

Registered with the Central Bank
of the Republic of Armenia

A. Javadyan, Chairman

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ARMENIAN STOCK EXCHANGE
OPEN JOINT STOCK COMPANY

CORPORATE SECURITIES
TRADING RULES

These Rules define the procedure for carrying out corporate securities exchange trading at the Armenian Stock Exchange Open Joint Stock Company (hereinafter: “the Exchange”).

Article 1. Definitions

1) Concepts used in these Rules shall have the meanings as specified below:

“**Lot**” shall mean the minimum number of securities that can be stated in buy/sell orders for securities of a particular class.

“**Reference Price**” shall mean the price of the last trade concluded with the issuer’s securities of a particular class during trading session of the previous trading day. In case no trades were concluded with the issuer’s securities of a particular class during the relevant trading session of the previous trading day and the best buy price stated in the order in trading system is higher than the reference price (best sell price stated in the order is lower than reference price) as of the previous trading session close, the price stated in this order shall be considered reference price for current trading session. If no trades with the issuer’s securities of given class were concluded during previous trading session and no orders, which could have served as a ground for definition of reference price, were placed in the trading system, the reference price of the previous trading day shall be considered the reference price. If no trades have been concluded and no orders, which could have served as ground for defining the reference price, were placed during 5 (five) consecutive business days, no reference price shall be defined for the current trading session.

“**Spread**” shall mean the maximum allowed limit to which prices stated in buy (sell) orders placed in the trading system may be decreased (increased) against the best buy (sell) price of corporate securities of the particular class.

2) Other terms used in present Rules shall have the meanings defined under the RA Law “On Securities Market” and the Exchange Rules.

Article 2. Conclusion of Trades in Corporate Securities

1) Trades in corporate securities can be concluded at the Exchange during the trading session as defined by the Exchange “Rules on Trading” and present Rules.

2) The Exchange shall organize trading in stocks in the following markets:

- a. listed stocks market
- b. free market

3) The Exchange shall organize trading in corporate bonds in the following markets:

- a. listed corporate bonds market
- b. free market
- c. credit (money) market

4) The exchange trading in the markets mentioned in points 2) and 3) of this Article shall be organized through a continuous two-way auction.

5) According to the decision by the head of the executive body of the Exchange, stocks and corporate bonds can also be traded through manual trades mechanism and on repurchase (repo) agreements market.

6) Exchange trading in corporate securities will be organized based on the full pre-deposition principle.

- 7) During corporate securities trading market participants shall input orders into the trading system to have them fulfilled.
- 8) Buy and sell orders placed in the trading system shall state a price that corresponds to the current market value of the security, excluding those buy (sell) orders that aim at buying (selling) more than 20 (twenty) per cent of the issued and outstanding volume of securities of a particular class each.
- 9) Current market value is the price established as a result of a comprehensive analysis and reflecting the most correct real price. While estimating current market value, price variations during current and the previous trading sessions, fluctuations of the security's price, price history of the benchmark securities and if necessary also other conditions, allowing to determine the correct price, should be taken into account.
- 10) Orders not satisfied during the current trading session shall be considered void and shall not be included in the relevant Queues of the upcoming trading sessions.

Article 3. Spread.

- 1) The spread to the best order price for the relevant trading session of the exchange trading through continuous two-way auction shall not exceed ± 10 per cent of the best sell (buy) price included in the relevant queue of orders at a given time during the trading session. Those buy orders that state a price per security, which is lower than the best buy price recorded in the trading system at a given time by more than 10 per cent, as well as those sell orders that state a price per security, which is higher than the best sell price in the trading system at a given time by more than 10 per cent, shall not be registered in the trading system.
- 2) The spread to the reference price for the exchange trading on the listed stocks market organized through continuous two-way auction shall not exceed ± 15 per cent of the reference price. Those orders that state a price per security, which is lower or higher than the reference price at a given time by more than 15 per cent, shall not be registered in the trading system.
- 3) The spread to the best order price for the exchange trading on the listed stocks and corporate bonds market through manual trades mechanism shall not exceed ± 10 per cent of the best buy (sell) orders' prices for given financial instrument established at a given time during the exchange trading on listed stocks and corporate bonds market through a continuous two-way auction. Those manual orders that state a buy (sell) price per security, which is lower (higher) than the best price recorded in the trading system at a given time by more than 10 per cent, shall not be registered in the trading system.

Article 4. Execution of Transactions in Corporate Securities

- 1) Identification and calculation of mutual obligations arisen out of the trades in corporate securities, as well as the preparation of settlement documentation and the settlement of mutual obligations and claims shall occur on the same day that the trade was done as defined by the contract between the Exchange and the Depository as well as by the Depository rules.
- 2) According to the contract between the Exchange and the Depository, after the close of the trading session in corporate securities, the Exchange shall provide information on all trades concluded to the Depository, based on which the Depository shall execute the settlement of the trades pursuant to the procedure defined by the latter's Rules.
- 3) Those Exchange members, as part or on behalf of which trade participants being the parties to trade act, shall be liable to pay to the Exchange commission fees envisaged by the Exchange's "Tariff Rules".

Article 5. Amendments and Addenda

- 1) All the amendments and addenda to these Rules shall constitute integral parts thereof and shall enter into force as defined by the Law, unless otherwise is envisaged by the provisions of these Rules.

Approved by

Supervisory Board of

“Armenian Stock Exchange” OJSC

_____ **Johan Fredholm**

June 13, 2008

Yerevan

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