Approved by Armen Ter-Hakobyan, chairman of the extraordinary general meeting of shareholders of "Cube Invest" CJSC

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# PROCEDURE FOR PROVIDING CUSTODIAL SERVICES

(1st edition)

Yerevan 2022

## Basic concepts used in the procedure

1.1 The main concepts used in the procedure are:

- **Custodian:** "Cube Invest" closed joint stock company.

- **Client:** A person who signed a custody agreement with "Cube Invest" CJSC, or a representative authorized by the latter in accordance with the law.

- **Custody agreement:** An agreement on the basis of which the rights and obligations of the Client and the Custodian arise in connection with the provision of custody services by the Custodian to the Client within the scope of custody activities.

- **Securities account:** A type of securities account opened with a custodian where the securities owned by the Client are registered and accounted for.

- **Partner organization:** A person with whose involvement and/or through the use of intermediary services the Custodian provides services to the Client.

- **Responsible employee:** An employee of "Cube Invest" CJSC, who provides custodial services.

- **Tariffs:** rates for the provision of custodial services established by "Cube Invest" CJSC, which are of public nature.

- **Business day:** Working hours announced by "Cube Invest" CJSC on all working days in the Republic of Armenia.

## General Provisions

2.1 The order and conditions for providing custody services by "Cube Invest" closed joint stock company are regulated by this procedure.

2.2 This procedure is developed in accordance with the requirements of the Civil Code of the Republic of Armenia, the Law of the Republic of Armenia "On the Securities Market" and other legal acts regulating custody activities.

2.3 This procedure defines the list of operations performed with securities accounts, the order and conditions of their execution, as well as the Custodian's rules of actions within the scope of custody activities.

2.4 Any interested person can get acquainted with this procedure.

2.5 This procedure is an integral part of the agreement between the Client and the Custodian.

2.6 The signing of the Custody Agreement takes place simultaneously with the signing of the contracts for the provision of Securities Package Management Services and the provision of Brokerage Services. The Custodian provides custody services to the Client in accordance with the requirements of the legislation of the Republic of Armenia, the custody agreement, and this order.

2.7 The Custodian provides custody services for non-documentary securities with the right of free circulation in the territory of the Republic of Armenia (except for corporate securities) and abroad.

2.8 Custodian's address: 64 Aram Str., area 164, 0002, Yerevan, Republic of Armenia. Email: info@cubeinvest.am. Tel.: +374 11 800 810:

2.9 Signing a custody agreement does not oblige the Client to immediately hand over securities for custody.

2.10 The entries made by the Custodian regarding the securities deposited in the client's securities account certify the Client's ownership right to the securities unless otherwise determined by the decisions of the judicial bodies of the Republic of Armenia.

## General Provisions for Custodial Activities

3.1 The right to securities transferred to custody is not certified by entries made to the account of the nominee of foreign securities.

3.2 At any given time, the Custodian shall make one entry adverting the ownership of the security.

3.3 The custodian is obliged to make entries in the securities account only in the presence of documents that are considered to be the basis for making such entries.

3.4 Securities custody services include, in particular:

- Opening and maintaining securities accounts, recording the terms and essential conditions of transactions with these accounts,

- Services related to the registration of the client's property rights to securities,

- Acting as the nominee of securities with other custodians as a means and guarantee for the implementation of custodial services,

- Transfer of information and documents from the issuer or other custodians by law, as well as by the Client to the issuer or other custodians for the purpose of exercising the rights arising from the securities,

- Other services related to accounting for ownership and further property rights to securities or arising from them, fixing, transferring, terminating these rights, and registering other transactions. The Custodian and the Client will agree on the content, order of provision, and compensation of the above-mentioned services by concluding a separate agreement, which will be an integral part of the custody agreement concluded between the Custodian and the Client.

## Securities account structure and accounting principles

4.1 The opening of the securities account is performed after the Client submits the entire set of documents, upon the signing of the custody agreement between the Custodian and the Client.

4.2 The Client is obliged to immediately submit to the Custodian the changes and additions to the documents presented for opening a securities account, as well as timely notify the changes in the valid conditions of the Client's means of communication and the list of persons authorized to perform transactions on the securities account. In case of untimely notification of the specified changes, the Custodian is not responsible for the Client not receiving reports, or statements on time, as well as for the damage caused as a result.

4.3 Securities accounts can be active and passive by type. The client's securities account is a passive analytical account and is opened for each client individually in accordance with this procedure.

4.4 The client's securities account can have the following types:

- Securities account for brokerage services,

- Securities account in trust management.

4.5 A securities account for brokerage services is opened for the purpose of accounting for proprietary securities owned by the Client.

4.6 A securities account in trust management is opened for the purpose of accounting for securities transferred to the trust management.

4.7 The numbering of the securities account is determined by the internal regulations of the Custodian and can be changed unilaterally, provided that within three months from the moment of notifying the Client about the change of the securities account, the Custodian undertakes to accept an order to perform transactions on the securities account if the previous account is indicated.

4.8 In securities accounts opened with the custodian, securities are recorded according to the principle of double registration. Each security is reflected twice during custody: once in the Client's securities account, and the second time in the securities account opened for the place of securities storage.

4.9 Accounting of securities is performed in units and one security is considered as the minimum unit of calculation. If the number of securities is not expressed in units, the minimum unit is the nominal value of the security.

4.10 The account is not a primary storage place for the securities registered in it, and the Custodian does not maintain a register of its owners. The Custodian acts as the nominee of the securities recorded in the account among other custodians of those securities based on the contracts concluded with them. Securities owned by the Client in nominee accounts are aggregated with the securities of other custodian clients and are not identified as the Client's securities. Identification of the client's securities is carried out exclusively in the securities accounts opened and serviced by the Custodian. In the case of foreign securities, the custodians servicing the Custodian's nominee accounts may also act as the nominee of the same securities in front of other custodians, holding securities nominee accounts with the latter.

4.11 The custodian may close the client's securities account with a zero balance in the following cases:

- In case of termination of the Agreement, as well as in the event of the Custodian's custodial activity license having been revoked

- In case of termination of the activity of the securities storage place,

- In case of liquidation of Custodian.

## Execution of custodial operations

5.1 Custodial services are provided to the client in accordance with the Tariffs for the provision of custody services. The Custodian has the right to unilaterally change the Tariffs, provided that the Client is duly notified at least twenty working days in advance. The publication of information on the Company's website is considered to be duly notified to the client.

5.2 Appropriate registrations in the securities account opened in the name of the client are made within one Business Day, and the basis for making registrations is:

- The document that has been drawn up on the basis of the report received from the Partner organization on transactions in the case of managing a portfolio of securities.

- Certificates of transactions made within the framework of the brokerage service.

- The report/extract that has been received from the partner organization in the case of the order submitted by the client (Appendix 1).

5.3 Reports on transactions concluded under the Securities Management Package are provided by the fifteenth day of the following month in accordance with Appendix 5 attached to the Securities Package Management Agreement. At the client's request, the report is provided within one Business Day after the execution of the actual transaction in accordance with Appendix 6 attached to the Securities Package Management Agreement.

5.4 The report must contain the necessary reliability conditions that allow unambiguous identification of the description and result of the transaction, in particular:

- Transaction type,

- Securities account number,

- State registration number of securities,

- Personal code.

5.5 All issued reports/statements shall be recorded in the Custodian's register of reports and statements.

5.6 Within the framework of the transactions made under brokerage services, reports/extracts are provided by the Custodian during the month following the working day succeeding the day of execution of the Custodian operation, in person at the Custodian's place of business, at the e-mail address specified in the contact agreement as a reliable means of communication.

5.7 The Client has the right to receive any information regarding their securities accounts with the Custodian, including closed accounts, within three years from the moment of closure.

5.8 The order submitted by the client is accepted by the responsible employee during Business Day. The order accepted after the end of the business day is considered accepted at the beginning of the next business day. The terms of acceptance of instructions given for the purpose of foreign securities transactions are aligned with the terms stipulated in the agreements concluded with foreign custodians.

5.9 If the order does not meet the specified requirements, the Custodian refuses to accept the order. Refusal to accept the order is done in writing stating the reasons. Refusal to accept the order is provided to the Client during the Business Day following the day of issuing the order.

5.10 All accepted orders are subject to registration in the order book, according to the succession of receipt.

5.11 The order must include all valid conditions necessary for its implementation and meet the requirements presented in the order form.

5.12 The order is subject to execution during the day specified in it or during the day of receipt of the necessary documents if the required conditions for the execution of the transaction are present, but no later than the 10th calendar day following the issuance of the order. If the latter is not satisfied, the order is withdrawn and a report on the non-fulfillment of the transaction is drawn up.

5.13 An order rejected by the custodian in writing is considered invalid and cannot be considered the basis for the custodial transaction.

5.14 The custodian refuses to perform the custodial transaction if:

- The order does not meet the requirements for its form,

- The order raises reasonable doubts about its legality,

- The order requires the execution of such a transaction, the implementation of which is not defined in this order,

- The execution of the order will lead to the violation of the requirements of RA legislation,

- The number and status of the securities (encumbrance of the securities with the rights of third parties, mortgage, etc.) do not allow to perform the mentioned transaction,

- The order does not allow to identify the securities,

- The required documents are not submitted along with the order,

- Within ten calendar days from the moment of issuing the order, no circumstances have arisen that would make it possible to execute the order,

- There is no reverse order, or the data do not correspond to each other for the execution of an in-custodial transaction on the principle of delivery against payment,

- In the presence of other grounds.

## CONFIDENTIALITY

6.1 The Custodian is obliged to ensure the confidentiality of service information regarding the Client's accounts.

6.2 The following information is considered confidential information:

- Client information,
- Information on the state of the client's securities account,
- Information on transactions performed on the client's securities account,
- other information, regarding the confidentiality of there is a written application of the Client.

6.3 Information on the securities accounts held with the Custodian may be provided only to the Client and the state-authorized body (within the scope of their powers under the RA legislation), as well as to the issuer and its authorized representative, the foreign custodian with whom the account of the nominee of the Custodian's foreign securities is opened, and other persons defined by law for the exercise of rights arising from the securities belonging to the Client.

6.4 In the case of disclosure of confidential information about the Client's securities account by the Custodian, the Client has the right to demand compensation from the Custodian for the purpose of restoring the violated right in accordance with the procedure established by RA legislation.

 6.5 The Custodian has the right to disclose confidential information to third parties with the written consent of the Client.

## FINAL PROVISIONS

7.1 In case of delay in payments for custody services, the Custodian has the right to collect the relevant Tariffs ten days after the date scheduled for payment by selling the required amount or volume of securities belonging to the Client. In the event of default on the obligations assumed by the client in exchange for Custody services, the securities recorded in the securities account are prohibited in accordance with this order, and all operations in the securities account are suspended until the obligations are fulfilled.

7.2 In the event of termination of the Company's authority, the securities, funds and the profit resulting from their management handed over by the Client to themselves shall be returned to the Client at their first request.

<div align="right"><u>Appendix 1</u></div>

| The person transferring the securities | Serial number of the order<br><br>Service contract number _____ date_____ | | Date of issuing the order /day/month/year/ |
|---|---|---|---|
| Surname, first name (name) | | | |
| Surname, first name (name) | free<br><br>prohibited | limited by mortgage<br><br>mortgaged prohibited | |
| Data of the identity document or state registration certificate (Series, number, date of issue/registration) | | | |
| Surname, first name of the authorized representative (in the case of legal entities) | | | |
| The securities account number of the client transferring the securities | | | |
| The securities sub-account number of the client transferring the securities | | | |
| to be filled in by the sales department of services or a responsible employee | | | |

| The person receiving the securities | Documents which are considered to be the basis for the order (specify if available) | | Date of execution of the order /day/month/year/ |
|---|---|---|---|
| Surname, first name (name) | | | |
| Status (specify) | owner | Name owner | other (specify) |
| The securities account number of the client receiving the securities | | | |
| The securities sub-account number of the client receiving the securities | | | |
| Further data required by the RA Central Depository or other agents for the transfer of securities (specify if available) | | | |

| Transferable securities | | | | |
|---|---|---|---|---|
| Securities' | Name of the issuer | | | |
| | Class | | | |
| | Registration number (if available) | | | |
| | Identifier code ISIN (if available) | | | |
| Number of securities to be transferred | in numbers/pc | | | |
| | in letters | | | |
| | Volume / nominal value | | | |
| | in letters | | | |
| Basis of securities' transfer | purchase and sale | donation | heritage | reorganization |
| | other (specify) | | | |
| Unit price of the security in case of sale or repo transaction (specify in numbers and letters) | | | | |
| Transaction volume in case of purchase and sale or repo transaction (specify in numbers and letters) | | | | |
| Signature | | | Executor | |