

Registered with

The Central Bank
of the Republic of Armenia

Chairman A. Javadyan

December 2, 2008

ARMENIAN STOCK EXCHANGE
OPEN JOINT STOCK COMPANY

**FOREIGN CURRENCY TRADING
RULES**

These Rules contain provisions covering the organization of trading at the Armenian Stock Exchange.

Article 1. Definitions

- 1) Definitions used in the present Rules have the respective meaning set forth below:
- 2) **“Trade Participant”** shall mean the Central Bank of Armenia, as well as those investment companies, banks, credit organizations and currency dealers, that have a market participation contract in effect signed with the Exchange, according to which the mentioned entities can participate in foreign exchange trading.
- 3) **“Currency Dealer”** shall mean an entity that has obtained a license to buy and sell currency as envisaged by the Law of the Republic of Armenia.
- 4) **“Lot”** shall mean the minimum quantity unit equivalent to one standard unit of foreign currency that can be stated in buy/sell orders for a foreign currency.
- 5) **“Spread”** shall mean the maximum permitted 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 the particular foreign currency.
- 6) Other terms used in present Rules shall have the meanings set by the RA Law “On Securities Market” and the Exchange Rules.

Article 2. Conclusion of Trades in Foreign Currency

- 1) Trades in foreign currency can be concluded at the Exchange during trading and post-trading sessions as defined by the Exchange “General Trading Rules” and this Article.
- 2) The Exchange shall organize foreign currency trading on the currency market through continuous two-way auction.
- 3) In cases defined by the Exchange’s management body, foreign currency can also be traded through manual trades mechanism and on repo agreements market.
- 4) Foreign currency trades shall be concluded at the Exchange with full pre-depositions of funds.
- 5) Foreign exchange trading with full pre-deposition of funds shall be organized with peculiarities, specified in points 6)-8) of this Article.
- 6) Should the participants of the foreign exchange trading make additional pre-depositions according to the Exchange’s “Rules on Foreign Currency Clearing and Settlement”, their balances of foreign currency and/or cash shall be increased accordingly.
- 7) Through its terminal (remote terminal), market participant can fully or partially withdraw the unused (not blocked) balances of foreign currency and/or cash. As a result, the relevant foreign currency and/or cash balances will be reduced accordingly, by the amount withdrawn. Any future trades involving the withdrawn funds shall be performed according to the Exchange’s “Rules on Foreign Currency Clearing and Settlement”.
- 8) Cash balances deposited by market participants allowed to both foreign currency and government bonds Exchange trading with full pre-deposition of funds, can change as a result of orders submitted and trades concluded in the government bonds market by trade participants acting on behalf of the market participant that also trades in the currency market.
- 9) Foreign currency buy (sell) orders submitted during trading sessions shall state the number of lots that represents a multiple of thousand.
- 10) Orders showing a number of lots not divisible by a thousand (odd-lot), as well as any matching orders, placed by trade participants shall not be accepted and registered in the trading system.
- 11) Any orders that remained unmatched after the trading session shall be considered void and shall not be included in post-trading session Queues.

- 12) Any order submitted during post-trading session shall state the following material conditions for its fulfillment:
 - a) foreign currency code;
 - b) order type (buy or sell);
 - c) number of lots;
 - d) time conditions for fulfilment – leave in the queue or withdraw the balance.
- 13) All orders submitted during the post-trading session shall be considered immediate limit orders that can be filled partially, whereas the price of these orders shall be equal to the weighted average price of all transactions concluded during the trading session preceding the post-trading session.
- 14) Buy and sell orders for the same currency submitted to the trading system by trade participants shall be included into two separate Queues sorted chronologically by the time orders were placed in the trading system.
- 15) Whenever a match occurs between the orders in the Queue placed in the system during the post-trading session, the trading system shall automatically register a trade (trades).
- 16) If after matching with all the orders (concluding transactions) in the Queue, an order submitted during the post-trading session remains partially filled, the order balance can be included in the Queue according to point 14) of this Article or withdrawn based on the time conditions for fulfilment stated in the order.
- 17) If there are no orders in the Queue matching the order submitted during post-trading session, it can be included in the Queue according to point 14) of this Article or withdrawn based on the time conditions for fulfilment stated in the order.
- 18) Orders unfilled during a post-trading session shall be cancelled and shall not be included in the next trading session Queues.

Article 3. Spread

- 1) At any time during the trading session, the spread for the Exchange currency trading implemented through a continuous two-way auction shall be defined at ± 1 per cent of the best sell (buy) price available in the Queue. Those buy orders that at any given time state a price per lot that is by more than 1 (one) per cent lower than the best buy price entered in the trading system, and those sell orders that at any given time state a price per lot that is by more than 1 (one) per cent higher than the best sell price entered in the trading system, shall not be recorded in the trading system.
- 2) At any time during the trading session, the spread for the Exchange currency trading implemented through the manual trades mechanism shall be defined at ± 1 per cent of the best sell (buy) price of the foreign exchange trading implemented through a continuous two-way auction. Those buy orders that state a price per lot, which is by more than 1 (one) per cent lower (higher) than the best buy (sell) price entered in the trading system, shall not be recorded in the trading system.

Article 4. Execution of Trades in Foreign Currency

- 1) Determination and set off of mutual obligations and claims, arisen from Exchange trades concluded, preparation of settlement documentation, and settlement shall be effected as defined by the Exchange “Rules on Foreign Currency Clearing and Settlements”.
- 2) Currency market participants, as part or on behalf of which trades are concluded by trade participants, shall pay to the Exchange commission fees at the rates defined by the Exchange’s “Tariff Rules”.

Article 5. Amendments and Addenda to the Rules

- 1) Any amendments and addenda hereto shall constitute an integral part of these Rules and shall come into effect as defined by the Law, unless otherwise is stipulated herein.

Approved by

Supervisory Board of

“Armenian Stock Exchange” OJSC

_____ **Johan Fredholm**

June 13, 2008

Yerevan

HFB-01/093L