

Registered with
Central Bank of Armenia
Chairman Arthur Javadyan

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ARMENIA STOCK EXCHANGE
OPEN JOINT STOCK COMPANY

REGULATION ON EMERGENCY
SITUATIONS

Chapter 1. General Provisions

- 1) Measures taken by “Armenia Stock Exchange” OJSC in case of emergencies, the sequence thereof and duties of the responsible persons shall be defined by this Regulation.
- 2) Concepts used in this Regulation shall have meanings defined by this Chapter.
- 3) **Emergency situation:** a situation occurred under influence of internal and external factors, which impedes or may impede the regular activities of Exchange and cause harms. Examples of emergency situations are disasters, fire, bandit attacks, failure of supporting infrastructures, breakdown of software and hardware facilities, failure of the network used for exchange trading service, damages caused in the result of publishing the confidential information and other situations, which may hinder the regular activities of the Exchange.
- 4) **Group working in emergency situations:** a group appointed and managed by Chief Executive Officer of the Exchange, which implements its activities during emergency situations by adopting decisions on working in such situations.
- 5) **Trading system:** the complex of hardware, software and other facilities used to arrange and carry out exchange trading, the processing and storage of information thereon via electronic ways, as well as to execute other transactions prescribed by Exchange Trading Rules.
- 6) **Exchange Trading Rules:** rules developed by Exchange, which define the process of trade organization and implementation.
- 7) **Critical situation:** a large-scale and difficult situation, which lasts longer,
- 8) Concepts used in this Regulation have all the meanings prescribed by RA Law “On Securities Market” and Exchange Rules.

Chapter 2. Scope of Regulation on Actions Taken in an Emergency

- 1) This Regulation shall be effective in case of emergencies occurred at the Exchange at working hours.
- 2) In case of emergencies occurred not at working hours special actions shall be taken only in case if those emergencies directly threaten the Exchange activity, may be long-lasting and continue during next working hours.

Chapter 3. Creation of Special Group Working in Emergencies

- 1) If emergencies occur, a special group for emergency cases (hereinafter Group) shall be created upon the order of Exchange Chief Executive Officer (hereinafter CEO).
- 2) Exchange CEO shall lead the Group and appoint the members thereof upon his order. The Group shall consist of heads of territorial subdivisions, employee of security service, and if there is no such an employee, the employee in charge of the same duties, as well as other persons upon the decision of the Exchange CEO.
- 3) Group shall be guided by fundamental principles envisioned under “Policy on Ensuring Continuous Activity” of the Exchange.
- 4) Group shall implement its activities within reasonable period of time, as well as may continue its activity after elimination of emergency for the purpose of performing reconstruction works.

Chapter 4. Sequence of actions in emergency situations

1. After the emergency situation occurs, each employee shall immediately inform about it to his direct supervisor and Exchange CEO.
- 2) After being informed about the created emergency, a Group shall be established upon the Exchange CEO order and assess the situation.
- 3) In the result of evaluating the sources and reasons of emergency situation (except disasters and emergency situations created by invincible powers).

- 4) Depending on the character of the situation and results of evaluation, as well as time opportunities, the Head of the Group shall issue decisions and give both written and verbal instructions for further actions.
- 5) During disasters, invincible powers, fire or other large-scale situations, when it is impossible to ensure the regular activity of the Exchange, the Head of the Group shall issue a decision on termination of the Exchange activity and inform about it to market participants within short period of time and Central Bank of Armenia, evacuation of other persons present at the territory of the Exchange and their replacement to more secure places shall be ensured, as well as replacement of back-ups of electronic data and other things necessary for ensuring further regular activity of the Exchange, if possible.
- 6) During fire, technical breakdown or other disasters in parallel to actions mentioned in Clause 5 of this Chapter, the security employee of the Exchange, another employee in charge of the same duties or another person appointed by the Head of the Group shall call the fire brigade or the relevant fire service and be obliged to use the anti-fire equipment being under control of the Exchange. If it is necessary to implement anti-fire or rescue activities, the Head of the Group shall permit the entry of the relevant services employees to the premises of the Exchange, including the trading floor.
- 7) In case of especially large-scale emergency situations, when there is a threat to life and health of the Exchange employees, the Group shall be guided by the priority principle of ensuring the life and health of Exchange employees.
- 8) If the emergency is local, the Group shall ensure security at the place of emergency. In this case Exchange employees, who are authorized to perform such an activity by the Head of Group may participate in the activities of protecting the Exchange property, hardware facilities, back-ups of electronic data, other important assets and replacing them into a secure place.
- 9) Relevant protocol is drawn up for opening special buildings and safes and for taking out documents, data, property and other assets therefrom and removing them to another place, which is signed by the Head of Group and at least 2 members.
- 10) In order to avoid the emergency situation caused because of electricity breakdown, the Exchange shall be equipped with different sources of electricity supply (one of which shall be a reserve) and/or sources of electricity supply: generators, batteries, which shall ensure the regular activity of the Exchange.
- 11) In case of breakdown of the main source of energy, the reserve thereof shall be immediately applied or the local sources of electricity supply shall be automatically switched on. In case of using the local sources of electricity supply, the security rules of technical use of such equipment shall be observed.
- 12) In such an emergency situation when the employees of Exchange, who ensure the implementation of other functions, become incapacitated (exchange trading organization, clearing and settlement system), the duties thereof shall be assigned to other employees upon the instruction of the Exchange CEO.
- 13) In case of other emergencies, the Group shall be entitled to work according to the current evaluation of the situation by observing the fundamental principles of this Regulation.
- 14) After the end of the emergency situation, the Group shall draw up a relevant protocol of implemented measures and actions, which shall be signed by all members of the Group and approved by the Head of the Group.
- 15) Other special procedures and programs may be adopted by the CEO of the Exchange for more coordinated and prompt activity in case of emergencies.

Chapter 5. Procedure for Taking Actions in Emergency Situations connected with Trading System and Exchange Trading Arrangement

- 1) In the event of any technical and functional failure, as well as any emergency deemed an impediment to the exchange trading, the trading system administrator shall immediately inform the Head of the relevant subdivision and the Head of the Exchange.
- 2) After getting familiarized with the situation, the CEO of the Exchange shall evaluate the current situation and the consequences thereof on the basis of the issues submitted to the administrator of the trading system and organize the activities of the Group, as appropriate.

- 3) In the event that hardware and software problems regarding the trading system occur, trading system administrator or another employee in charge of the same responsibilities shall submit the reasons of the occurrence thereof and versions for solution thereof to the Group.
- 4) Based on the obtained information, the CEO of the Exchange shall estimate the period for solution of the above and delay of the Exchange trading session shall be announced in the procedure prescribed by Exchange Trading Rules, if problems have occurred before opening the trading session or a technical break shall be announced, if problems have arisen during the trading session.
- 5) Termination of the trading session shall be implemented in the procedure stipulated by Exchange Trading Rules.
- 6) In the event of physical damage, failure or incapacity of exchange trading servers and other computers, the relevant employee of Exchange and Exchange trading shall replace them by the reserve computers and servers, which have to be in a working condition beforehand for being quickly operated in such situations.
- 7) In the course of reserve equipment operation, main equipment capacity shall be recovered, and in case of such physical damage when the recovery thereof is impossible, the procurement or leasing of such equipment shall be ensured.
- 8) In case of failure of the internal network of the Exchange, the relevant employee shall make a transfer to the reserve network. During the period of the operation of the reserve network, relevant activities shall be carried out for the main network recovery and after recovering it a transfer from the reserve network to the main one shall be made.
- 9) In case of software breakdown occurred with the trading system in the Exchange, relevant actions shall be made in compliance with Clauses 3)-5) and in the meantime the relevant employee of the Exchange shall carry out activities for elimination of software breakdown.

Chapter 6. Sequence of Actions Taken in Critical Situations

- 1) Critical situation may occur when the Exchange building, equipment (both main and reserve), are completely damaged, the main software facilities, the back-ups thereof, the originals and back-ups of the electronic database are largely damaged, the key employees of the Exchange are absent all the time or mostly or become incapacitated and in other cases.
- 2) During critical situation the activity of the Exchange may be suspended for a long period of time.
- 3) If critical situation occur, members of the Supervisory Board of the Exchange may also be involved in the composition of the Group, as appropriate.
- 4) Every employee of the Exchange shall be managed and guided by the decisions of the Group working for the purpose of emergency elimination.
- 5) After the critical situation evaluation and clarification of the period for the solution thereof, the Group shall draw up an action plan and inform about it to the employees of the Exchange and other persons and public, as appropriate.

Chapter 7. Arrangement and Implementation of Recovery Activities

- 1) After the end of emergency situation, as well as critical situation the Group shall ensure the recovery of the Exchange current activity, particularly:
 - a) important documents, damaged equipment, back-ups and other necessary equipment shall be recovered (or replaced in case of evacuation) within a short period of time,
 - b) if during the emergency situation the premises, equipment, servers, computers and other equipment of the Exchange have been fully damaged, then the replacement thereof shall be ensured through procurement or leasing within a short period of time,
 - c) after recovery of electricity power breakdown, a transfer shall be made from the reserve electricity supply system specified in Clause 11, Chapter 4 of this Regulation to the main electricity supply system,

- d) a selection of new employees and admission thereof to the job place shall be organized during the activity of persons specified in Clause 12, Chapter 4 of this Regulation,
 - e) recovery of the servers and internal network of the Exchange shall be made in compliance with Clauses 6-9, Chapter 5 of this Regulation.
- 2) Other recovery measures shall be carried out in the procedure and manner defined by the Head of the Group.

Chapter 8. Scope of Responsibilities

- 1) In the event of emergency, each employee of the Exchange shall act in conformity with the principles defined by this Regulation.
- 2) Exchange CEO shall be responsible for organization and implementation of measures prescribed by this Regulation.
- 3) Members of the Group appointed by the Exchange CEO shall be available and come to the place appointed by the Exchange CEO within a short period of time.
- 4) During emergency (as well as critical situation), all the employees of the Exchange shall fulfill both written and verbal instructions given by the Head of the Group.
- 5) Heads of structural subdivisions of the Exchange shall inform all the subordinated employees (both currently working and newly admitted about the principles of this Regulation and measures being taken, as well as each amendment made herein.
- 6) All the employees of the Exchange shall properly familiarize themselves with this Regulation and perform the measures prescribed by this Regulation.

Chapter 9. Other provisions

- 1) This Regulation shall be approved by Exchange Supervisory Board and enter into force after registration thereof in the Central Bank of Armenia.
- 2) Each amendment and addendum shall be approved by the Exchange Supervisory Board, become effective after registration in the Central Bank of Armenia and shall be an inseparable part of this Regulation.

**Approved by
Resolution of Supervisory Board
“ARMENIA STOCK EXCHANGE”OJSC**

_____ **Johan Fredholm**

**June 13th, 2008
Yerevan
ASE -01/107L**