eFO 72-00-678](#) with a professional customer, the responsible employee of the Dealing Division in writing informs the Customer that certain requirements set out in Regulation 4/07 will not apply in the relationship between the Bank and the customer, by describing the essence of those requirements.

4.7. By the initiative of the Customer, considered as professional, or upon availability of the Customer's consent, also by the initiative of the Bank, it is permitted to treat the Professional Customer as non-professional and apply the legislative requirements, directed to the protection of non-professional Customers.

4.8. When concluding the Agreement on provision of brokerage services [eFO 72-00-678](#) with a Professional Customer, the responsible employee of the Dealing Division shall make a written inquiry on permission to consider the Customer as a Qualified Investor. If Customer's consent is available, the latter signs the application for registration as a qualified investor, defined by Appendix 1 of Regulation 4/06, provided by the responsible employee of the Dealing Division.

4.9. The application on registration as a qualified investor, signed by a Professional Customer, is submitted by the responsible employee of the Dealing Division to the CBA via the CBANet within 1 working day after the application is signed. In case of not being connected to the CBANet, the application is submitted to the Central Bank via the internet via the reporting acceptance system. In case of failure of these systems, the application is filed with magnetic or electronic media, with an attached note on failure.

4.10. The professional customer, who has signed the application on registration as a qualified investor, for the removal of the registration from the Information Base for registered qualified investors, as defined in Regulation 4/06, shall sign and submit to the Bank the application on removal of the registration from the Information Base for qualified investors, specified by Appendix 2 of Regulation 4/06. The Bank submits the signed application electronically to the Central Bank of Armenia in accordance with the procedure, described in Clause 4.9 of this Procedure.

## **CHAPTER 5. OPENING OF BANK AND SECURITIES ACCOUNTS, SIGNING OF BROKERAGE AGREEMENT AND REGISTRATION OF CUSTOMER'S FUNDS**

5.1. After receiving the information, specified under Chapter 4 of this Procedure, the responsible employee offers the Customer to open Bank and Securities/Depo accounts with the Bank. The Securities account is opened with the Bank according to "ACBA BANK" OJSC procedure on custody services mediation of securities registered with the "Central Depository of Armenia" OJSC's unified system of securities registry and settlement, Depo account – according to "ACBA BANK" OJSC procedure on custody of public bonds [ACBA 75 PR 29](#), and Bank account – according to "ACBA BANK" OJSC procedure on opening, keeping, control and termination of current (settlement) accounts [ACBA 72 PR 01](#).

5.2. After opening the Bank and Securities/Depo accounts in the name of the Customer, if required, the Agreement on provision of brokerage services [eFO 72-00-678](#) is signed between the Bank and the Customer.



	<b>QUALITY MANAGEMENT SYSTEM</b>	<b>ACBA 75 PR 54#4</b>		
	<b>"ACBA BANK" OJSC PROCEDURE OF BROKERAGE SERVICE IN SECURITIES MARKET</b>	<i>Approval date 30/09/20</i>	<i>Edition 5</i>	<i>Page 1 of 12</i>

5.3. After receiving the data about the Customer from the latter, the responsible employee of the Dealing Division prepares Agreement on provision of brokerage services [eFO 72-00-678](#) in two copies, which are signed (also sealed in case of availability of a seal) by the Customer, then signed and sealed by the Deputy CEO CFO of the Bank, and in case of the absence of the latter – by the CEO or his/her any deputy.

5.4. After signing the Agreement on provision of brokerage services [eFO 72-00-678](#), the responsible employee of the Dealing Division opens a separate folder in the name of the Customer, where all the documents, related to the provision of Brokerage Services to the given Customer, are kept.

5.5. From the moment of validity of the agreement on provision of brokerage services, the Customer receives the right to submit the Orders, specified by this Procedure, to the Bank.

5.6. Signing an agreement on provision of brokerage services with the Bank, a legal entity customer presents the List of persons authorized by the legal entity under the provision of brokerage services [eFO 75-12-38](#), as well as the samples of their signatures and the copies of their passports to the responsible employee of the Dealing Division.

5.7. The funds of the Customer, envisaged for provision of Brokerage Services by the Bank, as well as the funds, received as a result of such services, are registered by the Bank to a separate Bank account, opened for each Customer.

5.8. The securities of the Customer, envisaged for provision of Brokerage Services by the Bank, as well as the securities, received as a result of such services, are registered by the Bank to separate Securities/Depo accounts, opened for the Customer.

5.9. If the Customer wishes to submit Instructions over the phone, the Dealing Officer provides the Customer with the Bank-generated Password Paper [eFO 75-12-47](#), which must be signed by both the Customer and the Deputy Chief Financial Officer of the Bank, and in his/her absence – by the Chief Executive Officer or his/her any deputy.

## **CHAPTER 6. MAINTENANCE AND PROTECTION OF CUSTOMER'S FUNDS**

6.1. The Bank performs such maintenance of the Customer's Bank and Securities/Depo accounts, which allows separating the Customer's funds from the funds of other Customers and of the Bank at any moment.

6.2. In general, to ensure a better result, the Bank may combine the Customer's Order or the transaction of the Bank with an Order of another Customer and execute the transaction in that way, if:

- 1) It does not ensure a worse result for any Customer, compared to the result, if the Order were executed separately;
- 2) in general, it is in the interests of the Customer.

6.3. If the Bank combines the Customer's Order with other transactions of the Bank, in case of partial satisfaction of that combined Order, the preference is given to the Customer, if otherwise specified by the agreement.

## **CHAPTER 7. PROCEDURE ON EXECUTION OF DEPOSITING OF FUNDS, AND TRADE FREEZING OF SECURITIES, SUBMITTED BY THE CUSTOMER TO THE BANK**

7.1. In order to execute transactions with securities in the Regulated Market, depositing and/or trade freezing of securities is required, for which, prior to the submission of an order on purchase/sale of securities by the Customer, the latter shall submit a properly completed Application on depositing of funds and trade freezing of securities [eFO 75-12-39](#), to responsible employee of the Dealing Division in a paper or electronic form.

7.2. In case of depositing of funds, the responsible employee of the Dealing Division sends the application on depositing of funds and trade freezing of securities, received from the Customer, from the email [Brokerage@acba.am](mailto:Brokerage@acba.am) to the authorized email of the Head of Interbank and Interbranch Accounting Division, and the latter immediately initiates the execution of relevant accounting records and depositing of funds.

7.3. The trade freezing of securities is performed with the following principle:

7.3.1. In case of trade freezing of the RA state bonds, the responsible employee of the Dealing Division sends the application on depositing of funds and trade freezing of securities, received from the Customer, from the authorized email [Brokerage@acba.am](mailto:Brokerage@acba.am) to the authorized email of the Team of

	<b>QUALITY MANAGEMENT SYSTEM</b>	<b>ACBA 75 PR 54#4</b>		
	<b>"ACBA BANK" OJSC PROCEDURE OF BROKERAGE SERVICE IN SECURITIES MARKET</b>	<i>Approval date 30/09/20</i>	<i>Edition 5</i>	<i>Page 1 of 12</i>

Dealing Back Office [dealing.backoffice@acba.am](mailto:dealing.backoffice@acba.am), and the latter, receiving it, immediately prepares free delivery order of securities (HT522) to transfer the state bonds from the account of the Customer to the Regulated Market and submits it to Interbank and Interbranch Accounting Division; the latter, receiving the free delivery order of securities, initiates immediate steps to freeze it in the Regulated Market.

7.3.2. In case of trade freezing of securities, registered in the unified system of registration of "Central Depository of Armenia" OJSC, the responsible employee of the Dealing Division sends the Application on depositing of funds and trade freezing of securities [eFO 75-12-39](#), received from the Customer, from the authorized email [Brokerage@acba.am](mailto:Brokerage@acba.am) to the authorized email of Dealing Back Office Team [dealing.backoffice@acba.am](mailto:dealing.backoffice@acba.am), based on which, the latter initiates immediate steps to freeze the corresponding securities with Depend system in the stock exchange.

7.4. The Customer may submit the Application on depositing of funds and trade freezing of securities [eFO 75-12-39](#), on any working day (except for holidays and commemoration days, stated by the RA legislation) during the working hours of the Bank, and the Bank performs the depositing and trade freezing during the operational hours of the given Regulated Market.

## **CHAPTER 8. PROCEDURE OF SUBMISSION OF ORDERS ON PURCHASE/SALE OF SECURITIES BY THE CUSTOMER TO THE BANK**

8.1. The Order, completed, as specified by this Procedure, and submitted by the Customer to the responsible employee of the Dealing Division in printed form or via email or on the phone, is the basis for execution of transactions with the Customer's securities and/or funds.

8.2. To execute transactions in the secondary market of securities, the Customer shall submit the Securities purchase/sale order N\_\_\_ [eFO 75-12-40](#), specified by this Procedure, to the Bank, and in case of primary market – Securities purchase/sale order N\_\_\_ [eFO 75-12-41](#).

8.3. The Customer may submit an Order to the Bank on any working day (except for the holidays or commemoration days, stated by the RA legislation) during the working hours of the Bank, and the Bank executes transactions during the trade session, specified by the given Regulated Market.

8.4. If the Order is submitted by the Customer in paper, the responsible employee of the Dealing Division checks the authorizations of the person, submitting the Order. In case of non-conformity of the authorizations of the person, submitting the Order, the Order shall be returned to the given person.

8.5. The Order is submitted to the Bank by the Customer in paper form in two copies; one copy of the Order remains with the Bank, and the other copy shall be returned to the Customer, signed by the responsible employee of the Dealing Division, with a note "Accepted at \_\_\_ o'clock".

8.6. If the Order is submitted by the Customer in electronic form, the responsible employee of the Dealing Division sends an electronic message on the acceptance or the rejection of the Order to the Customer.

8.7. The Customer may only send the Order in electronic form to the authorized address of the Bank, mentioned in the Agreement on provision of brokerage services [eFO 72-00-678](#), from the own authorized address.

8.8. The responsible employee of the Dealing Division is obligated to inform the Customer that in case of accepting the Orders in electronic form, the Bank bears no responsibility for the losses, occurring as a result of not reaching of the Orders to the Bank due to technical or other reasons, not depending on the Bank.

8.9. In case of accepting Instructions by phone, in order to identify the Customer, the responsible employee of the Dealing Division may ask the Customer questions about the terms of the brokerage service agreement (number, conclusion date, etc.) with the Customer, as well as about one or more passwords from the Password Paper [eFO 75-12-47](#), provided by the Bank.

8.10. After identifying the Customer, the responsible employee of the Dealing Division accepts the Instruction, repeats all the essential terms of the transaction, after which the Customer confirms them. The Instruction is considered accepted with the terms, pronounced by the responsible employee of the Dealing Division and approved by the Customer.

8.11. The Bank has the right to reject the execution of the Customer's Order in the following cases:

8.11.1. in case of a suspicion of the non-conformity of the identification document of the Customer, or in case of reasonable suspicion in Customer identification or if the Customer has no authorization to submit such an Order;

	<b>QUALITY MANAGEMENT SYSTEM</b>	<b>ACBA 75 PR 54#4</b>		
	<b>"ACBA BANK" OJSC PROCEDURE OF BROKERAGE SERVICE IN SECURITIES MARKET</b>	<i>Approval date 30/09/20</i>	<i>Edition 5</i>	<i>Page 1 of 12</i>

8.11.2. If the Order was sent to the Bank in electronic form, from an address, differing from the authorized electronic address of the Customer;

8.11.3. the Order is filled in and submitted in an improper way (for example, incomplete or with strikethroughs), as is specified by this Procedure;

8.11.4. in case of insufficient funds in the Bank and Securities/Depo accounts of the Customer;

8.11.5. in case of non-conformities between the terms, specified in the Order and those of the RA legislation and this Procedure;

8.11.6. if the execution of the Order is technically impossible.

8.12. In case of rejection of the Order, the responsible employee of the Dealing Division immediately informs the Customer with Notification on order rejection [eFO 75-12-42](#), via the available communication means.

8.13. The Order, previously submitted by the Customer, may be suspended according to the Notification on order rejection [eFO 75-12-42](#), submitted by the Customer, which is submitted to the Bank via communication means, preferred by the Customer. The Application on order suspension [eFO 75-12-43](#), submitted by the Customer, is accepted by the Bank for execution, if the Bank has not yet executed a transaction with the given Order, has executed partially or has not yet come to a corresponding agreement with the third parties on the given transaction. In case of a partially executed transaction, the Bank accepts the Customer's Order on suspension, only in the size of non-executed part of the Order.

8.14. If the type of the Instruction, submitted by the Customer, is not specified, it is considered a Market Order, and in case the validity period is not specified, it is valid until the end of the forthcoming trading session of the given security.

## CHAPTER 9. EXECUTION OF TRANSACTION IN THE REGULATED MARKET

9.1. Accepting the Customer's Order and following the instructions, specified in the Order, the responsible employee of the Dealing Division initiates immediate steps to execute the transaction in the corresponding market.

9.2. In the regulated market, the transactions are signed during the trade, held in the given stock exchange market, through making an offer on purchase/sale of securities; the transactions are executed in the Regulated Market according to the rules of the given market.

9.3. After execution of a transaction in the Regulated Market, but not later than 16:00 of the current day, the responsible employee of the Dealing Division prepares Securities purchase/sale ticket [eFO 75-12-44](#), and sends it to the authorized email of the Dealing Back Office Team [dealing.backoffice@acba.am](mailto:dealing.backoffice@acba.am) from the authorized email address [Brokerage@acba.am](mailto:Brokerage@acba.am). Based on Securities purchase/sale ticket, the employee of the Dealing Back Office Team prepares reports to be submitted to the CBA, as well as performs registration of securities in the software Securities of the Bank.

9.4. For the execution of the Customer's Order, the Bank has the right to transfer the Order for the execution by another person, providing investment services, as well as use electronic trade systems, offered by other organizations in the international and local markets.

## CHAPTER 10. EXECUTION OF TRANSACTION IN NON-REGULATED MARKET

10.1. To execute transactions in a non-regulated market, the Customer submits an Order to the responsible employee of the Dealing Division electronically or in paper form, specifying Non-regulated market in the corresponding field.

10.2. Receiving the Order, the responsible employee of the Dealing Division initiates immediate steps to check the availability of funds or securities on the corresponding account of the Customer.

10.3. In case of absence of funds or corresponding securities, the responsible employee of the Bank immediately informs the Customer with a notification on rejection via the available communication means.

10.4. In case of availability of funds, the responsible employee of the Dealing Division initiates steps to execute the Customer's Order, for which the mentioned employee makes requests to other Customers of the Bank and/or other participants of the securities market on appropriate offers.

10.5. In case of finding an appropriate offer, the responsible employee of the Dealing Division acquires an arrangement on execution of a transaction, based on which the Securities purchase/sale ticket [eFO 75-12-44](#) is developed, and sends it to the authorized email of the team of the Dealing Back Office [dealing.backoffice@acba.am](mailto:dealing.backoffice@acba.am) from the email [Brokerage@acba.am](mailto:Brokerage@acba.am).

	<b>QUALITY MANAGEMENT SYSTEM</b>	<b>ACBA 75 PR 54#4</b>		
	<b>"ACBA BANK" OJSC PROCEDURE OF BROKERAGE SERVICE IN SECURITIES MARKET</b>	<i>Approval date 30/09/20</i>	<i>Edition 5</i>	<i>Page 1 of 12</i>

10.6. Securities purchase/sale ticket [eFO 75-12-44](#) is the basis for the employee of the Dealing Back Office Team to prepare Agency agreement on foreign currency purchase and sale [eFO 72-00-677](#). On behalf of the Bank, the Agency Agreement is signed by the Deputy CEO CFO, and in case of the absence of the latter – by the Chief Executive Officer or one of his/her deputies, and on behalf of the other party, the agreement is signed by the person, having the relevant authorization.

10.7. The employee of the Dealing Back Office Team submits the Bank's copy of the signed and sealed Agency Agreement to the Interbank and Interbranch Accounting Division in order to perform corresponding transfers and accounting records.

10.8. In case of sale transaction with the securities, registered in the unified system of securities, the transfers are performed by the employee of the Dealing Back Office Team via Depend system.

## **CHAPTER 11. REGISTRATION OF ACCEPTED ORDERS AND EXECUTED TRANSACTIONS BY THE BANK**

11.1. Accepting the Order from the Customer, but not later than the end of the given day, the responsible employee of the Bank fills in the significant terms of the given Order in the electronic registry in the following sequence:

11.1.1. Name/surname, company name of the Customer,

11.1.2. Current number of the Order,

11.1.3. Type of transaction, specified in the Order (purchase/sale),

11.1.4. Order type,

11.1.5. Securities authentic code,

11.1.6. Securities quantity,

11.1.7. Unit price of Security,

11.1.8. Total volume of transaction,

11.1.9. Other party of transaction,

11.1.10. Exact time of submission of the Order in the following sequence:  
year/month/day/hour/minute,

11.1.11. Specific instructions about the Order,

11.1.12. Name of the interested person, registering the Order,

11.1.13. Current number of the Application on order suspension (if available),

11.1.14. Exact time of receipt of the Application on order suspension in the following sequence:  
year/month/day/hour/minute (if available),

11.1.15. Volume of Order suspension (if available).

11.2. After the execution of the Order, the responsible employee of the Dealing Division enters the significant terms of the transaction in the electronic log of registration of transactions, not later than the end of the day of execution of transaction, in the following sequence:

11.2.1. Name, surname and company name of the Customer,

11.2.2. Current number of the Order,

11.2.3. Exact time of execution of transaction in the following sequence:  
year/month/day/hour/minute,

11.2.4. Transaction type (purchase/sale),

11.2.5. Securities code,

11.2.6. Issuer's name,

11.2.7. Securities quantity,

11.2.8. Unit price of Securities,

11.2.9. Total volume of transaction,

11.2.10. Other party of transaction,

11.2.11. Place of execution of transaction,

11.2.12. Size of commission fee,

11.2.13. Name of the interested employee, executing the transaction.

## **CHAPTER 12. PREPARATION AND SUBMISSION OF REPORTS**

12.1. The responsible employee of the Dealing Division provides a Transaction report [eFO 75-12-45](#) to the Customer (by each transaction) in electronic or paper form (upon Customer's request) and a



	<b>QUALITY MANAGEMENT SYSTEM</b>	<b>ACBA 75 PR 54#4</b>		
	<b>"ACBA BANK" OJSC PROCEDURE OF BROKERAGE SERVICE IN SECURITIES MARKET</b>	<i>Approval date 30/09/20</i>	<i>Edition 5</i>	<i>Page 1 of 12</i>

monthly report on the starting balance, flows and closing balance of the Bank and Securities/Depo accounts of the Customer.

12.2. If the Bank accepts the Order of the Customer, the responsible employee of the Dealing Division prepares Transaction report [eFO 75-12-45](#) not later than the end of the given working day, regardless of the fact of execution of the transaction. The Transaction report is signed by the Deputy CEO CFO, and in case of the absence of the latter – the Chief Executive Officer or any of his/her deputies.

12.3. The responsible employee of the Dealing Division sends the signed and sealed transaction report from the authorized email [Brokerage@acba.am](mailto:Brokerage@acba.am) to the email of the Head of Interbank and Interbranch Accounting Division and to the authorized email of the team of the Dealing Back Office [dealing.backoffice@acba.am](mailto:dealing.backoffice@acba.am), and the latter, receiving the report, make the corresponding accounting records not later than by the end of the given day.

12.4. If the transactions 20 mln AMD and more, the responsible employee of the Dealing Division submits the report to the Compliance Department, according to "ACBA BANK" OJSC order on combating against money laundering and financing of terrorism and keeping the international sanctions [ACBA 72 ORD 37](#), not later than the end of the day of execution of transaction.

12.5. The responsible employee of the Dealing Division submits the transaction report to the Customer not later than the end of the following day, following the execution or non-execution of the transaction.

12.6. The Bank provides monthly statement on the bank account to the Customer according to "ACBA BANK" OJSC procedure on opening, keeping, control and termination of current (settlement) accounts [ACBA 72 PR 01](#), and statements on Securities/Depo accounts according to "ACBA BANK" OJSC procedure on custody services mediation of securities registered with the "Central Depository of Armenia" OJSC's unified system of securities registry and settlement [ACBA 75 PR 40](#) and "ACBA BANK" OJSC procedure on custody of public bonds [ACBA 75 PR 29](#).

### **CHAPTER 13. BANK REMUNERATION**

13.1. For the provision of the services, specified by this procedure, the Bank charges commission from the Customer.

13.2. The Customer reimburses the non-projected operational expenses the Bank may have during the execution of the Order, which may occur from the enrollment of the third parties, in case of transactions with the application of other trading systems. Such expenses are not included in the tariff of Brokerage Services, specified by the Bank. Prior to the execution of such non-standard transactions, the Bank shall inform the Customer of such expenses.

13.3. The tariffs, specified by the Bank, the reimbursement of expenses and any other liabilities to the Bank, which relate to the provision of the Brokerage Services, are charged from Bank accounts of the Customer, serviced by the Bank, without acceptance. After execution of the Order, not later than the end of the given working day, the Bank charges the specified commission fee in AMD from the Bank account of the Customer, and in case of insufficient funds on that account – from the Bank accounts in other currencies by the exchange rate, valid in the Bank at the given moment.

13.4. If according to the RA legislation, the Bank shall act as the tax agent of the Customer, then the bank charges and transfers the tax liabilities to be paid by the Customer, regarding the receipt of income, resulting from the provision of the given service.

13.5. The tariffs of the Brokerage Services are published on the website of the Bank.

13.6. The Bank may unilaterally change the specified tariffs, notifying the Customer of the changes at least one month in advance; the Customer is considered notified upon publication of the relevant changes on the website of the Bank.

### **CHAPTER 14. TRANSITIONAL PROVISIONS**

14.1. In case of amendments and/or supplements, made to the valid legislation, the Bank shall be guided by these amendments and/or supplements until the adjustment of this Procedure to the requirements of the new legislation.

14.2. This Procedure goes into effect from 16 October 2020.

14.3. From the validity date of this Procedure, "ACBA-CREDIT AGRICOLE BANK" CJSC procedure of brokerage service in securities market, approved by the Bank's Board on 27 February 2020, shall be repealed.

### FLOWCHART

Related documents	Step	ACTION	PROCESS PARTICIPANTS						
			C	D CEO CFO	DD	EDBOT	IIAD	O	
	1	Customer's will	X						X
<a href="#">eFO 75-12-33</a> <a href="#">eFO 75-12-34</a> <a href="#">eFO 75-12-35</a>	2	Notification on terms	X		X				X
	3	<div style="display: flex; justify-content: center; align-items: center;"> <div style="border: 1px solid black; padding: 5px; margin-right: 10px;">Customer's decision</div> <div style="margin-right: 10px;">NO</div> <div style="border: 1px solid black; border-radius: 50%; padding: 2px 5px;">End</div> </div>	X						
<a href="#">eFO 75-12-36</a> <a href="#">eFO 75-12-37</a>	4	Receipt and classification of information about the customer	X		X				
	5	Opening of accounts	X			X			X
<a href="#">eFO 72-00-678</a>	6	Signing of an agreement	X		X				
<a href="#">eFO 75-12-39</a>	7	Depositing of funds and trade freezing of securities			X	X	X		
<a href="#">eFO 75-12-40</a> <a href="#">eFO 75-12-41</a>	8	Submission of orders by the customer	X		X				X
	9	Execution or non-execution of order			X				
<a href="#">eFO 75-12-45</a>	10	Preparation and provision of a transaction report		X	X				
	11	Performance of accounting records				X	X		
	12	End							

**Abbreviations:**

**D CEO CFO** – Deputy CEO CFO, **DD** – Dealing Division, **EDBOT** - Employee of Dealing Back Office Team, **IIAD** – Interbank and Interbranch Accounting Division, **O** – Operator/customer service specialist, **C** – Customer

