

Terms of Provision of Services in the Unified System of Securities Registries Maintenance and Settlement through the Intermediary of Ameriabank

Definitions

Bank or Account Operator: Ameriabank CJSC – a member of the System acting as intermediary for those services rendered by the Depository in the unified system of securities registries maintenance and settlement which do not directly involve execution of trades on Regulated Market. While acting as intermediary the Bank is governed by the agreement signed with the Depository and respective rules.

Rates: Fees and Rates of Services Provided through the Intermediary of Ameriabank CJSC in Unified System of Securities Registries Maintenance and Settlement ([SOD FO 72-20-01](#)). The Rates can be downloaded from www.ameribank.am.

Terms: these Terms of Provision of Services in the Unified System of Securities Registries Maintenance and Settlement

Client: an entity which has executed or applies to the Bank to execute an agreement on maintenance of register of owners of registered securities and/or their Nominee Holders (maintenance of register) or an agreement on custody of registered securities (custody) or an agreement on subcustody of registered securities (subcustody)

Issuer: a legal entity issuing securities or offering to issue securities on its behalf, the maintenance of the register of which or custodian service is or will be performed by the Depository

Account Holder: an entity having securities account in its name in the System

Nominee Holder: an entity in whose name the securities owned by other entities are kept without right of ownership

Securities Owners Register or Register: a system of data related to Issuer, its registered securities and owners or Nominee Holders of such securities

Securities Account: informational platform for bookkeeping of securities and ownership and property rights thereto

Active Account: a Securities Account opened or reopened and identified by the Bank or other Account Operator and available for the Account Operator, including the Bank

System: the set of technical, legal and informational resources required to ensure the maintenance of securities in the unified system of securities registries maintenance and settlement and guarantee the performance of mutual obligations in relation to each trade

ISIN/SIN: international securities identification number or securities identification number assigned in accordance with the Rules of the Depository on Assigning International Securities Identification Numbers

Depository: Central Depository of Armenia OJSC

Rules of the Depository: Rules on Unified System of Securities Registries Maintenance and Settlement of the Central Depository of Armenia

Official Website of the Depository: www.nasdaqomx.am

Official Website of the Bank: www.ameribank.am

Regulated Market: securities market organized by Nasdaq OMX Armenia OJSC

Order: an order for performing Operations (other than provision of information) in the System, submitted on paper or electronically

Depo Order: an order for execution of operations with government securities in the System

Depo Account: a Securities Account used to keep government securities

ՆՏ Message: an electronic format for orders or information defined by the Central Bank of Armenia (CBA). Orders for various types of operations each have their proper identification codes.

Operation: an operation performed through the intermediary of the Bank based on Orders of Account Holder, Issuer or authorized representatives of Account Holder or Issuer of securities registered in the System or other entities defined by the legislation of the Republic of Armenia, with the result of opening or closing Securities Account or changing Securities Account data, changing the balance of securities on the Securities Account, registering other information in the System and/or providing information from the System

Security Held at a Foreign Custodian: a security that is registered with the nominee account opened at a Foreign Custodian

Foreign Custodian: an entity that is not a Republic of Armenia resident and has the relevant authorities to run security custody operations outside Armenia

1. General Provisions

- 1.1. These Terms outline the procedure and terms of provision of core and additional services of the System, defined by the Rules of the Depository, as well as services related to custody or subcustody of treasury bonds and securities held at Foreign Custodians.
- 1.2. The terms and definitions used in the Terms have the same meaning as in the Law of the Republic of Armenia on Securities Market, Rules of the Depository and other legal acts applicable to relations of the type mentioned herein.
- 1.3. Operations defined in these Terms shall be executed based on the information available in the System.
- 1.4. The Bank shall render registry maintenance, securities custody or subcustody services to the Client based on corresponding agreements in form substantially similar to the templates defined by the Depository.
- 1.5. The services defined by the Terms shall be rendered subject to submission of the documents, Orders and inquiries defined by [the List of Documents and Information for Securities Bookkeeping and Provision of Services in Unified Settlement System \(8OD LI 72-26-01\)](#) (hereinafter "Required Documents").
- 1.6. The Required Documents for provision of the services described in the Terms shall be deemed received by the Bank once they are available at the Bank unless otherwise derives from the nature of the Operation required for delivering a particular service.
- 1.7. Based on the requirements of the legislation of the Republic of Armenia, internal bylaws of the Bank and/or agreements between the parties, the Bank can request the Account Holder to provide additional documents and information to perform the services defined by the Terms.
 - 1.7.1.
- 1.8. Provision of the services defined by the Terms shall be subject to proper payment of the fees defined in the Rates by the Client.
- 1.9. The Bank shall execute agreements with and provide services to Account Holder/Issuer only subject to proper identification of Account Holder and/or Issuer.
- 1.10. The Bank shall not provide the services, if the submitted documents are incomplete or do not meet the requirements defined by applicable laws and bylaws adopted based on such laws, or the Rules of the Depository and these Terms.

- 1.11. The Bank shall not perform Client's requests for information, if the Client does not meet the requirements defined by the Rules of the Depository and these Terms or has not paid or refuses to pay the fees and charges defined by the Rates for provision of information.
- 1.12. The Bank shall provide the information on acceptance or rejection of Operations and other information to the Client through the preferred channels defined in the Order for execution of such Operation or information request.
- 1.13. The Bank shall reject the Orders or requests of the Client if there are sufficient grounds and inform the Client about the reasons for rejection within 3 business days after submission of the Order or request. The Bank shall reject the Orders and requests of the Client if the submitted documents are incomplete, inaccurate, misleading or inconsistent or there are other facts or circumstances evidenced by other documents or information or if the submitted documents do not meet the Terms or if the Client fails to make the payments in accordance with the Rates.

2. Maintenance of Register

- 2.1. In order to use all the services related to maintenance of register through the intermediary of the Bank the Issuer shall execute or renew the register maintenance agreement (in this chapter "the Agreement") with the Depository and the Bank.
 - 2.1.1. The Agreement shall be signed through the intermediary of the Bank where the Issuer's register is not maintained by the Depository (the Issuer has not executed a register maintenance agreement with the Depository).
 - 2.1.2. The Agreement shall be renewed through the intermediary of the Bank where the Issuer's register is maintained by the Depository (the Issuer has executed a register maintenance agreement with the Depository without the intermediary of Account Operator or through the intermediary of Account Operator other than the Bank).
- 2.2. The Bank shall execute or renew the register maintenance agreement with the Issuer within 1 business day after provision of the Required Documents. Furthermore:
 - 2.2.1. If the Issuer has issued and/or issues securities of more than one category and it is the requirement of law and/or terms of issue that a register of owners of such securities should be maintained, the services related to maintenance of the Register shall be rendered to the Issuer through the intermediary of the Bank subject to renewal, through the intermediary of the Bank, of the then-effective register maintenance agreements with the Depository that had been executed through the intermediary of other Account Operators or without intermediary, if any.
 - 2.2.2. If at the time of execution of the register maintenance agreement the Issuer is in the process of follow-on offering subsequent to the initially placed securities, or the Issuer enters into a register maintenance agreement for the securities the offering/placement of which is still under way or has not started, then offering/placement of the securities is registered in accordance with the Terms after execution of the agreement on register maintenance in the System on the basis of the submitted Required Documents.
 - 2.2.3. If at the time of renewal of the register maintenance agreement there are changes in the information related to the Issuer and the register of its securities of the given category, which have not yet been registered in the System, or if the Bank finds out that there are such changes, the agreement on maintenance of register through the intermediary of the Bank shall be renewed subject to submission of the Required Documents for registration of such changes and payment of the applicable charges by the Issuer.

- 2.2.4. The Agreement cannot be executed or renewed, if the Issuer has monetary liabilities in the System and payment of such liabilities is a condition precedent for execution or renewal of the Agreement.**
- 2.3. Along with execution or renewal of the register maintenance agreement the Bank, where necessary or required (if the Issuer possesses bought-back (purchased) securities of the same category that are not redeemed, but has not entered into an Issuer's securities custody agreement with the Bank), shall execute with the Issuer a securities custody agreement to open a Securities Account in accordance with the Terms.**
- 2.4. The provision of register maintenance services and accrual of applicable fees shall commence on the date of execution or renewal of the register maintenance agreement.**
- 2.5. The Bank shall provide to Issuer the list of registered owners of securities or their Nominee Holders free of charge within 3 business days after execution or renewal of the register maintenance agreement or a longer period agreed with the Issuer.**
- 2.6. In case of renewal of the Agreement through the intermediary of the Bank all previously signed register maintenance agreements and, if any, securities custody agreements of the Issuer shall be deemed terminated from the moment of renewal of the register maintenance agreement.**
- 2.7. The Bank shall act as intermediary for provision of the following core and additional services related to maintenance of Register to the Issuer:**
- Core services**
- 2.7.1. Registration of operations arising out of or in connection with placement of securities**
- 2.7.2. Registration of operations related to corporate actions**
- 2.7.3. Registration of changes in the data available in the Register**
- 2.7.4. Provision of information from the System**
- 2.7.5. Disclosure of information on the operations performed in the System**
- Additional services**
- 2.7.6. Payment and settlement operations (corporate actions) in the System related to income from securities and redemption of bonds**
- 2.7.7. Control in the System over acquisition and encumbrance/restrictions of the Issuer's placed securities in accordance with the Issuer's charter and applicable law**
- 2.7.8. Notification of the Issuer on the operations with securities placed by the latter, including information on the applicable restrictions stipulated by transfer, pledging of securities or otherwise.**
- 3. Registration of operations related to placement of securities and corporate actions**
- 3.1. Placement of securities shall be registered in the System through the intermediary of the Bank as initial or follow-on placement.**
- 3.2. If the securities are to be placed on Regulated Market, the Bank shall open an account for the placed securities and the securities to be placed shall be deposited into that account within 1 business day after submission of the Required Documents by the Issuer, but in any case not later than the day immediately preceding the day of placement of the securities on Regulated Market.**
- 3.3. The Bank shall provide to the Issuer a statement on the outstanding balance on the Securities Account.**
- 3.4. If at time when placement of the securities is over, there are still unplaced securities on the account of securities to be placed, such securities shall be cancelled in accordance with the Issuer's order.**

- 3.5. The account of the securities to be placed shall be closed on the basis of the Issuer's order or, where the Issuer's register maintenance agreement is terminated, by virtue of such termination.
- 3.6. If the securities are to be placed outside Regulated Market, the Bank within 3 business days after submission of the Required Documents by the Issuer shall register the outcome of placement in the System and provide to the Issuer a list of owners of securities or their Nominee Holders.
- 3.7. In case of follow-on placement or placement of shares of another category, the Depository shall, after having been informed by the Bank, restrict the Operations with the placed (acquired) shares (in case of voting securities the provision of information on the voting right should be restricted, too) until the following day after submission of documentary evidence of formalization of the outcome of such placements by the Issuer, and make a corresponding disclosure on the Official Website of the Depository.
- 3.8. The Bank shall not accept and execute Orders related to transfer of or change of rights to restricted securities.
- 3.9. If the Issuer is placing securities of a new category but no security placement operations (registering with the account) are recorded in the system within the timing defined for the issuance (placement) of the given securities, the register maintenance agreement shall be terminated based on the Issuer's application.
- 3.10. Corporate actions mean change of face value, conversion, split, consolidation, buyback, purchase, redemption or cancellation of the Issuer's securities of a given category or reorganization of the Issuer or payment of the income from securities based on corresponding corporate decision of the Issuer.
 - 3.10.1. Split of securities means transformation of the Issuer's securities of a given category into a larger quantity of securities of the same category.
 - 3.10.2. Consolidation of securities means transformation of the Issuer's securities of a given category into a smaller quantity of securities of the same category.
 - 3.10.3. Purchase of securities means acquisition by the Issuer of a portion of securities placed by the Issuer where the Issuer is under no obligation pursuant to any applicable law whatsoever to adopt a corporate resolution on such acquisition.
 - 3.10.4. Buyback of securities means purchase by the Issuer of a portion of securities placed by the Issuer (other than securities of public investments funds) where the Issuer is under the obligation to buy back the securities pursuant to the resolution on issue/placement of such securities or applicable law.
 - 3.10.5. Conversion of securities means withdrawal and cancellation (removal from the System) of the Issuer's securities of a given category through exchange for other securities of the same or other Issuer.
 - 3.10.6. Cancellation of the securities means their invalidation when the Issuer calls back securities of the given category.
 - 3.10.7. Any fractional securities (including shares) left after registration of corporate action shall be bought back by the Issuer in accordance with the procedure and within the term defined by the legislation of the Republic of Armenia and respective corporate resolution of the Issuer.
- 3.11. If the Issuer has completed a number of corporate actions, each Operation resulting from such corporate actions shall be recorded in the System separately based on the sequence of execution.
- 3.12. Corporate actions are registered in the System through the intermediary of the Bank within 3 business day after provision of the Required Documents by the Issuer, unless there is a longer

term envisaged under the Order on registration of corporate action or otherwise implied by the nature of the corporate action). Furthermore:

3.12.1. The newly established Issuer after reorganization (legal successor of the Issuer which ceased its corporate existence) shall also execute an agreement on maintenance of register through the intermediary of the Bank while the agreement of the company that has ceased its corporate existence shall be deemed terminated. The legal successor of the Issuer shall pay the outstanding liabilities of the Issuer to the Bank pursuant to the Rates.

3.12.2. Where after reorganization through split-up, consolidation or merger the Client of the Bank is the Issuer who is also the legal successor, such legal successor shall provide to the Bank information about the Issuers which have ceased their corporate existence and the statement on state registration of termination of their corporate existence, based on which the maintenance of the register of their securities in the System shall be terminated and the agreement shall be deemed terminated, too.

3.12.3. In case of acquisition of buyback of securities the Bank shall publish the Issuer's corporate resolution on purchase or buyback of securities in the System, making that information available for the Depository and Account Operators. Based on the published information the respective Account Holder, having received the Order of its account holding client which is counterparty to the operation, registers the Order in the System.

3.12.4. Registration of securities redemption Operations is performed based on the Order on registration of redemption of securities, submitted by the Issuer to the Bank. After registration of the redemption Operation the securities shall be deemed annulled, and in case of term securities the Bank shall inform the Account Holders.

3.13. After registration of each corporate action the Bank shall provide to the Issuer a list of owners of registered securities or their Nominee Holders.

3.14. Upon inquiry by the Clients who are owners (nominee holders) of fractional securities left as a result of corporate action registration, the Bank shall notify them about buyback of the fractional securities left as a result of corporate action registration. The notification is free of charge.

4. Termination of register maintenance agreement

4.1. Trilateral register maintenance agreement is terminated in the following cases:

4.1.1. The Issuer has renewed the register maintenance agreement with another Account Operator, in which case the Bank shall close the Issuer's Securities Account based on notice on termination of the register maintenance agreement, received from the Depository, and transfer any and all outstanding balance to the account designated by the Depository.

4.1.2. In case of reorganization of the Issuer (except restructuring where a public company becomes a private one and vice versa) and in other cases defined by applicable law, where the maintenance of the Issuer's Register in the System is terminated, or the Issuer's securities cease to exist (specifically due to redemption of dated securities). In case of reorganization of the Issuer (other than restructuring) the register maintenance agreement shall be terminated through registration of the corporate action arising out of reorganization in the System.

4.1.3. In case of restructuring of the Issuer (where a joint-stock company becomes a limited liability company or company/association/cooperative of other organizational type defined by the legislation of the Republic of Armenia, etc.) and in other cases defined by applicable

law the process shall be carried out within 3 business days in accordance with the following procedure:

- The Issuer or their legal successor submits to the Bank the Required Documents and repays the Issuer's outstanding liabilities in accordance with the applicable fees and rates of the Bank.
- If the Issuer maintains no other register of securities through the intermediary of the Bank, the Bank also closes the Securities Account of the Issuer.

- 4.2. If the register maintenance agreement is terminated due to termination of the securities which are the subject of the register maintenance agreement or in cases defined by applicable law other than reorganization of the Issuer, the Bank shall notify those owners and/or Nominee Holders of the Issuer's securities whose Securities Accounts are maintained by the Bank. Notice on termination of the register maintenance agreement shall be also given on the Depository's website.
- 4.3. If the register maintenance agreement is terminated due to reasons other than termination of the securities which are the subject of the register maintenance agreement, or reorganization of the Issuer, the Bank shall continue providing services defined in the Terms to the owners (nominee holders) of the given securities notifying the latter about possible discrepancies between the actual data concerning given category of securities and the data in the System while executing Operations.
- 4.4. In case of termination of register maintenance agreement the Issuer shall repay the outstanding liabilities to the Bank in accordance with the Rates.

5. Opening of Securities Account for owner of securities, Nominee Holder or Issuer

- 5.1. Securities custody services envisaged by these Terms, and subcustody services for custodians shall be rendered based on trilateral securities custody or subcustody agreement.
- 5.2. The Bank, the Depository and the Account Holder shall execute a trilateral securities custody or subcustody agreement, and a Securities Account shall be opened within 3 business days after submission of the Required Documents to the Bank by the Account Holder.
- 5.3. The Bank can open the following types of Securities Accounts in the System:
 - 5.3.1. Owner's Securities Account, designed to keep securities owned by the right of ownership
 - 5.3.2. Nominee account, designed to keep securities owned by other entities in the name of custodians resident in the Republic of Armenia
 - 5.3.3. Foreign nominee account, designed to keep securities owned by other entities in the name of foreign custodians
 - 5.3.4. Issuer's Securities Account, designed to keep the securities placed and possessed by the Issuer, including purchased or bought-back securities
 - 5.3.5. Shared title account, a general ownership account designed to keep securities owned by more than one entity pro rata the share of each owner in the title to securities
 - 5.3.6. Joint title account, a general ownership account designed to keep securities owned by more than one entity by the right of joint ownership
- 5.4. The Bank opens one account of each type for the same entity, except general (shared or joint) title accounts,
- 5.5. which are opened if the same securities are owned by more than one different entities. Information and the Required Documents for opening of shared and joint title accounts should be provided for each Account Holder.

- 5.6. If more than one account of the same category securities is re-opened for the same Client as a result of security account re-opening, the Bank shall consolidate such multiple accounts into one account preserving the one at the Client's choice (if the latter has specified the preferred one) and shall give a respective notice to the Client and the Depository within 1 business day.**
- 5.7. Securities Accounts in the System can be opened in one of the following ways:**
- 5.7.1. Opening of new Securities Account**
- 5.7.2. Reopening of Securities Accounts with temporary account status, opened by the Depository.**
A temporary account is an account opened by the Depository in the System based on the information (list of owners and/or Nominee Holders) provided by the Issuer as part of execution of the register maintenance agreement, as well as account opened or reopened in the System, the right of maintenance of which belongs to no Account Operator and Operations through which can only be performed by the Depository in cases and in accordance with the procedure defined by the Rules of the Depository.
- 5.8. In case of reopening of Securities Account (other than testator's account) the Bank shall perform the reopening and the identification of the Account Holder in accordance with the following procedure:**
- 5.8.1. Checks whether or not the Client has a Securities Account with temporary account status in the System. Checks the following information:**
- 1) Name as in the personal identification document for physical entities, or as in the state registration document for legal entities**
 - 2) Last name as in the personal identification document**
 - 3) Number and (if any) series of the personal identification document for physical entities, and number and (if any) series of state registration or state registration document for legal entities**
 - 4) Place of residence and/or registered address for physical entities and location (postal address) for legal entities**
 - 5) Date of birth for physical entities**
 - 6) Temporary securities account number opened by the Depository (if such information is available)**
 - 7) Personal public services number (the PPSN) (social card number) or number of the statement on absence of PPSN/social card number for physical entities, taxpayer's identification number or other equivalent identification number for legal entities (if any such information)**
 - 8) Name of the Issuer or ISIN/SIN (ISIN/SIN is required where the Client is or had at some time in the past been the owner of Nominee Holder of securities)**
 - 9) Number of securities owned by the Client (required if the Client is or had at some time in the past been the owner of Nominee Holder of securities)**
- 5.8.2. If there are at least 5 matches between the information provided by the Client and respective records related to the Securities Account to be reopened in the System, the client identification process commences in accordance with the procedure below.**
- If there is a match only of the information defined in sub-clauses 1-3 or 1, 2, 7 of subclause 5.8.1 and any two (three in case of legal entities) other sub-clauses or information specified in parts 1, 2, 4, 5, 8 and 9 of the same subclause, the Client is deemed identified. The Client is deemed identified also if instead of the data specified in this sub-clause there are matches of (i) identification data available in the document provided by the relevant**

state authority responsible for official maintenance of such data registry or data available in court judgment or decree – for physical entities, or (ii) data provided in the form of statement by the relevant state authority responsible for state registration or available in court judgment or decree – for legal entities.

□ If there are matches only of the information specified in sub-clauses 1, 2, 8, 9 and other sub-clauses, but not sub-clauses 3 or 7 of clause 5.8.1, or if there are matches of the information specified in sub-clauses 3, 8, 9 and two other sub-clauses, but not sub-clause 1 and/or 2, the Client can only be identified based on a properly executed and certified statement(s) on acknowledgment of the Client as holder of securities by the Issuer(s) or court judgment.

□ If there are matches of information in 5 cases which do not include sub-clauses 1-3 and 7 of clause 5.8.1, the Client is deemed not identified.

5.8.3. Where the Client is not properly identified, the Bank shall give notice to the Client within 1 business day.

5.8.4. The Client shall be given the opportunity to obtain the missing information and resubmit the documents within 15 business days.

5.9. The testator shall be identified on the basis of the application filed by the heir (legal successor), inheritance certificate, and, whenever required or necessary, a reference issued by the Issuer, clarifications and explanatory information provided by notary or response to the notary inquiry subject to the principles set forth in the above clause 5.8.2.

5.10. The Bank shall not execute a securities custody agreement for opening of testator's Securities Account. The Bank shall reopen the testator's Securities Account if the securities need to be transferred to the heir's (legal successor's) Securities Account based on registration of inheritance.

5.11. The following services related to custody or subcustody of securities are provided to clients through the intermediary of the Bank.

5.11.1. Registration of Operations related to transfer of securities, including transfer due to sale of pledged securities without applying to court

5.11.2. Registration of Operations arising out of or in connection with pledging of securities

5.11.3. Registration of release of securities from pledge

5.11.4. Registration of freezing or unfreezing of securities or securities accounts

5.11.5. Registration of temporary restriction of the right to vote at general meetings of shareholders in relation to pledged securities and registration of lifting of restrictions

5.11.6. Registration of Operations related to custody of treasury bonds

5.11.7. Registration of operations arising out of or in connection with subcustody of securities held at a Foreign Custodian

5.11.8. Registration of change of Securities Account information

5.11.9. Provision of information from the System

6. Closing of Securities Account, termination of custody or subcustody agreement

6.1. The Bank shall close the Securities Account based on the request of Account Holder, except Issuer's Securities Account which is closed when the register of the registered securities of the given Issuer is no longer maintained through the intermediary of the Bank.

6.2. The Bank shall close the Securities Account based on the account closing Order submitted by the Client. Once accepted, the Order shall be considered the Client's and the Bank's consent to

terminate the custody or subcustody agreement. In case of closing of Depo Account of treasury bonds the Order should be submitted at least 20 days in advance of expected date of closing as indicated in the Order.

- 6.3. The Bank shall close the Securities Account promptly after receipt of the Required Documents from the Client. The Securities Account is closed through termination of the custody/subcustody agreement.
- 6.4. The custody/subcustody agreement can be terminated if the Account Holder has properly performed all obligations and payments pursuant to the Rates and the balance of the account is zero.

7. Pledging of securities and restriction of voting right for pledged securities

- 7.1. The Bank registers the Operation of pledging in the System and informs the Pledgor-Client in accordance with the procedure below within 3 business days after submission of the Required Documents.
 - 7.1.1. The Securities Account of the pledgor should have the status of Active Account in the System.
 - 7.1.2. Where the Bank is only responsible for maintenance of the pledgee's account, the Bank shall notify the Pledgee-Client about registration of pledge in the System by another account operator within 1 business day after such registration.
 - 7.1.3. Where the Bank is only responsible for maintenance of the pledgor's account, the Bank shall register the pledge on the basis of Required Documents filed by the Pledgor..
 - 7.1.4. If the pledgee of securities has changed or the security interest has been pledged, the Bank shall register the security interest in favor of a new pledgee on the basis of the Required Documents filed by the Pledgee then registered in the System (or, upon the latter's consent, based on the Required Documents filed by the pledgor).
- 7.2. Based on the pledgor's Order the Bank shall also register the temporary restriction of the right to vote at general meetings of shareholders of the Issuer (hereinafter "the voting right") in relation to pledged securities.
- 7.3. The Order for temporary restriction of the voting right can be submitted by the pledgor at the time of applying for or after registration of pledge. In the latter case the pledgee's consent is required.
- 7.4. Operations related to subsequent pledge shall be registered in the System if they are not prohibited by primary pledge agreements available in the System or the terms of issue of the securities.

8. Release from pledge and lifting of temporary restriction of the voting right

- 8.1. The Bank shall release the securities from pledge in the System:
 - 8.1.1. Based on the Order if the pledge term has expired
 - 8.1.2. Upon instruction/consent of the pledgee and/or upon the initiative of another stakeholder provided that the last requirement is met
 - 8.1.3. In other cases provided for by applicable laws and/or these Terms
- 8.2. For release of securities from pledge:
 - 8.2.1. Required Documents should be submitted to the Bank by the pledgee or pledgor (or its Account Operator if the Pledgee is served by a different account operator). Where the

- applicant is the pledgor or its Account Operator the written consent of the pledgee is required along with the Required Documents, or
- 8.2.2. The relevant state authority or other stakeholder submits to the Bank the court judgment, act of Officer for Compulsory Execution of Judicial Acts or pledge release decree of other body having similar authorities pursuant to the legislation of the Republic of Armenia.
- 8.3. The Bank shall lift the pledge in the System within 1 business day after receipt of the Required Documents. Along with release of securities from pledge in the System the temporary restriction of the voting right is lifted, too.
- 8.4. If the Client submits then Order for lifting the temporary restriction of the voting right to the Bank before release of the securities from pledge, the written consent of the pledgee is required.
- 8.5. The Bank shall immediately give notice of the release of pledge to the Client and Pledgor's account operator, if the Pledgor is served by a different account operator.
- 8.6. The pledge in the System shall be terminated without any actions on behalf of the Bank or another account operator if:
- 8.6.1. The pledged securities of the given category have been cancelled in the System or redeemed (save for the redemption of securities due to corporate action).
- 8.6.2. Registration of the security interest arising out of corporate actions with the securities of the given category falls outside the scope of the Depository's authorities.

9. Transfer of securities

- 9.1. These Terms outline those Operations related to transfer of securities which do not directly result from Regulated Market trades.
- 9.2. The Bank shall register the securities transfer Operation in the System if the accounts of the sender and recipient are Active Accounts, except where expressly defined by the Rules of the Depository and these Terms.
- 9.3. The Bank performs transfers of the following types in the System:
- 9.3.1. Free delivery or securities transfer: transfer of securities without the consent of the counterparty
- 9.3.2. Delivery versus payment (DVP): transfer of securities in exchange for payment
- 9.3.3. Free of payment (FOP): free delivery of securities subject to consent of the counterparty
- 9.3.4. Transfer of securities portfolio: transfer of the whole outstanding balance on the account
- 9.3.5. Transfer of securities under repo agreements between CBA and financial institutions
- 9.4. The Bank shall perform transfer of securities in the System:
- 9.4.1. Based on the Order submitted by the owner or Nominee Holder of securities
- 9.4.2. Based on the Order of the heir to or pledgee of securities, in case of registration of right of inheritance or sale of pledged securities without applying to court, respectively
- 9.4.3. Based on the instruction of the Depository, where the Issuer's portfolio is to be transferred to the Issuer's account with another Account Operator in case of change of Account Operator
- 9.4.4. Based on other grounds envisaged by applicable laws, upon request of the relevant state authority or other stakeholders where they submit to the Bank the respective court judgment, act of Officer for Compulsory Execution of Judicial Acts or decree of other body having similar authorities pursuant to the legislation of the Republic of Armenia

- 9.5. The Bank shall perform the transfer of securities in the System subject to availability of the Required Documents and/or fulfillment of the required conditions precedent and availability of valid legal grounds, within the following terms:
- 9.5.1.3 business days for free delivery, DVP or FOP
 - 9.5.2.1 business day for transfer of portfolio and repo
 - 9.5.3.5 business days in case of enforcement of pledged securities without applying to court
- 9.6. DVP, FOP and portfolio transfer Operations are registered in the System subject to confirmation of the Account Operator of the counterparty.
- 9.7. The Bank shall perform DVP transfer Order in the System not later than 3:30 p.m. of the final settlement date specified in the Order if the Client has filed the Required Documents before 3:00 p.m. of the final settlement day. Where the Order was submitted by the buyer, the latter should also make sure that there is enough cash on the Bank account designated for money settlements as of the final settlement date.
- 9.8. Where the Issuer purchases or buys back their own placed securities, the Bank shall perform the transfer of securities to the Issuer's account in the System in FOP or DVP mode.
- 9.9. The Bank shall perform transfer of securities portfolio in the System:
- 9.9.1. Based on the Order of Account Holder, where the Account Holder transfer the whole outstanding balance on their account with the Bank to their account with another Account Operator
 - 9.9.2. In cases provided for by the Rules of the Depository
- 9.10. The Bank shall submit the effective court judgment or decree of the Service for Compulsory Execution of Judicial Acts and the request of the stakeholder to the Depository within 1 business day after receipt, if the Securities Account of the sender as specified in the court decree is not maintained through the intermediary of the Bank, or if pursuant to the same court judgment the defendant is the Depository, or if the Active Securities Account number of the recipient has not been provided to the Bank. In these cases the Operation is performed by the Depository.
- 9.11. Registration of securities transfer Operations arising out of repo, reverse repo and repo agreement termination operations and the terms of such registration in the System are regulated by agreements. Transfer of securities in relation to repo or reverse repo operations can be performed in two ways: the Account Holder can submit the Order either to the Depository through Bank-Mail or to the Bank in accordance with these Terms.
- 9.12. In case of transfer of securities back from repo or reverse repo basket the sender is CBA.
- 9.13. To transfer securities in relation to termination of repo agreement CBA submits an Order to the Depository.

10. Provision of information from the System

- 10.1. The Bank provides the information specified in this chapter only to the entities who have the right to receive such information, including those authorized representatives whose authorities are valid and effective and there is sufficient evidence of this in the System or other available documents.
- 10.2. The Client can submit the request for information to the Bank, and the response can be provided by the Bank to the Client in person or by email through the channels used in the Bank and agreed with the Client.
- 10.3. The Bank provides statements and reports on securities held at a Foreign Custodian to the Client in accordance with the procedure described in this chapter, and the information received

through the system of the foreign custodian is provided by the Depository through the intermediary of the Bank.

10.4. The Bank provides information from the System in accordance with and in the cases defined by the legislation of the Republic of Armenia. The statements or reports referred to in this chapter are provided for the period specified in the Client's request, which does not exceed the term of the register maintenance agreement with the Depository or which does not exceed and covers the period during which the information on securities being the subject of the Operation has been available in the System. Except the publicly disclosable information defined by the Law of the Republic of Armenia “On Joint-Stock Companies”, the following entities can submit to the Bank requests to get information from the System:

10.4.1. Issuer, which can submit the following inquiries:

- List of owners or Nominee Holders of securities (hereinafter in this chapter “the list”)
- Operations performed with issued and placed securities during a definite stretch of time

10.4.2. Owners or Nominee Holders of securities, who can submit the following inquiries:

- Securities Account statement. The statement must include information only on one category of securities available on the Securities Account.
- Securities Account balance report. Furthermore, such report should contain information on all the securities available on the account.
- Operations performed through the Securities Account over a definite stretch of time

10.4.3. Persons that are not the owners of the securities, as well as persons having security interest in or another right to the securities, whether currently or in the past, are entitled to receive non-insider information from the Bank if the latter possesses such information.

10.4.4. Notary, CBA, other government authorities, other entities under applicable laws

10.5. Immediately after opening or reopening of the Securities Account the Bank notifies the Account Holder (notification is free of charge), indicating the name, location, contacts, URL, name of the Account Holder and Securities Account number, date opened, etc. in the securities custody agreement.

10.6. Securities Account statement, as well as current balance report contain the following information:

10.6.1. Securities Account number

10.6.2. First name, last name of the Account Holder, ID series (if any) and number, address of residence and/or registered address for physical entities, and name of company, taxpayer's identification number or other equivalent identification number assigned by relevant state authority, location (postal address) for legal entities

10.6.3. Identification code and quantity of securities, share in % expression, face value and currency

10.6.4. Identification code (category where the identification code is not available) and quantity of pledged or frozen securities

10.6.5. General information about the Issuer and Issuer's securities

10.6.6. Date and time of the statement or report

10.6.7. Date as of which the information in the statement or report is presented

10.7. Report on operations through the Securities Account contains the following information:

10.7.1. Securities Account number

10.7.2. First name, last name of the Account Holder, ID series (if any) and number, address of residence and/or registered address for physical entities, and name of company, taxpayer's

identification number or other equivalent identification number assigned by relevant state authority, location (postal address) for legal entities

10.7.3. Operations performed through the Securities Account during the period of time indicated in the inquiry; registration date and details of each operation should be specified

10.7.4. Date and time of the report

10.7.5. Reporting period

10.7.6. Identification code, quantity, face value and currency of the securities in question, where the Operation in question has resulted in any change in the information related to the balance of securities

10.8. Each year, not later than the 31st day of January of the year following the reporting year the Bank shall submit to the Account Holder reports on the balance of Securities Account and performed operations as of the last day of the reporting year subject to submission of written request (on paper or electronically) for receipt of such information and indication of contact email by the Account Holder. The reports should be emailed to the address specified by the Account Holder free of charge.

10.9. The Bank shall respond to inquiries within 5 business days after receipt of the Required Documents for the list, statement and reference and within 3 business days for notarial inquiry.

10.10. The Bank shall respond to notarial inquiries if the inquiry has been forwarded to the Bank by the Depository due to the subject matter of the inquiry pertaining to an Account Holder whose Account Operator is the Bank. If the Depository has received the notarial inquiry through the intermediary of the Bank, the Depository can use the same intermediary to provide the response.

11. Editing data in the System

11.1. The Bank changes or modifies the information in the System in the following cases subject to availability of the Required Documents:

11.1.1. Upon request of the Issuer

- Registration of information about commencement of liquidation or bankruptcy proceedings, or termination of bankruptcy proceedings by the Issuer
- Registration of the change of the Issuer's name, state registration data, registered address or location, contact data, authorized persons or their data
- Registration of change of information about the Issuer's securities in the System not related to change of the securities category or corporate action or placement of securities
- Changes related to adjustment of inaccuracies in the information provided to the Depository for register maintenance purposes
- Information for registration of updates and revisions of available information on the temporary or identifiable accounts of the owners of securities and/or their Nominee Holders, that the Issuer has become aware of and that do not lead to unreasonable change of the number of, title to or restriction of securities owned by the holders of such securities or their nominees.

11.1.2. Upon request of the owner or Nominee Holder or pledgee of registered securities: changes of information related to Securities Account (pledge account in case of pledgee) that do not lead to change of the number of, title to or restriction of securities owned by the holders of such securities or their nominees

- 11.2.** The Bank (Depository) shall not be held liable for the losses incurred by the Account Holder if the latter fails to give notice of the changes in information concerning its Securities Account in accordance with the Terms.
- 11.3.** The Bank shall not register those changes in information submitted by the Issuer in the scope of register maintenance, which are not properly documented or if the Bank (Depository) has reasons to believe that correction or updating of information may result in unreasonable change of the Account Holder, the quantity of securities owned by the latter or third party's material rights to the specified securities or unreasonable restrictions of the specified rights and other rights/interest confirmed by the securities.
- 11.4.** To execute updates and adjustments of registry maintenance information at the initiative of the Issuer is chargeable in accordance with the Rates.
- 11.5.** Change of information in the System is performed within 3 business days after submission of the Required Documents; records in the System are made by the Bank or the Depository.

12. Disclosure of information on the Official Website of the Depository

- 12.1.** For publication of information on the Official Website of the Depository the Issuer should submit an information disclosure request to the Bank.
- 12.2.** The Bank shall forward the information to the Depository for publication within 1 business day after receipt of the disclosure request.
- 12.3.** The Issuer shall submit requests to the Bank for publication of the following information:
- 12.3.1.** Notice on registration of securities, including follow-on issues, containing:
- Firm name, taxpayer's identification number or other information related to state registration, location and postal address of the Issuer, description and date of Operation (if applicable)
 - ISIN or SIN
 - Type (category) of registered securities
 - Face value (if any) and currency of securities
 - Quantity of securities
- 12.3.2.** Notice on change of the face value of securities, containing:
- Firm name, taxpayer's identification number or other information related to state registration, location and postal address of the Issuer, description and date of Operation (if applicable)
 - ISIN or SIN
 - Previous and current face value
- 12.3.3.** Notice on conversion of securities, containing:
- Firm name, taxpayer's identification number or other information related to state registration, location and postal address of the Issuer, description and date of Operation (if applicable)
 - ISIN/SIN of securities to be converted
 - ISIN or SIN of target securities, if available in the System
 - Name of Issuer of the target securities specified in the third bullet point above, if different from the Issuer of source securities
 - Conversion ratio
- 12.3.4.** Notice on cancellation of securities, containing:

- Firm name, taxpayer's identification number or other information related to state registration, location and postal address of the Issuer, description and date of Operation (if applicable)
- ISIN or SIN of securities to be canceled
- Quantity of securities to be canceled

13. Freezing or unfreezing of securities or Securities Accounts

- 13.1. Freezing of securities or Securities Account for the Account Holder or their authorized representative is the prohibition of Operations through the owner's Securities Account or securities of any category and quantity on the Securities Account.**
- 13.2. The following entities can apply to the Bank with the request to freeze or unfreeze securities or Securities Account:**
- 13.2.1. Owner or Nominee Holder of securities**
 - 13.2.2. Heir to securities – to unfreeze securities with the purpose of registering inheritance or operations with frozen securities based on court judgment. Unfreezing of securities based on court judgment is performed to the extent it is necessary to perform the operation defined in such judgment.**
- 13.3. The Bank freezes or unfreezes securities or Securities Accounts in the System within 1 business day based on the Required Documents submitted by the Client or heir or a court judgment.**

14. Additional services

- 14.1. The Bank renders additional services in the System in accordance with these Terms and agreements executed on a case-by-case basis between the Depository, Bank and Client on the terms defined by the Depository.**
- 14.2. The following additional services are rendered to the Issuer in the System through the intermediary of the Bank:**
- 14.2.1. Registration of Operations related to coupon payments, redemption of bonds, payment of dividends**
 - 14.2.2. Control over acquisition and encumbrance of the Issuer's placed securities in accordance with the Issuer's charter and applicable law**
 - 14.2.3. Notification of the Issuer on the Operations with the latter's placed securities, including information on the restrictions/encumbrance over the securities by virtue of transfer, pledging of the securities or otherwise**
- 14.3. For additional services the Issuer is required to submit an application for execution of respective agreement and the Required Documents. For "Control over acquisition and encumbrance of securities in accordance with the Issuer's charter and applicable law" – also a summary (hereinafter "summary") containing information about the control mechanisms to be applied by the Depository with regard to restriction of rights related to the securities in question or exercise of priority right, with consideration of the provisions of the legislation of the Republic of Armenia and documents required for this particular service.**
- 14.4. The Bank shall render the additional services to the Issuer subject to execution of respective agreement, which is to be signed within 1 business day after provision of the Required Documents.**
- 14.5. For coupon payments, redemption of bonds and payment of dividends the Issuer shall, on the following business day after submission of respective Order to the Bank, ensure the transfer of**

the sum in the amount indicated in the Order to the designated money settlement account of the Bank.

- 14.6. The Bank shall render services related to coupon payments, redemption of bonds and payment of dividends to the Issuer for those Account Holders whose Securities Accounts contains bank account details to effect the payments.
- 14.7. The Bank shall render additional services in accordance with the procedure below.
 - 14.7.1. For coupon payments, redemption of bonds and payment of dividends: the Bank enters the data specified in the respective Order of the Issuer into the System and registers the Operation, after which the transferred amount is distributed among the settlement accounts of the owners of securities pro rata the share of each of them. In case of redemption of bonds also the bonds on the Securities Accounts are redeemed. Registration of Operations in the System is subject to availability on the designated money settlement account of the Bank of the amount to make coupon payments or redeem bonds or pay dividends. The Issuer is responsible for securing the availability of this amount on the trade account. After registration of the Operation the bank provides a report to the Issuer.
 - 14.7.2. Control over acquisition and encumbrance of the Issuer's placed securities in accordance with the Issuer's charter and applicable law: the service is deemed commenced on the next business day after execution of respective agreement when the Bank makes a record about encumbrance in the System, unless otherwise specified by the agreement or summary. Each time the Bank is approached for registration of an Operation in relation to which there is a restriction record in the System and bases for rejection in the summary, the Bank rejects such Operation and provides the reasons for rejections in writing or requests the Client to submit additional documents as defined in the summary for exercising proper control over encumbrance or priority right.
 - 14.7.3. Notification of the Issuer on turnover (securities transfer orders) and encumbrance of its placed securities through pledging or encumbrance over the securities due to other reasons: the service is deemed commenced in the next business day after execution of respective agreement, whereupon the Bank shall notify the Issuer about turnover of securities and their encumbrance through pledging through the channels defined in the agreement within 1 business day after registration of each such Operation.

15. Bookkeeping of and registration of Operations with treasury bonds

- 15.1. Treasury bond custody and subcustody services are regulated by the laws of the Republic of Armenia, bylaws of CBA and the Ministry of Finance of the Republic of Armenia adopted on the basis of such laws, agreement executed between the Depository and CBA, Rules of the Depository and other bylaws of the Depository.
- 15.2. Operations related to redemption of treasury bonds and coupon payment are performed in the System through the Depository and CBA for all circulating treasury bonds of the given issue.
- 15.3. On the day of full or partial redemption or coupon payment of treasury bonds no other operations can be performed with the bonds until completion of the operations referred to in this clause.
- 15.4. Depo Orders can be submitted to the Bank on paper, electronically or by fax, as the Account Holder may choose, and should be properly verified by the Account Holder or their authorized representative.

- 15.5. The Bank shall execute Depo Orders submitted before 3:30 p.m. on the same day by 4:00 p.m. subject to availability of the Required Documents and fulfillment of conditions precedent; the Bank shall execute orders submitted after 3:30 p.m. by 4:00 p.m. on the following business day.**
- 15.6. Subject to availability of legal bases defined by the legislation of the Republic of Armenia and/or these Terms the Bank can reject Depo Orders not later than on the 2nd business day after submission.**
- 15.7. After registration of each Operation the Bank shall provide to the Client a Depo Account statement or pledging certificate; where the Operation is not registered, the Bank shall provide a report and return the order, indicating the reasons for rejection.**
- 15.8. The Bank can inform the Client about execution of their Orders by phone, if the Client had initially approached the Bank by phone, provided that the Client has been properly identified by the responsible employee of the Bank.**
- 15.9. The Bank shall render the following services related to maintenance of and registration of operations with treasury bonds:**
- 15.9.1. Trade in treasury bonds, repo/reverse repo, exchange, other operations permitted by the legislation of the Republic of Armenia**
 - 15.9.2. Pledging of treasury bonds without counter-transfer of funds (without simultaneous provision of loan by pledgee)**
 - 15.9.3. Pledging of treasury bonds with counter-transfer of funds (with simultaneous provision of loan by pledgee)**
 - 15.9.4. Release from pledge of treasury bonds with counter-transfer of funds (with simultaneous repayment of loan/liability by pledgor)**
 - 15.9.5. Release from pledge of treasury bonds without counter-transfer of funds**
 - 15.9.6. Renouncing the object of pledge (when the pledgor renounces the whole or part of the object of pledge in case of failure or default in performance, and transfers the object of pledge into the ownership of the pledgee)**
 - 15.9.7. Satisfaction of the pledgee's claims out of the proceeds from sale of pledged treasury bonds**
 - 15.9.8. Replacement of the object of pledge (when the maturity (full or partial repayment) term of bonds pledged under the agreement is shorter than the term of principal liability or in other cases defined by pledge agreement)**
 - 15.9.9. Change of pledgor (when the pledgor's title to pledged treasury bonds passes to another entity in accordance with the legislation of Armenia without affecting the pledgee's security interest in the bonds)**
 - 15.9.10. Change of pledgee (when the security interest of the pledgee passes to another entity in accordance with the legislation of Armenia without affecting the pledgor's title to the bonds)**
 - 15.9.11. Restriction, transfer or lifting of restriction of rights to treasury bonds based on court judgment**
- 15.10. The Bank shall maintain the registry of bonds and register Operations subject to:**
- 15.10.1. The Client submitting the Required Documents, or**
 - 15.10.2. The Depository, relevant state authority or other stakeholder submitting the Required Documents where envisaged by applicable law**
- 15.11. Maintenance of registry of treasury bonds and registration of Operations are subject to the following conditions precedent:**

- 15.11.1. The Client should have a Depo Account (to be opened based on the Client's order) and provide a current bank account number with a commercial bank in Armenia, except for foreign Nominee Holders.
 - 15.11.2. In case of Operations with simultaneous counter-transfer of funds the Client should secure the availability of the sum to effect the Operation on the designated money settlement account of the Bank.
- 15.12. Where the applicant is turned down, the Bank shall notify them about rejection and specify the reasons. Upon request of Account Holder the rejection of Depo Order can be provided in writing. Orders are rejected in the following cases:
 - 15.12.1. The Order does not meet the defined criteria.
 - 15.12.2. There are reasonable doubts as to the legitimacy of the Order.
 - 15.12.3. If executed, the Order will lead to breach of the Armenian legislation.
 - 15.12.4. The Depo Account status of the Account Holder renders it impossible to perform the Order.
 - 15.12.5. The quantity and status of treasury bonds (e.g. encumbrance with third party rights, pledging, etc.) or lack of sufficient funds render it impossible to perform the Order.
 - 15.12.6. The Order does not provide sufficient information to properly identify the treasury bonds.
 - 15.12.7. The Order has been submitted without the Required Documents or the Required Documents are incomplete or insufficient.
 - 15.12.8. No circumstances have arisen within a 2-day period after submission of the Order which could render it possible to perform it.
 - 15.12.9. Provision of custody services to the Account Holder has been suspended in accordance with the procedures defined by the Bank or Depository.
 - 15.12.10. There are other reasonable bases.
- 15.13. The following operations are performed with treasury bonds on secondary market: trade, repo and reverse repo, exchange of treasury bonds and other operations permitted by the legislation of the Republic of Armenia. Furthermore:
 - 15.13.1. Depo settlements are all the operations performed by the Depository, entity rendering custody services to the counterparty and the CBA, as a result of which title to treasury bonds is transferred between the trading parties in DVP or free delivery mode.
 - 15.13.2. Depo and monetary settlements in relation to repo and reverse repo operations with treasury bonds are performed in accordance with the rules of settlement of trades.
 - 15.13.3. Only those treasury bonds can be the object of trade, repo and reverse repo operations which are free and clear of any restrictions in relation to the rights of the owner (i.e. treasury bonds with "free" status on Depo Account).
- 15.14. Execution of operations related to pledging of treasury bonds, where:
 - 15.14.1. The pledgor can only be the owner of the bonds.
 - 15.14.2. The pledgee can be any physical or legal entity whether or not they own treasury bonds by the right of ownership.
 - 15.14.3. Before execution of pledge agreement the pledgee should open an owner's Securities Account in the System.
 - 15.14.4. Only those treasury bonds can be the object of pledge which are free and clear of any restriction of the rights of pledgor (i.e. treasury bonds with "free" status on Depo

Account) and which in accordance with the legislation of the Republic of Armenia can be the object of pledging operations.

15.14.5. Treasury bonds can be pledged only through execution of a written agreement by and between the pledgor and pledgee in the manner defined by the legislation of the Republic of Armenia and filing and registration of the right of pledge of the bonds in the manner defined by the legal acts of CBA.

15.14.6. The right of pledge in relation to bonds under custody arises from the time of registration in the System.

15.15. In case of pledging of treasury bonds without counter-transfer of funds no simultaneous provision of funds by the pledgee to the pledgor takes place. The operation of pledging of treasury bonds shall be initiated by the pledgor.

15.16. Pledging of treasury bonds with counter-transfer of funds is due when the provision of the loan by the pledgee to the pledgor and pledging of the securities by the pledgor in favor of the pledgee take place simultaneously. Pledging of securities with counter-transfer of funds shall be initiated by the pledgor and the pledgee simultaneously. The pledgee client should at the same time make sure that the sum required to effect the registration of pledge is available on the designated money settlement account of the Bank.

15.17. Release of treasury bonds from pledge without counter-transfer of funds is due when the pledgee initiates the release operation without simultaneous repayment of the loan by the pledgor.

15.18. Release of treasury bonds from pledge with counter-transfer of funds is the simultaneous initiation of the release operation by the pledgor and the pledgee. The pledgor client should at the same time secure the availability on Bank's designated account for money settlement of the sum to effect the release from pledge.

15.19. Renouncement of the object of pledge: the pledgor renounces the whole or part of the object of pledge in case of failure or default in performance, and transfers the object of pledge into the ownership of the pledgee without applying to court. The renouncement process shall be initiated by the pledgor and can only be performed if such option is envisaged by the pledge agreement or separate agreement or covenant executed by and between the pledgor and pledgee.

15.20. Satisfaction of the pledgee's claims out of pledged treasury bonds or proceeds from their sale: the pledged bonds are sold to a third party without applying to court, and the pledgee's claims are satisfied out of the bonds or proceeds from their sale. Furthermore, the pledgee's claims can be satisfied out of the proceeds from sale of pledged bonds without applying to court only where and if so envisaged by the pledge agreement or separate agreement or covenant executed by and between the pledgor and pledgee.

15.21. Replacement of the object of pledge: when the maturity (full or partial repayment) term of bonds pledged under the agreement is shorter than the term of principal liability or in other cases defined by pledge agreement. Furthermore:

15.21.1. In case of replacement of the object of pledge the pledge in relation to initially pledged bonds terminates and at the same time substitute bonds are pledged and their right of pledge is filed and registered.

15.21.2. Pledged treasury bonds can only be replaced subject to the consent of the pledgee, unless otherwise envisaged by applicable law or pledge agreement.

15.21.3. In case of replacement of the object of pledge respective amendments should be made to the pledge agreement.

- 15.21.4.** The replacement operation shall be initiated by the pledgor and pledgee simultaneously.
- 15.22.** Change of pledgor: the title to pledged treasury bonds passes to another entity without affecting the pledgee's security interest in the bonds. The change of pledgor shall be initiated by the pledgor or, in case of legal succession, by the entity acquiring the right of ownership in relation to pledged bonds (new pledgor).
- 15.23.** Change of pledgee: the security interest of the pledgee passes to another entity without affecting the pledgor's title to the bonds. The change of pledgee shall be initiated by the former pledgee. Furthermore:
- 15.23.1.** Change of pledgee is the transfer by the pledgee of their rights under pledge agreement to another entity (new pledgee) subject to the rules of transfer of creditor's rights to another entity by means of cession of claim.
- 15.23.2.** Assignment of the pledgee's rights under the pledge agreement to another entity shall be valid if the right of claim to the debtor in relation to the principal liability secured by pledge has been ceded to the new pledgee.
- 15.23.3.** The pledgor's consent for assignment of the pledgee's rights to a new pledgee shall not be required, unless otherwise envisaged by applicable law or agreement.
- 15.23.4.** In case of change of pledgee only the records related to the right of pledge are changed: the right of pledge of the old pledgee terminates and is registered anew in favor of the new pledgee.
- 15.24.** Redemption of pledged treasury bonds: redemption or partial redemption, as the case may require, of pledged treasury bonds, resulting in termination of all rights with regard to redeemed bonds and origination of property rights with regard to proceeds (cash) of redemption.
- 15.24.1.** Pledged treasury bonds are redeemed when as of their maturity date (full or partial) they continue to remain encumbered with pledge due to non-performance of liabilities when due, non-replacement of the pledge when due or in other cases.
- 15.24.2.** Pledged treasury bonds are redeemed simultaneously with redemption of all placed bonds of that issue; redemption of pledged bonds shall be initiated by CBA.
- 15.24.3.** After redemption of pledged treasury bonds the pledge extends to the cash proceeds of such redemption and the right of pledge is filed and registered anew as right of pledge in relation to cash.
- 15.25.** The right of pledge in relation to cash proceeds from redemption of pledged treasury bonds is registered and maintained in accordance with the procedure below.
- 15.25.1.** CBA transfers the cash proceeds from redemption of pledged bonds to the interim account of the Depository with CBA (where the pledgor is a client of the Bank) and re-formalizes the right of pledge as right of pledge in relation to cash. Right of pledge is recorded and maintained in relation to each pledgor, pledgee and issue of treasury bonds.
- 15.25.2.** Not later than within 5 banking days the pledgor client of the Bank shall submit to the Bank an agreement whereby the pledgor and pledgee agree that the cash proceeds from redemption of pledged treasury bonds should be recorded and maintained in a third party commercial bank. Such agreement should be certified by that commercial bank, the pledgor, pledgee, Depository and the entity rendering custody services to the pledgee. If the client does not submit the agreement within 5 banking days, CBA shall be entitled to transfer the pledged cash into notarial deposit and provide to the notary information about the Depository and entity rendering custody services to the pledgee in relation to the pledged cash.

- 15.25.3. Based on the agreement referred to in the previous clause the cash is transferred from the interim account to the correspondent account of the bank maintaining the registry of the right of pledge and the right of pledge is removed from the registry maintained by CBA and from the System.**
- 15.25.4. Based on the bank transfer and the copy of the agreement referred to above the commercial bank maintaining the registry of the right of pledge deposits the cash into the special pledge deposit account of the pledgor and maintains that account in accordance with the orders submitted by the pledgor and pledgee and (where so envisaged by applicable law) court judgment and/or act of Officer for Compulsory Execution of Judicial Acts.**
- 15.26. Payment of interest for pledged treasury bonds: is due simultaneously with payment of interest for all placed bonds of that issue.**
- 15.26.1. The right of pledge of the pledgee extends also to the income received from pledged bonds where so envisaged by the pledge agreement. In this case the Operation concerning payment of the interest income on treasury bonds shall be carried out in accordance with the treasury bond redemption procedure defined by the Terms.**
- 15.26.2. Where the pledge agreement contains no such provision, the pledgor should be allowed to freely manage the interest or coupon yield from the pledged bonds.**

16. Subcustody of securities held at Foreign Custodians and execution of operations

- 16.1. Custody or subcustody services for the securities held at Foreign Custodians defined by these Terms are regulated by the Rules of the Depository, subcustody agreement (the form is set by the Depository and is executed upon the latter's proposal) executed on the basis of the Rules of the Depository by and between the Depository and the owner/Nominee Holder of securities through the intermediary of the Bank , and the rules of foreign custodian.**
- 16.2. Through the Bank intermediation the Depository shall, within reasonable time, provide to the Account Holders information on the corporate actions with the securities available on the Nominee's account as received from the Foreign Custodians. If the Account Holders don't place any orders through the Bank intermediation within the set deadlines for voluntary corporate actions, the Depository shall refrain from exercising of such rights.**
- 16.3. Prior to execution of operations with securities held at Foreign Custodians the owner or Nominee Holder of securities executes a trilateral subcustody agreement with the Depository (hereinafter in this chapter also "the Agreement") through the intermediary of the Bank in form substantially similar to the approved template of the Depository, which is executed upon the latter's proposal. If the owner or Nominee Holder of securities does not have a Securities Account with the Bank, such account shall be opened in accordance with these Terms. To perform operations with securities held at Foreign Custodians the Client shall be required to submit an Order to the Bank. Furthermore:**
- 16.3.1. For Operations inside the System the Client shall submit the Required Documents for that particular type of Operation, defined in these Terms.**
- 16.3.2. For Operations outside the System (operations through the subcustody account opened with the Foreign Custodian for the Depository) the Client shall submit the Order as defined by the Rules of the Depository and/or rules of the foreign custodian and other required documents at least 1 business day before the closing date defined by the foreign custodian.**

- 16.4. The Account Holder shall be responsible for performance of liabilities arising out of securities on the Nominee Account of securities held at Foreign Custodians, except where the Account Holder has authorized the Depository in accordance with applicable law to perform any liability in relation to securities.**
- 16.5. Based on the Order submitted by the Account Holder to the Depository through the intermediary of the Bank the Depository can provide support in execution of rights arising out of foreign securities, including:**
- 16.5.1. Receipt, calculation and transfer of income from foreign securities**
 - 16.5.2. Representation of the interests of the Account Holder at the general meeting of shareholders (participation in voting and absentee voting based on power of attorney provided by the Account Holder)**
 - 16.5.3. Support to Account Holder in obtaining information about the Issuer of foreign securities, issued securities, putting forward agenda issues for general meetings of shareholders and nominating candidates for management bodies of the Issuer**
 - 16.5.4. Support in accepting and transferring applications for subscription to and redemption of investment stock held at Foreign Custodians**
- 16.6. To assist owners of foreign securities in exercising their rights the Depository, through the intermediary of the Bank:**
- 16.6.1. Performs all functions envisaged by custody agreement, foreign securities subcustody agreement (if any), Rules of the Depository and these Terms**
 - 16.6.2. Collects from the Foreign Custodian and provides to Account Holders information about foreign securities and other documents**
 - 16.6.3. Provides the information and documents received from Account Holders to the foreign custodian**
 - 16.6.4. Based on arrangement with Account Holder takes the required actions pursuant to the laws of the country of incorporation of the Issuer of securities held at Foreign Custodians in order to protect the interests of the Account Holder in the course of execution of essential operations in relation to the securities by the Issuer**
 - 16.6.5. Provides to the Foreign Custodian information about Account Holders during preparation of the list of owners for the purpose of exercising the rights of Account Holders**
 - 16.6.6. Pursuant to the arrangement with Account Holder secures the exercise of the Account Holder's voting right at general meetings of shareholders through presence at the general meetings of the representative of the Depository and voting upon instructions of the Account Holder**
- 16.7. Those operations (including corporate actions) of the Issuer of foreign securities which refer to all securities of the given category and all owners of such securities (hereinafter in this chapter "global operations") and are reflected on the nominee account of the Depository opened with a Foreign Custodian, are also reflected on the accounts of the owners or Nominee Holders of the securities in question in the System based on the documents provided by the foreign custodian.**
- 16.8. The Depository shall notify the Client about global operations through the intermediary of the Bank using the channels defined in subcustody agreement.**
- 16.9. Conversion of foreign securities is performed in accordance with the Issuer's corporate resolution on conversion of securities and statement on the quantity of new securities deposited into the nominee account of the Depository, provided by the foreign custodian. In case of differences between settlement figures and actual quantity of transferred securities the Operation**

is not executed in the System until final settlement of the issue. If the quantity of the clients' securities after conversion is a fractional figure, the buyback of the fractional share is organized in accordance with the laws of the country of registration of the foreign securities. Securities are converted based on statement provided by the foreign custodian, which is the confirmation for conversion operations through the nominee account of the Depository (nominee account of securities held at Foreign Custodians). Securities conversion operations are executed on the day of receipt of the confirmation document for conversion through the nominee account of the Depository (nominee account of securities held at Foreign Custodians), and the Bank submits a report to the Account Holders on the next business day.

- 16.10. Transfer of securities as income in relation to securities held at Foreign Custodians is executed in accordance with the Issuer's corporate resolution on payment of income in relation to securities and statements on transfer of securities to the nominee account of the Depository (nominee account of securities held at Foreign Custodians), provided by the foreign custodian. Transfer is executed on the day of receipt of the specified documents. The Depository shall provide to the Account Holder a report about transfer of securities as income in relation to securities through the intermediary of the Bank on the next business day after the operation.
- 16.11. The Depository shall distribute the cash deposited into the Depository account for owners of securities held at Foreign Custodians as part of subcustody of foreign securities among Account Holders owning the securities in question in the System pro rata the share of each of them, unless otherwise provided for by the documents submitted by the foreign custodian administering the nominee account of foreign securities of the Depository. The Depository shall reflect the funds specified in this clause on the Bank's account designated for money settlements, which will be further used to make a transfer to the Account Holders based on the latter's orders to the Bank.
- 16.12. In the cases provided for by the laws of the country of registration of foreign securities and based on the request of the Issuer or other entities the list of owners of foreign securities from the System shall be provided. The form and content of the information is to be defined by the request for such information with consideration of the laws of the country registering foreign securities. The Account Holder shall provide the required information to the Bank within 3 business days upon receipt of the request specified herein from the Bank.
- 16.13. After the foreign custodian provides information about execution or rejection of the Orders submitted by the Depository (if so envisaged by the rules of foreign custodian and/or agreement between the foreign custodian and the Depository), the Depository shall make a record on execution or rejection of the Order in the System or otherwise inform the Bank which in its turn shall inform the Account Holder not later than the next business day.
- 16.14. Apart from the securities account statement and reference on the operations, the Account Holder shall be entitled to request from the Bank other reports and/or information if so envisaged by the rules of the Foreign Custodian.
- 16.15. The Account Holder can submit to the Bank instructions for final settlement in relation to operations with securities held at Foreign Custodians. Furthermore, for settlements under the "Payment versus Delivery" orders the Account Holder shall ensure availability of sufficient funds on the Depository's nominee account opened with the Foreign Custodian within the time frames set under the rules of the Foreign Custodian.

- 16.16. Through the Bank’s intermediation, the Account Holder should submit the pre-advice of the money receipt if the Depository’s nominee account with the Foreign Custodian has been credited.**
- 16.17. The Bank shall accept Account Holder’s Orders for the securities held at a Foreign Custodian every business day from 9:30 a.m. to 4:30 p.m. unless a longer period is stipulated under the subcustody agreement entered between the Depository and the Account Holder through the Bank intermediation. Any Order received after the end of the operational day shall be deemed received during the following operational day.**
- 16.18. The terms and timing of placing of the Orders by the Account Holders for the purpose of Operations with securities held at Foreign Custodians and monetary funds should meet the requirements to the terms and timing of order acceptance set by the Foreign Custodians.**