

**Approved by
Supervisory Board of
“Armenia securities exchange” OJSC**

**New edition registered
With the Central Bank of Armenia**

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ARMENIAN SECURITIES EXCHANGE

OPEN JOINT STOCK COMPANY

**RULES ON
SECURITIES MARKET MAKER**

(New Edition)

Chapter 1. Concepts

1. Concepts used in these Rules shall have the meanings as specified below:
2. “Operator” shall mean "Armenia Securities Exchange" Open Joint-Stock Company
3. “Trading System” shall mean the integrity of hardware, software and other facilities used by the Operator for purposes of organizing online trading, processing and maintaining information related thereto.
4. “Trading Session” shall mean the time period within the trading day, during which trading with corporate securities and/or government bonds is carried out in accordance with the procedure defined by the Operator’s Trading Rules.
5. “Government bonds market participant” shall mean an organization with the right to participate in the trading of government bonds.
6. “Agent” shall mean participant of the state securities market, that assigned the obligation of establishing prices on its behalf and its account under the treaty signed with the Ministry of Finance of the Republic of Armenia
7. “Market maker” shall mean Exchange market member or an Agent, that in due order and terms defined by the Operator’s rules has assigned an obligation to quote continuous two-side prices with any class securities permitted for trading in the securities markets organized by the Operator, and conclude transactions with the given class securities on its behalf and its account for the purpose of assuring liquidity of the given securities;
8. “Order” shall mean the buy/sell offer for the issuer’s securities of the same class placed by the trade participant in the trading system during the trading session, with specification of all material conditions that need to be in place for such offer to be satisfied, as established by the Operator’s Rules.
9. “Minimum bid amount” shall mean the minimum amount of securities for corporate securities or minimum volume for government bonds specified in the buy/sell order of the given class securities entered into the trading system for the purpose of two – side quotation.
10. “Quotation” shall mean the announcement of buy/sell prices in the trading system.
11. “Two-side quotation” shall mean simultaneous announcement of at least one bid and one ask prices for certain type of securities in trading system, as performed by a Market-maker on its account and its behalf.
12. “Minimum volume of two side quotation” shall mean the minimum of total number of securities presented in the orders included in each opposite lists of orders, for two side quotation, in terms of corporate securities, or the minimum of total volume for government bonds.
13. “Integrity of two side quotation orders” shall mean order or orders that meet the requirements of the minimum order amount submitted under the condition of partial satisfaction and presented into the trading system on its name and on its behalf, and included into the buy (sell) order lists with the timing priority, for the purpose of two side quotation, which (aggregate) ensures the minimum amount of two side quotation volume of the given class securities subject to two side quotation, established by these Rules, and which meets the requirements of the market maker spread established by these Rules.

14. “Market-maker spread” shall mean the maximum allowed threshold of the difference between the highest and the lowest prices for the sale of securities of particular class (other than bonds) stated in buy and sell orders, included in the integrity of two side quotation orders entered into the trading system, for execution of obligations of the market maker.

15. “Issuer” shall mean an organization with the status of a legal for corporate securities, or the Ministry of Finance of the Republic of Armenia or the Central Bank for government bonds.

16. “Corporate Securities” shall mean any security other than government bond.

17. “Government Bonds” shall mean government bonds issued on behalf of the Republic of Armenia and by the Central Bank of Armenia or the Ministry of Finance.

18. “Benchmark government bond” shall mean government bond, which is considered benchmark by the Ministry of Finance of the Republic of Armenia, in accordance with legal acts.

19. Other concepts used in these Rules shall have the meanings defined under the Law of the Republic of Armenia “On Securities Market” and other Rules of the Operator.

Chapter 2 General provisions

20. The Operator may grant the status of Market maker of the given class of securities only to the Exchange member or the Agent who has the permission to participate in the trading organized by the Operator in the market involving those securities.

In the market of corporate securities, the status of Market maker and is not granted by the Operator to the Issuer, the Exchange member whose direct or indirect interconnection between the Issuer of the quoted securities or any mutual agreement may jeopardize the fair price of the securities in the market.

21. The status of Market maker is granted by the Operator separately according to each class of securities admittedly traded in the given market of securities organized by the Operator, unless otherwise provided by these rules.

22. The Agent applying for the fulfilment of the obligations arising from the status of the Agent shall be granted the status of Market maker for all government bonds considered as benchmark, which is always valid only for the government bonds of the given class considered as benchmark during the given quarter.

Outside the scope of fulfilment of the obligations arising from the status of the Agent, the Agent is granted and terminates the status of the Market maker of the given class of securities according to general principles. If the Agent acquires the status of a market maker of a class of government bonds outside the scope of fulfilment of its obligations arising from the status of Agent, which is later quoted by it within the framework of fulfilment of obligations arising from the status of Agent, the Agent retains the status of Market Maker after the termination of the obligation to quote the government bonds of the given class as an Agent, unless the given Agent applies to the Operator in the general manner defined by these rules to terminate its status as the Market Maker of the government bonds of the given class, it shall not terminate.

23. The operator may grant the status of market maker of the same class of securities to more than one person (for all classes of benchmark government bonds in the case of Agents).

24. The status of a Market Maker granted to an Exchange Member or Agent by the Operator is valid only during trading with full pre-deposit of securities.

25. The granting of market maker status to an Exchange member or the Agent of any class of securities (with all classes of benchmark government bonds for Agents) does not impose additional privileges and/or restrictions on transactions with other classes of securities.

The granting of market maker status does not imply additional benefits to an Exchange member or to an Agent in the case of transactions with securities quoted by the market maker in transactions outside the market maker's obligations, unless otherwise provided by these rules, other Operator rules or other legal acts.

26. When determining the list of benchmark government bonds during each quarter, the Operator shall take as a basis the official notifications or publications of the Ministry of Finance of the Republic of Armenia.

Chapter 3 Requirements to the market maker

27. The Exchange member or the Agent, whose status in the market of any class of securities has not been ceased during the last 3 (three) months, except for cases on self-termination of the status of market maker specified in Chapter 11 hereof, may apply for the status of market maker in the securities market organized by the Operator, unless otherwise provided in this Chapter.

The Exchange member or an Agent whose status as a market maker of any class of securities has been terminated by the principle of voluntary renunciation of the status of a market maker defined in Chapter 11 of these Rules may in any case request the Operator to apply an exception from the said 3 (three) months limitation, submitting a written application to the Operator substantiating the need to apply such exception. In this case, examination of the application submitted to the Operator by the given Exchange member or the Agent and making decision on the application of the exception is made in accordance with the procedure defined in points 28) and 29) of these Rules.

28. In the case provided for in the second paragraph of point 27 of these Rules, the application for exemption from the term specified in the said point shall be examined by the commission formed by the decision of the Operator's Chief Executive Officer (hereinafter referred to as the Commission), the opinion (conclusion) of which is taken into account when the executive body of the Operator makes decision on granting the status of the market maker.

The Commission consists of the head and four other members. The head of the Commission shall represent the Commission and the latter's opinion (conclusion). The activities of the Commission are regulated in accordance with the procedure established by the Operator's Chief Executive Officer, and in its absence or if unregulated, in accordance with business practices.

The commission is authorized to examine and give an opinion (conclusion) in the cases defined by point 83 of these Rules.

29. In the case provided for in the second paragraph of point 27) of these Rules, the Operator shall examine the application on applying an exception from the term defined in the mentioned point within 10 (ten) working days from the moment of receiving the application. If the Operator's Chief Executive Officer fails to make a decision on the approval of the mentioned application within the said period, the application shall be considered rejected. In the case provided for in the second paragraph of point 27) of these Rules, the Commission examines the

application on applying an exception from the term defined in the mentioned point and presents the opinion (conclusion) to the Operator within 7 (seven) working days from the moment of receiving the application. The Operator has the right to request additional information from the Exchange member or Agent which is necessary for making a decision on applying an exception from the specified term, prior to the expiration of the term for approval or rejection of the said application.

Chapter 4 Requirements to the activities of the market maker

30. The market maker must:

1) prioritize the integrity of buy and sell two-side quotation orders in the trading system, conscientiously meeting the requirements for their bidding defined by these rules;

2) form integrity of buy and sell two-side quotation orders for the given class of securities (benchmark government bonds of all classes in case of Agents) before or at 11:10 of the given trading day, meeting the requirements defined by these rules for the said integrity, by ensuring continuous two-side quotation until the closing of the trading session, taking into account the cases defined by points 42, paragraph 3) of point 45, points 48 and 50 of these rules.

31. In case of postponement of the opening time of the pre-trading (trading) session, the Market Maker must ensure two-side quotation, as provided by point 30 of these Rules, within 20 (twenty) minutes after the resumption of the postponed pre-trading (trading) session, by accepting the deadline for the fulfilment of obligations the expiration of the 20th minute following the resumption.

The Operator is obliged to inform about the resumption of the pre-trading (trading) session at least 15 minutes before the resumption, in accordance with the General Trading Rules of the Operator.

32. The market maker is obliged to disclose (if any) information to the Operator about any kind of agreement or arrangement related to the fulfilment of obligations between the Market maker and the Issuer, except for the confidential information protected by law. The information may be submitted to the Operator on paper or electronically. The information sent via CBANET software or via e-mail agreed with the Operator is submitted to the Operator in PDF format. The Operator publishes the relevant information on its official website within 1 (one) working day following the day of receiving the information.

Chapter 5 Determination, calculation of the minimum amount of order and quotation volume, spread of the market maker, the terms of application thereof

33. During the pre-trading (trading) session the current spread of a Market-maker for equities shall be calculated as follows:

$$MMS = \frac{P_{sell} - P_{buy}}{P_{buy}} \times 100\%$$

where:

MMS - stands for the Market-maker's current spread, in percent;

P_{sell} stands for the best sell price of equity securities of the given class that form the integrity of sell orders of current two side quotation

Pbuy stands for the best buy price of equity securities of the given class that form the integrity of sell orders of current two side quotation.

34. During the pre-trading (trading) session the current spread of the Market-maker for bonds shall be calculated as follows:

$$\text{MMS} = \frac{Y_{\text{buy}} - Y_{\text{sell}}}{Y_{\text{sell}}} \times 100\%$$

where:

MMS - stands for the Market-maker's current spread, in percent;

Ybuy stands for the annual yield corresponding to the lowest price of the buy orders for the given class of bonds, that form the buy orders integrity of the two-side quotation, calculated with the formula published by the Issuer of the same bonds, and/ or provided to the Operator;

Ysell stands for the annual yield corresponding to the highest price of the buy orders for the given class of bonds, that form the buy orders integrity of the two-side quotation calculated with the formula published by the Issuer of the same bonds, and/or provided to the Operator;

35. The spread of the market maker is calculated as at the current moment and should not exceed 5 (five) percent for corporate securities and/or government bonds not considered as benchmark; and 3 (three) percent for government bonds considered as benchmark.

36. The aggregate of volume of bonds submitted by one or more orders, included in each of buy and sell groups of two side quotation orders formed by the Market maker for each class of corporate securities, must not be less than the minimum amount of two side quotation, which is established with the accuracy of one security, in the amount of 1 (one) percent of the corporate securities of the given class, permitted for trading by the Operator, with the consideration of the case specified in paragraph 1 of point 41 hereof.

37. If the total amount calculated with the minimum amount of two-side quotation for each class of corporate bonds in accordance with point 36 of these Rules exceeds:

1) AMD 100,000,000.0 (one hundred million) for bonds denominated in AMD, the minimum amount of two-side quotation volume for the given class of corporate bonds is defined the total number of bonds, the calculated amount of which is equal to or the least exceeds 100,000,000.0 (one hundred million) AMD;

2) USD 200,000.0 (two hundred thousand) for bonds denominated in USD, the minimum amount of two-side quotation volume for the given class of corporate bonds is defined the total number of bonds, the calculated amount of which is equal to or the least exceeds USD 200,000.0 (two hundred thousand);

3) EUR 200,000.0 (two hundred thousand) for bonds denominated in EUR, the minimum amount of two-side quotation volume for the given class of corporate bonds is defined the total number of bonds, the calculated amount of which is equal to or the least exceeds EUR 200,000.0 (two hundred thousand).

38. The aggregate of volumes of the certain class bonds submitted by one or more orders included in each of the buy and sale two-side quotation groups formed by the Market maker for each class of government bonds, shall not be less than the minimum amount of two-side

quotation set in the amount of 0.2 (zero point two) percent of government bonds of the given class permitted by the Operator for trading, except for the cases of fulfilment of the obligation by the Agents for two-side quotation of benchmark government bonds, where the minimum amount of two-side quotation volume is 0.4 (zero point four) percent of benchmark government bonds of the given class permitted by the Operator for trading.

39. The aggregate of volumes of the certain class securities submitted by one or more orders included in each of the buy and sale two-side quotation groups formed by the Market maker for each class of equity securities, shall not be less than the minimum amount of the two-side quotation, which is defined with one security accuracy, as follows:

1) in the amount of 0.05 (zero point zero five) percent of the number of equity securities of the given class permitted by the Operator for trading, for equity securities with a capitalization of up to five hundred million AMD;

2) in the amount of 0.04 (zero point zero four) percent of the number of equity securities of the given class permitted by the Operator for trading, for equity securities with a capitalization of five hundred million AMD up to seven hundred and fifty million AMD;

3) in the amount of 0.03 (zero point zero three) percent of the number of equity securities of the given class permitted by the Operator for trading, for equity securities with a capitalization of seven hundred and fifty million AMD up to one billion AMD;

4) in the amount of 0.02 (zero point zero two) percent of the number of equity securities of the given class permitted by the Operator for trading, for equity securities with a capitalization of one billion AMD up to five billion AMD;

5) in the amount of 0.01 (zero point zero one) percent of the number of equity securities of the given class permitted by the Operator for trading, for equity securities with a capitalization of five billion and above AMD.

40. The capitalization of each class of equity securities for the purpose of calculating the minimum amount of two -side quotation specified in point 39 of this Chapter shall be calculated at the price of the last transaction concluded by means continuous two -side auction with equity securities of the given class on the corporate securities market by the closing of the previous trading session, or at the nominal value of such equity securities, in case of absence of any transaction with equity securities.

41. In case of change of the quantity (volume) of the given class of securities permitted by the Operator for trading the modified amount of the minimum volume of two-side quotation shall be calculated from the trading day following the day of fixing the change by the Operator.

Moreover, the Operator is obliged to inform the Market participants about the change through the trading system on the day of fixing the change in the quantity (volume) of the given class securities according to this point, and post it on its official website, and inform the given class securities Market maker on the change by phone, CBANET or by e-mail, if necessary.

42. The minimum amount of two – sided quotation specified by points 36,37,38 or 39 hereof shall be automatically reduced respectively, with regard to the group of the given class securities buy (sale) two-side quotation orders, during the given trading session in the amount of each transaction concluded with the two-side quotation order included in the two-side quotation

groups of the trading system by the Market maker during the two-side quotation, provided that the given order was submitted in compliance with the minimum order amount.

43. The minimum amount of each order included in the group of two-side quotation orders formed by the market maker for each class of securities shall not be less than 20 (twenty) percent of the minimum amount of two-side quotation volume specified in points 36, 38 or 39 of these rules.

Moreover, in case of partial satisfaction of buy or sale order submitted to the trading system with the observation of the minimum amount and included in the group of two-side quotation orders, the minimum amount of order is automatically reduced respectively for the given order.

44. The method of upward rounding is used to calculate the minimum amount of order and minimum amount of the volume of two-side quotation in accordance with this Chapter, in which case the rounding is performed until the next integer. Moreover, rounding in the case of corporate securities is done with the accuracy of one security.

Chapter 6. Rights of the Market maker and the terms of their implementation (use)

45. The Market maker has the right to:

1) change the two-side quotations made by the orders included in the groups of buy and sale two-side quotation orders during the pre-trade (trading) sessions within the limits of the market maker spread defined by these rules, following the term of minimum amount of the order and the minimum amount of the two-side quotation volume, except for cases stipulated by these Rules;

2) after providing terms and requirements for two-side quotation with respect to the Market Maker defined by these Rules during the pre-trading (trading) sessions submit additional new buy or sale orders with the given class securities to the trading system on its own behalf, not keeping the terms and requirements defined by these Rules with respect to the Market Maker spread and the minimum amount of the order, if the price specified in the additional buy order entered into the trading system is not equal or higher than the best price of opposite orders of the given class securities ensuring the two-side quotation by the Market maker on its behalf and its account, while the price mentioned in the sale order is not equal or less than the best price of opposite orders of the given class securities ensuring the two-side quotation by the Market maker on its behalf and its account at the moment.

3) not to fulfil the obligation of two-side quotation during the trading session for the given class of securities, if during the trading session the total volume of transactions in the class of securities concluded on its own account is greater than or equal to the minimum amount of two-side quotation defined by these rules for the given class securities

46. In case after the Market maker ensures the conditions defined by paragraph 3) of point 45 of these Rules, there are unsatisfied or partially satisfied orders in the trading system, which were earlier submitted for one or more buy and sale on its behalf and included in the two-side quotation orders groups, the Market maker may not remove them from the trading system by changing them if necessary. If the changed quotations are within the limits of the Market maker's spread defined by these rules, and the securities volumes do not decrease from the values

fixed in the orders mentioned as at the time of ensuring the terms and conditions specified by paragraph 3) of point 45 hereof, the two – side quotations made in the mentioned orders will be considered in the framework of the fulfillment of the obligations of the market maker.

47. In case after the Market maker ensures the conditions defined by paragraph 3) of point 45 of these Rules, the latter has submitted to the trading system a new buy and /or sale order or orders on its account and on its behalf, for the purpose of continuing two-side quotation with the given class securities or ensuring new two-side quotation, by meeting the requirements set out in these Rules for the activity of a market maker, the two-side quotations made by the given orders will be considered in the framework of the fulfillment of the obligations of the market maker.

48. The Exchange member or an Agent shall be exempted from fulfilling the requirements of the market maker activity defined by these rules, if trading of the class of securities with which the Exchange member or an Agent are carrying out the activities on the securities market organized by the Operator, has been suspended, for the term of suspension of trading with the given class securities.

49. The market maker has the right to conclude transactions in the Operator's trading system on his behalf and at the expense of the customers, to which the requirements, privileges and obligations set forth by these rules to the Market maker do not apply.

Chapter 7. Additional rights or the Market maker and the terms of their implementation (use)

50. In addition to the rights set forth in Chapter 6 of these Rules, the Market maker shall also have the right to announce a two- side quotation interval and not to fulfil two- side quotation obligations with the given class securities on its own behalf in the trading system during 2 (two) separate or consecutive trading days on a monthly basis observing the condition defined by point 51 of these rules. Moreover, unused trading days during the given month within the framework of this right, may not be used during other months.

Within the framework of the right defined by this point, the market maker has no right to make two- side quotation with the given class of securities and may enter into the trading system one or more buy or sale one-side orders on its behalf and its account and conclude transactions which are not covered by requirements, privileges and restrictions set by the rules for the market maker.

51. In each case of exercising the right of announcing the two-side quotation interval defined in the first paragraph of point 50 of this Chapter, the Market Maker shall be obliged to notify the Operator on the same electronically via CBANET or by e-mail agreed with the Operator, at least 2 (two) days before the day of exercising the given right, by 17:00 of the submission day, indicating the trading day or the list of days during which the Market Maker intends to announce a two-side quotation interval and not to fulfill its obligations of two-side quotation with the given class of securities. Moreover, the trading days of the last day of a month and the first day of the following consecutive month and trading days assuming two-side quotation interval may not exceed 2 (two) days.

52. The Operator shall, within 30 minutes from the moment of receiving the relevant notification by the Market Maker within the period defined by point 51 of these Rules be obliged

to inform the Market Participants about the same at least through the trading system, as well as to post the same on its official website.

Chapter 8. Procedure of granting the status of Market maker

53. The decision to grant the status of Market Maker to an Exchange Member or Agent shall be made by the Operator's Chief Executive Officer in accordance with the procedure established by this Chapter. In order to obtain market maker status for any class of securities (in the case of benchmark government bonds, all classes), the Exchange member or Agent must submit an application for market maker status (hereinafter referred to as the application) to the Operator in accordance with Annex 1 to these Rules. The application must be signed and sealed (if any) by the head of the executive body of the organization or a person authorized by the competent body. The application may be submitted to the Operator on paper or electronically via CBANET or by e-mail agreed with the Operator.

54. The Application sent via CBANET or by e-mail agreed with the Operator is valid if the original scanned version of the Application has been submitted in PDF format.

55. The application is considered submitted to the Operator from the moment of its receipt. The Operator's Chief Executive Officer must make a decision on the rejection or satisfaction of the application within 3 (three) working days from the moment of receiving the application.

56. The status of a market maker is granted to a member of the Exchange or agent on the day defined by the relevant decision of the Operator's Chief Executive Officer, but not earlier than the date of the trading permit decision of the given class of securities.

57. The Operator shall send the scanned copy of the original decision in PDF format to the member of the Exchange or agent via authorised CBANET address or e-mail address agreed with the member of the Exchange or the agent before 17:00 on the day of making the decision on granting the status of Market Maker in accordance with point 56 of these Rules, as well as informs the Market participants about the same through the trading system, and post on its official website. From the trading day, once the decision enters into force the given member of the Exchange or the agent must act as a Market Maker of the securities of the given class (in the case of an agent, with all classes of benchmark government bonds) with the Operator.

Chapter 9. Rejection of Market maker status application

58. The market maker status application is rejected if:

1) the Member of Exchange or the Agent submitting the application does not meet the requirements set forth in Chapter 3 of these Rules;

2) the information required in the application is incomplete or the fact contained therein has been distorted;

3) During the period of consideration of the application, the right of the given member of the Exchange or the given Agent to conclude transactions on the given securities market organized by the Operator has been suspended;

4) The securities mentioned in the application do not have permit to be traded in the market of the given securities organized by the Operator or the given application for permit has been rejected by the Operator;

5) there is any non-compliance with the law or other decisions adopted in accordance with the law (normative legal acts) or other rules of the Operator;

6) there are other grounds for rejection defined by these rules.

59. The reasons for the rejection and the legal grounds shall be stated in the decision of the Operator's Chief Executive Officer on the rejection of the application. On the day of making decision to reject the application, the Operator shall send the scanned copy of the original decision in PDF format to the authorised CBANET or e-mail address agreed with the Exchange member or agent.

60. The Operator's Chief Executive Officer may not make a decision on the rejection of the application on grounds not provided for in this Chapter.

61. In case of rejection of the application, the Exchange Member or the Agent has the right to submit a new Application for the status of Market maker in accordance with the general procedure established by these Rules.

Chapter 10 Suspension of the Market maker status

62. The status of a market maker is considered suspended if:

1) the right of the given Market maker to conclude transactions in the given securities market organized by the Operator has been suspended for the period of suspension of the right;

2) the membership of the given Market maker in the Exchange, has been suspended for the period of suspension of membership;

3) the status of the given Market maker of a participant in the government bond market, has been suspended for the period of suspension of the status.

63. Suspension of market maker status shall be considered removed from the trading day following the day of expiration of the suspension period.

Chapter 11. Termination of the Market maker status

64. The status of a market maker may be voluntarily or compulsorily terminated or automatically terminated in the manner prescribed by this Chapter, unless otherwise provided by these Rules.

65. Taking into account the restriction mentioned in clause 66 of these rules the market maker in case of voluntary renunciation of his status of a market maker must inform the Operator in writing at least 30 days before submitting the relevant application in accordance with clause 67 of these rules. The Operator shall post the relevant written information on its official website within 1 (one) working day following the day of receiving it.

66. The market maker may voluntarily renounce the status of market maker of any class of securities (in the case of agents, with all classes of benchmark government bonds) if the member of the Exchange or the agent has been a market maker of the given class of securities (in the case of agents, with all classes of benchmark government bonds) for at least 3 (three) months.

67. In case of voluntary renunciation of the status of market maker of any class securities (in the case of agents, with all classes of benchmark government bonds) on the basis of restriction referred to in point 66 of these Rules, the status of Market Maker of an Exchange Member or Agent shall be considered terminated from the working day following the day when the Operator has received the relevant application, except for cases when the relevant application has been submitted to the Operator before the restriction period, in which case the submitted application is considered not received by the Operator, and the given member of Exchange or the given agent must continue the activities of the market maker of the given class of securities (in the case of agents, with all classes of benchmark government bonds).

68. In case of voluntary renunciation of the status of Market maker in accordance with point 67 of these Rules, on the basis of written application received from an Exchange Member or Agent the Operator and the Exchange member or the agent shall make settlement of payments made to the Operator by the Exchange member or the agent as a market maker over the three months preceding the date of application, at the rate applicable for the given period, within 10 (ten) working days. In case of difference between the payment calculated as a result of settlements and actual payments made by the Exchange member or the agent within the given period, the Operator shall make a corresponding invoice and notify the given Exchange member or the agent of the same within 1 (one) working day, and the given Exchange member or the agent must pay the relevant amount within 5 (five) working days.

69. The Market maker's status of an Exchange Member or Agent terminates automatically if:

1) permit for trade in the market organized by the Operator of the class of securities, through which the given member of the Exchange or the given Agent carries out the activities of a Market Maker;

2) the membership of the given member has terminated or the status of the given member of the Exchange or the given Agent as a participant of the government bond market with the Operator has terminated;

3) The status of the given member of the Exchange or the given participant of the government bond market, the status of the Agent for all classes of benchmark government bonds has terminated, except for the case defined by the second paragraph of point 22 of these rules;

4) The RA legislation, other legal acts of the RA and/or the Operator's rules have been amended, by which the further activities of the given member of the Exchange and the agent with the given class of corporate securities and/or given class of government bonds and /or all classes of benchmark government bonds become impossible as a market maker.

70. The Market maker status of an Exchange Member or agent may be compulsorily terminated if:

1) the Member of Exchange or the Agent has not fulfilled the obligations arising from the status of Market maker, or there is a risk defined by the second paragraph of point 20 of these Rules;

2) there is any conflict of the market maker's activity with the law or other decisions (normative legal acts) adopted in accordance with the law, and /or the Operator's Rules, or any other grounds for termination of the market maker's status defined by them.

71. The process of making a decision to terminate the status of a market maker on the grounds defined by paragraph 70 of this Chapter shall be established in accordance with the procedure established by the Regulation regulating the Operator's supervising functions.

72. In case of termination of the status of Market maker defined by this Chapter the Operator is obliged to inform the Member of Exchange or the Agent through the CBANET or mutually agreed e-mail on the same day as well as to inform the Market Participants through the trading system and post the same on its official website.

73. A Member of the Exchange or an Agent who voluntarily renounced the status of a market maker, or the status of a market maker of which was automatically or compulsorily terminated may submit a new application for status of market maker for the given class of securities (in the case of agents, with all classes of benchmark government bonds) to the Operator in accordance with the general procedure defined by these rules.

Chapter 12 Privileges of Market Maker's activities

74. If the party to the transaction is the market maker for the securities subject to the transaction, it will be granted the privilege of being charged by the Operator with the lower fee than the fee established for other participants of corporate securities and/or government bonds markets, with no status of a market maker.

75. The amount of fees defined in point 74 of these rules is determined by the Operator's "Rules on Tariffs".

Chapter 13. Control over observance of requirements to market maker

76. Control over observance of requirements of these rules is carried out by the Operator.

77. The Operator shall submit relevant references to the Issuer on the detected violations of the requirements of these rules regarding the activity of the market maker of the benchmark government bonds, indicating the nature and description of the detected violations. The form of reference and frequency of submission is determined by the decision of the Operator's Chief Executive Officer, as agreed by the Issuer.

78. Disputes arising within the framework of control over the observance of these rules shall be resolved in the manner prescribed by the RA legislation.

Chapter 14 Responsibility of the market maker

79. The member of the Exchange or the Agent operating as a Market maker shall be held liable in accordance with the procedure established by the Regulation regulating the supervising functions of the Operator for the violation of the requirements established by these Rules for the market maker's activities.

80. The member of the Exchange or the Agent operating as a Market maker shall be released from liability for violation of the requirements established by these Rules for the market maker's activities, if:

- 1) non-fulfilment or improper fulfilment of its obligations was due to technical problems related with means of communication needed to ensure connection with the trading and/or payment systems ensuring trading functions organized by the Operator,

2) non-fulfilment or improper fulfilment of its obligations was caused by force majeure circumstances, moreover, in the terms of this paragraph strikes, breach of obligations by the counterparts of the given member of the Exchange or the Agent, etc., which the member of the Exchange and the Agent could eliminate it by taking the necessary measures are not considered to be force majeure circumstances.

81. In the case specified in paragraph 1) of point 80 of these Rules the Exchange Member or Agent shall be obliged to resume implementing the activities of a market maker within a reasonable time, but not later than 10 (ten) minutes after being notified of the elimination of the technical problem by the Operator in accordance with the Operator's General Trading Rules.

82. In addition to the cases specified in point 80 of these Rules the Operator's Chief Executive Officer may establish exemptions from the performance of the requirements and obligations of the Market maker and its activities or establish privileges that may be applied on a general or individual basis, in exceptional cases defined by part 3, article 80 of the RA Law on Securities Market, as well as in emergencies (including epidemics) defined by RA legislation on its own initiative or on the basis of a written application of the Market maker.

83. Decision on establishing exemptions from the performance of the requirements and obligations of the Market maker and its activities or establish privileges in exceptional cases and in emergencies by the Operator, as specified in point 82 hereof, shall be made by the Operator's Chief Executive Officer based on the opinion (conclusion) of the Commission formed by the Operator in accordance with these Rules.

Chapter 15 Transitional provisions

84. These Rules, as amended shall enter into force in six months after the registration by the Central Bank of the Republic of Armenia.

85. The Annex is an integral part of these rules and forms a single document with the rules.

To the Chief Executive Officer of
Armenian Securities Exchange

Application for Market maker status

You are kindly requested to grant _____

(full name of the applicant, as in Armenian)

The status of Market maker (tick one of the application options)

1. Corporate securities

Full name of the Issuer, as in Armenian	Corporate securities ISIN

2. Government bonds

Full name of the Issuer, as in Armenian	Corporate securities ISIN

3. All classes of benchmark government bonds*

*This option of application is specified only by an organization being an Agent for RA government bonds

At the same time, we undertake to comply with all the requirements for the activities of the market maker defined by the “Securities Market Maker Rules” of the “Armenian Securities Exchange” Open Joint-Stock Company, as well as to fulfil in good faith all the obligations assumed by us as a Market maker and as a result of the market maker’s activity.

(full name of the head of the executive body)

(title of the head of the executive body)

(signature)

(date)

L.S.