

Cube Invest CJSC	RULES OF OPERATION FOR A MEMBER OF THE UNIFIED SYSTEM OF SECURITIES REGISTRATION AND SETTLEMENT	Edition No. 1	Effective from 01.09.2022	For Internal Use
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Approved by Cube Invest CJSC Meeting Chairman Armen Ter-Hakobyan
[signature]
01.09.2022

<u>Edition No. 1</u>	Approved by the General Meeting of the Company on 01.09.2022
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Cube Invest  
Closed Joint-Stock Company

RULES OF OPERATION FOR A MEMBER OF  
THE UNIFIED SYSTEM OF SECURITIES  
REGISTRATION AND SETTLEMENT

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## Rule 1. Purpose and Interpretation of the Rules

1.1. The "Rules of Operation for a Member of the Unified System of Securities Registration and Settlement" (hereinafter referred to as the "Rules") of CUBE INVEST CJSC (hereinafter referred to as the "Company") are developed based on the Law of the Republic of Armenia "On Securities Market," normative legal acts adopted by the Central Bank of Armenia (hereinafter referred to as the "CBA"), rules of the Central Depository of Armenia OJSC (hereinafter referred to as the "Depository"), and the Articles of Association of the Company.

1.2. The Rules shall be interpreted from the perspective of the fullest implementation of the objectives of regulating the Company's activities and ensuring the rights and legitimate interests of the Clients.

1.3. The Rules establish the procedures for the Company's activities as a member of the Depository's Unified System of Securities Registration and Settlement.

## Rule 2. Key Terms Used in the Rules

2.1. The terms used in the Rules have the meanings defined by the Law, the normative legal acts adopted by the CBA and other regulatory legal acts based thereon, and the rules of the Depository, including:

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

**Registry Maintenance Agreement:** An agreement on the maintenance of the securities registry concluded between the issuer and the Depository through the intermediation of the Company.

**Custody Agreement:** A custody or sub-custody agreement concluded between the account holder and the Depository through the intermediation of the Company.

**Custody Account:** An account opened within the framework of services provided by the Company in accordance with its "Procedure for Providing Custody Services."

**Internal Monitoring Body:** As defined by the Company's "Anti-Money Laundering and Counter-Terrorism Financing Regulations."

**Client:** A person who has concluded a Registry Maintenance Agreement or a Custody Agreement with the Company or has applied to the Company to conclude such an agreement.

2.2. The terms that are not interpreted by the Rules have the meanings defined by the Law and the rules of the Depository.

## Rule 3. Scope of Operation

3.1. The Rules regulate the process of providing services that the Company provides as an Account Operator and a member of the Regulated Market Settlement System.

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3.2. As an account operator, the Company intermediates the following services provided by the Depository:

1. Maintenance of the register of holders of registered securities,
2. Custody of securities,
3. Transactions related to the payment of bond coupons, redemption, and payment of dividends on shares,
4. Monitoring compliance with the restrictions on the acquisition of securities placed by the Issuer, as defined by law and the Issuer's Articles of Association, upon the Issuer's order, and
5. Notifying the Issuer about transactions carried out with securities placed by the Issuer, which includes providing information on the transfer of those securities, as well as restrictions on rights to those securities on the basis of pledge or other grounds.

3.3. As a member of the regulated market settlement system, the Company intermediates the services provided by the Depository to the extent that it enables the execution of orders received from the Company or its clients for the purpose of concluding transactions with securities in the regulated market.

3.4. The Rules do not apply to the provision of custody services by the Company, within the framework of which the Company acts as a nominee holder. The provision of these services is regulated by the Company's "Procedure for Providing Custody Services."

3.5. Unless otherwise provided by these Rules, the Company provides the services specified in Clauses 3.1-3.3 of the Rules in accordance with the procedures established by the rules of the Depository.

#### **Rule 4. Registry Maintenance Agreement**

4.1. The Company intermediates the securities registry maintenance service on the basis of the Registry Maintenance Agreement concluded between the issuer and the Depository.

4.2. In order to conclude a Registry Maintenance Agreement, issuers shall submit to the Company at least the documents established by the rules of the Depository, including:

1. An application for concluding a Registry Maintenance Agreement,
2. The document confirming the state registration of the Issuer (Articles of Association or other founding document) and the taxpayer identification number (TIN),
3. The document confirming the identity of the head of the executive body of the Issuer, in the case of an individual,
4. Documents confirming the powers of other authorized persons of the Issuer,
5. Identity document,
6. The document confirming the registration and the Articles of Association or other founding document, in the case of a legal entity,
7. The Issuer's telephone number, fax number (if available), e-mail address, banking details, and

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8. Any other document that the Company deems necessary to request.

4.3. The Company shall, within one business day after receiving the documents specified in Clause 4.2, compile a complete package of documents necessary for concluding the Registry Maintenance Agreement, by consolidating the documents and information provided by the issuer and available to the Company.

#### **Rule 5. Refusal to Perform Transactions in the Registry**

5.1. The Company has the right to refuse to conclude a registry maintenance agreement with the issuer, open a securities account, or perform any other transaction in the registry in the following cases:

1. The Company has not received payment for its service or guarantees for receiving such payment,
2. The package of documents submitted for the execution of transactions is incomplete,
3. There are deficiencies, obvious errors, or inconsistencies in the documents submitted for the execution of transactions,
4. The documents submitted for the execution of the transaction have been signed by an unauthorized person,
5. There are contradictions with the law in the documents submitted for the execution of transactions, or
6. In other cases, established by these Rules.

5.2. The Company has the right to refuse to perform transactions in the registry regardless of whether the amendment to the Client's Articles of Association related to that transaction has received state registration.

5.3. In the case of refusal to perform the corresponding transaction in the registry, the Company shall notify the person who applied for the execution of the transaction within one business day from the moment of refusal.

#### **Rule 6. Execution of Transactions Related to the Placement of Securities**

6.1. For the purpose of executing transactions related to the placement of securities, the issuer shall submit to the Company at least the documents established by the rules of the Depository, including:

1. The Issuer's application for the execution of transactions related to the placement of securities,
2. Any other document that the Company will require from the Issuer.

6.2. If the person who acquired the securities does not have a securities account during the placement, the Company may require the documents necessary to open a securities account for the registration of the transaction.

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6.3. The persons specified in Clause 6.2 of the Rules shall have the right to dispose of their acquired securities if they submit to the Company the documents necessary to open an account in the Depository's system and transfer their securities to that account, on the basis of which a securities account is opened for them and the securities are transferred to that account.

### **Rule 7. Opening a Securities Account**

7.1. A securities account is opened by concluding a Securities Custody Agreement between the Company and the Client.

7.2. The Company may open a securities account for the Account Holder in the following ways:

1. By reopening a securities account opened by the Central Depository and having the status of a temporary account, in accordance with the procedure established by the rules of the Central Depository,
2. By opening a new securities account.

7.3. The opening of a securities account for a legal entity is carried out on the basis of at least the documents established by the rules of the Depository, including:

1. The Articles of Association or other founding document of the Account Holder,
2. A document confirming the registration of the authorized legal entity of the Account Holder, Articles of Association, or other founding document,
3. Any other document that the Company deems necessary to request.

7.4. The opening of a securities account for an individual is carried out on the basis of at least the documents established by the rules of the Depository, as well as the following documents:

1. A document confirming the registration of the authorized legal entity of the Account Holder, the Articles of Association, or other founding document,
2. Any other document that the Company deems necessary to request.

7.5. The opening of a securities account for any state or community is carried out on the basis of at least the documents established by the rules of the Depository, including:

1. An account opening instruction, which should include the following information:

- ✓ Name (respective state or community),
- ✓ Name of the authorized body acting on behalf of the state or community,
- ✓ Location, postal address, means of communication (in particular, telephone, fax, e-mail, etc.) of the authorized body acting on behalf of the state or community,
- ✓ Bank account number and bank details of the servicing bank, and
- ✓ The following information about the authorized individual (including the person who has the right by law to act on behalf of the given body without a power of attorney) of the authorized body acting on behalf of the state or community:

- First name, last name,

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- Date of birth in numbers (day/month/year),
- Name of the citizenship country,
- Type, number, series, dates of issuance and expiration of the identity document,
- Public service (or social card) number or, in the absence of a public service number, the number of the certificate confirming the absence thereof,
- Place of residence (permanent and current),
- Means of communication (in particular, telephone, fax, e-mail, etc.), and
- Scope and term of powers.

2. A document confirming the fact of appointment of the authorized body acting on behalf of the state or community,

3. Documents confirming the powers of the authorized representatives (including the person who has the right by law to act on behalf of the given body without a power of attorney) of the authorized body acting on behalf of the state or community (decision on appointment or election to the given position, power of attorney),

4. An identity document of the authorized representatives of the authorized body acting on behalf of the state or community, in the case of an individual; a document confirming the registration, in the case of a legal entity; Articles of Association or other founding document, in the case of a legal entity.

7.6. If the applicant for opening a securities account is a state or community, the account opening instruction shall include the following information:

1. The following information about the authorized legal entity of the authorized body acting on behalf of the state or community:

- ✓ Name (in Armenian, and if available, also in English and Russian),
- ✓ Location, postal address, means of communication (in particular, telephone, fax, e-mail, etc.),
- ✓ TIN,
- ✓ Country of state registration, state registration number, and date,
- ✓ Number and date of issuance of the investment services provision license, and
- ✓ Scope and term of powers, first name, last name, passport series, number, position, and public service (or social card) number or, in the absence of a public service number, the number of the certificate confirming the absence thereof, of the persons authorized to act on behalf of the given legal entity.

7.7. An individual authorized to act on behalf of the Account Holder's authorized legal entity shall be considered by the Company as the Account Holder's authorized individual, and the requirements established for authorized individuals shall apply to them.

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7.8. If the Account Holder has more than one authorized individual (including the person who has the right to act on behalf of the legal entity without a power of attorney), the availability of an identity document of one of them shall be sufficient for opening an account.

7.9. The Company shall, within one business day after receiving the documents specified in Clauses 7.3-7.5 and 7.8, compile a complete package of documents necessary for opening a securities account, by consolidating the documents and information provided by the client and available to the Company.

### **Rule 8. Procedure for Identification of the Account Holder**

8.1. In all cases of account opening and account information change, when it is not possible to unambiguously ascertain that the Client and the account holder registered in the system are the same person as a result of comparing the data provided by the Client with the data available in the system, the need for identification of the Account Holder arises.

8.2. If the Client is the owner of any security issued by any issuer available in the system, the identification may also be carried out on the basis of a certificate issued by the issuer in the cases established by the rules of the Depository.

8.3. If the need for identification has arisen as a result of a discrepancy in the data of the identity document, the identification may also be carried out on the basis of a certificate issued by the body providing the identity document in the cases established by the rules of the Depository.

8.4. If the need for identification has arisen as a result of a discrepancy in the person's first name or last name, the identification may also be carried out on the basis of a certificate issued by the body providing the identity document or a document certifying the relevant change in cases established by the rules of the Depository.

8.5. In the case of legal entity account holders, the identification may also be carried out on the basis of a certificate issued by the body carrying out state registration of legal entities in cases established by the rules of the Depository.

### **Rule 9. Execution of Transactions Related to the Transfer and Pledge of Securities**

9.1. For the execution of transactions related to the transfer of securities, the Company may require, in addition to the documents established by the rules of the Depository, the document serving as the basis for the transfer of securities and any other document that the Company deems necessary to request.

9.2. The instructions for the transfer of securities, in addition to the information established by the rules of the Depository, shall also include the grounds for the transfer of securities (purchase and sale, donation, inheritance, or other) and the details of such a document.

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9.3. The instruction for the transfer of securities shall be signed by the transferor of the securities, except for the case of transfer of securities as a result of out-of-court implementation of the pledge of securities, when the transfer instruction may be signed by the pledgee.

9.4. The transfer of securities as a result of inheritance is carried out on the basis of the heir's application.

9.5. The Company has the right to refuse the execution of the instruction for the transfer of securities if the securities account does not contain the necessary quantity of securities specified in the transfer instruction and in other cases established by Regulation 5/10.

9.6. When executing transactions related to the pledge of securities, in the case when the Company's client is the pledgor of securities, the latter, in order to pledge securities, shall submit the following documents to the Company:

- ✓ An instruction for the pledge of securities, which shall include the information established by the rules of the Depository,
- ✓ The document serving as the grounds for the pledge of securities, and
- ✓ Any other document that the Company deems necessary to request.

9.7. In the case when the Company's client is only the pledgee of securities who has an active securities account, the latter, in order to accept the pledge of securities, shall submit to the Company at least the documents established by the rules of the Depository, including:

1. An instruction for the acceptance of the pledge of securities,
2. The document serving as the grounds for the pledge of securities, and
3. Any other document that the Company deems necessary to request.

9.8. In the case when the Company's client is only the pledgee of securities who does not have an active securities account, the latter shall submit to the Company at least the documents established by the rules of the Depository, including:

1. The documents and information established by these Rules for opening a securities account,
2. The documents required by Clause 9(b) of these Rules for accepting the pledge.

9.9. The instruction for the acceptance of the pledge of securities shall contain:

1. The name and ISIN or SIN of the issuer of the securities subject to the pledge,
2. The securities account numbers of the pledgor and pledgee parties,
3. The number of securities subject to the pledge, and
4. The date of termination of the pledge (if available).

9.10. The Company has the right to refuse the execution of the pledge of securities if the Pledgor's securities account does not contain the necessary quantity of securities specified in the pledge instruction, as well as in the cases established by these Rules.



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## **Rule 10. Execution of Transactions Related to Corporate Actions**

10.1. In case of registration of transactions related to the change of the nominal value of securities, consolidation of securities, division of securities, the issuer, and if necessary, the account holders shall submit to the Company at least the documents established by the rules of the Depository, including:

1. The Issuer's application for the execution of transactions related to the corporate action,
2. Other documents necessary for the execution of transactions related to the corporate action (procedure for conversion of securities, documents confirming the results of acquisition or redemption, or other), and
3. Any other document that the Company deems necessary to request.

10.2. The instruction for the corporate action, in addition to the information established by the Depository, shall at least include:

1. The class of securities being converted,
2. The quantity of securities to be received as a result of the conversion,
3. The name of the issuer, and
4. The class.

10.3. In addition to the information established for the registration of transactions related to the conversion of one type of securities into another type of securities by the decision of the Issuer, the Issuer shall also submit to the Company a copy of the Issuer's decision on the issue (placement) of securities ensuring the conversion, if the specified conversion is accompanied by the placement of securities ensuring the conversion and if that decision has not yet been submitted to the Company.

10.4. In addition to the specified information, in order to register corporate actions related to the reorganization of the Issuer through merger, the Issuer who is the legal successor of the Issuer that ceased to exist as a result of the merger shall submit to the Company a copy of the certificate issued by the state registration body regarding the company that ceased to exist as a result of the reorganization.

10.5. In addition to the specified information, in order to register corporate actions related to the reorganization of the Issuer through separation in the System, the reorganizing Issuer shall submit to the Company copies of the documents confirming the state registration of the newly established companies as a result of the reorganization.

## **Rule 11. Receipt of Documents by the Company**

11.1. The documents required for the execution of transactions provided for by these Rules may be transferred to the Company in the manner established by the rules of the Depository.

11.2. Upon receipt of an instruction, inquiry, or other documents established by the Rules, the Company shall:

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1. Establish the identity of the person submitting the documents on the basis of an identity document (in the case of a document submitted in person),
2. Verify the powers of the person submitting the documents, and
3. Compare the signature of the Client or his/her authorized representative with the specimen signature available at the Company (in the case of a document submitted in paper form).

11.3. The powers of an authorized representative are confirmed by any one of the following documents:

1. In the case of an authorized representative of an individual:

- ✓ A power of attorney issued in the name of the authorized representative,
- ✓ Entries in the passport about the parents (adopters), birth certificate and passport of the parents (adopters), a document on the appointment of a guardian or trustee for minors,
- ✓ A document on the appointment of a guardian for a person recognized as incapable by the court,
- ✓ A document on the appointment of a trustee for a person recognized as having limited capacity by the court, or
- ✓ Another document established by the legislation of the Republic of Armenia,

2. In the case of an authorized representative of a legal entity:

- ✓ A document confirming the appointment to the position of officials with the corresponding powers established by the founding document of the legal entity, which in the case of a legal entity registered in the Republic of Armenia shall be issued by the body registering such officials,
- ✓ A power of attorney issued by the competent management body of the legal entity.

11.4. A power of attorney issued for the execution of transactions established by the rules of the Depository and executed through the Company shall be notarized, except for the following cases:

1. The power of attorney was issued in the presence of an authorized employee of the Company,
2. The Company has received a written or oral confirmation from the principal that the power of attorney was issued by him/her,
3. The power of attorney issued by a legal entity is certified by the seal of that legal entity, the signature of the authorizing person placed therein coincides with the specimen signature of that person available at the Company, and the Company has no doubt about the validity of that power of attorney.

11.5. In the case when the process of registration of persons appointed to the positions of officials with the corresponding powers established by the founding document of a legal entity takes more than 5 business days and the Company has been provided with the proper justification that this process has been initiated, the powers of those officials may be confirmed

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by the decision of the competent management body of the legal entity on the appointment of those officials to the corresponding positions until the aforementioned registration.

11.6. In all cases when copies of the required documents are submitted to the Company, they shall be certified by the signature of the submitting person or the Client, and shall also contain the year, month, and date of certification.

### **Rule 12. Payment for Services**

12.1. The prices and payment terms for the services provided in accordance with the Rules are established by the executive body of the Company, and by the decision of such body, promotions for providing services at discounted prices or free of charge may be applied for marketing purposes.

12.2. The Company has the right to suspend the provision of services provided for by these Rules to issuers who have concluded a registry maintenance agreement through the intermediation thereof and are serviced thereby if the latter has an overdue obligation to pay for those services for more than two months.

12.3. The Company has the right to suspend the provision of services provided for by these Rules to account holders who have concluded a securities custody agreement through the intermediation thereof and are serviced thereby if the latter has an overdue obligation to pay for those services for more than two months.

12.4. The Company has the right to resume the provision of services suspended in the cases established by this Rule to the issuer and the account holder in the cases and within the procedure established by the rules on the tariffs of the Depository.

### **Rule 13. Final Provisions**

13.1. The instructions established by the Rules may be submitted by the Clients both in an arbitrary format and in the model, forms approved by the executive body of the Company.

13.2. The Rules shall enter into force in the manner and within the terms established by the rules of the Depository.

13.3. Amendments and additions to the Rules shall be approved by the general meeting of shareholders of the Company (unless otherwise provided by the Articles of Association of the Company) and shall enter into force in the manner and within the terms established by the rules of the Depository unless a longer term is established by the decision approving them.

13.4. The Company shall inform its Clients about the changes made to these Rules at least five business days before they enter into force by posting them on its official website.