

REGULATION OF CLIENT CLASSIFICATION AND INFORMATION EXCHANGE

**Approved by the resolution N Ռ-25-001 of sole participant
of “Aktina Capital” limited liability company**

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"AKTINA CAPITAL" LIMITED LIABILITY COMPANY

REGULATION OF CLIENT CLASSIFICATION AND INFORMATION EXCHANGE

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1. GENERAL PROVISIONS

- 1.1.** The Regulation on the Classification of Clients and Information Exchange of Aktina Capital LLC (hereinafter referred to as the “**Company**”) (hereinafter referred to as the “**Regulation**”) has been developed following the legislation of the Republic of Armenia regulating the securities market in particular the Law of the Republic of Armenia "On the Securities Market" (hereinafter referred to as the “**Law**”), and the regulatory legal acts adopted on its basis acts, regulatory legal acts adopted by the Central Bank of the Republic of Armenia (hereinafter “**CBA**”), and the Company's Charter.
- 1.2.** This Regulation governs the proper implementation of the client classification process by the Company, the observance of the established classification criteria, as well as the process of exchanging information provided and received within the scope of investment and ancillary services.
- 1.3.** The main concepts used in the Regulation are:
“**Investment services**” -services specified in paragraph 1 of Article 25 of the Law,
“**Accilary Services**” - services provided for in Article 26 of the Law,
“**Client**” - a person who uses the services provided by the company,
“**Agreement**”- a document concluded between the Client and the Company as part of the provision of Investment Services, which reflects the rights and obligations of the parties related to the conclusion and execution of a transaction with securities and funds of this person.
“**Reliable way to transfer information**” - any means that allow the Client to receive and store information intended for him, and which subsequently will allow him to fully use it and reproduce the stored information,
Regulation 4/07- Regulatory legal act adopted by the Central Bank of the Republic of Armenia, namely "requirements for the activities of persons providing investment services" Regulation 4/07,
Professional client - a client who has sufficient experience and knowledge to make independent investment decisions and assess the risks associated with them and meets the criteria set out in Chapter 3.1 of Regulation 4/07.
Tariffs - tariffs for the provision of brokerage services, which are an integral part of the agreement, and/or special tariffs agreed with the Client, if available.
Services - services provided by the company's tariffs.
My Account module - The “My Account” module on the website of “Aktina Capital” LLC is used to send and execute orders, submit reports and/or orders submitted by the Client, complete transactions and other information, as well as communicate and exchange messages/information between the client and the company.
- 1.4.** Other concepts used in this Regulation have the meaning defined by the law and Regulation 4/07.
- 1.5.** The exchange of information and classification of clients within the framework of the Company's provision of investment and Accilary Services are regulated by this Regulation unless otherwise established by other internal rules of the Company defining the terms of the provision of this Service.

2. CUSTOMER RATING

- 2.1.** Before providing Investment services and entering into a service Agreement, the Company classifies Clients as professional and non-professional concerning any or all investment services, or in relation to any transaction or any type (class) of securities transactions.
- 2.2.** The assessment of the Client's knowledge and experience should ensure that the Client has the appropriate abilities and knowledge regarding the use of Investment services, making investment decisions, and understanding the risks associated with them. In the case of organizations, the assessment of knowledge and experience is carried out by the organization's manager, who is responsible for making investment decisions., concerning an employee or a person authorized to enter into transactions on behalf of the Company.
- 2.3.** To classify Clients, the assessment of the knowledge and experience of the latter is carried out using the following procedure:
 - 2.3.1.** The Client fills out the "Know your Client" questionnaire.
 - 2.3.2.** Before classifying a Client as professional, a report is prepared based on the results of the "Knowledge and Experience Assessment Test" section of the "Know Your Client" questionnaire, signed by the Company's Client Service Department. This report is prepared only for individuals or legal entities applying to become a Professional Client. Each question in the questionnaire has several answer options, graded on a scale from zero to five points. If the Client scores 70% or more based on the results of the questionnaire, they are classified as professional; otherwise, they are classified as non-professional.
 - 2.3.3.** Before concluding the Agreement with the Client, the company provides the client with the document "Notification of the client's classification (professional or non-professional)".
 - 2.3.4.** Before the Client is classified as a Professional client, the Client must confirm in writing that he has been informed that if classified as a professional client, he is deprived of certain legislative protection applicable to non-professional clients.
- 2.4.** In this case, Clients submit to the Company a written statement stating that they are aware of the risks associated with leveraged transactions, including Forex transactions.

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- 2.5.** With the consent of the Client, on the initiative of the Company, or on the initiative of a Professional client, the company is allowed to treat a Professional client as an unprofessional one and apply legal requirements to this Client aimed at protecting non-professional Clients.
- 2.6.** If the Client who is considered a Professional believes that he is unable to assess and manage the risks associated with Investment services or investments, the Professional client must contact the Company to treat him as a non-professional client, which will allow him to take advantage of the legal requirements aimed at protecting non-professional Clients.
- 2.7.** A person considered a Professional Client may be classified by the Company as a non-professional Client in accordance with Clauses 2.5 - 2.6 of this Regulation, based on the Agreement concluded with the Company. The Agreement must clearly specify whether the Client's classification as Non-Professional applies to any specific investment service, all services, a particular transaction, or transactions involving a specific type (class) of financial instruments.
- 2.8.** In accordance with the requirements of Regulation 4/07, when classifying Clients as professional, a written inquiry is also made to obtain their consent to be considered as a qualified investor. If the Client agrees, the subsequent process of registration as a qualified investor, deregistration, as well as the submission to the Central Bank of Armenia of information regarding the termination of professional status, termination of the Agreement, and other changes, is carried out in accordance with the provisions of Regulation 4/07 and Regulation 4/06 “Criteria for Considering Investors as Qualified and the Procedure for Registering Persons as Qualified Investors.”
- 2.9.** Professional Clients are obliged to inform the Company of any changes that may affect their professional classification. If, based on the information provided by the Client or otherwise made available to the Company, the Company determines that the Client no longer meets the criteria under which they were classified as a Professional Client, or if the Company discovers that the information provided by the Client was inaccurate or unreliable, the Company shall immediately terminate the Client’s professional classification and notify the Client of such termination within one (1) business day.

3. INFORMATION EXCHANGE AND COMMUNICATION IN THE FRAMEWORK OF INVESTMENT SERVICES PROVISION

- 3.1.** Within the scope of the Agreement and the provision of Services, any transactions and instructions between the Parties, as well as any information /including messages, documents, notifications, statements, reports/ submission, transfer, exchange—any communication related to any requirement or other matters arising from the Agreement or regulations (collectively hereinafter referred to as “Notice”)—shall be carried out electronically via the email address provided by the Client to the Company and/or through the “My Account” Module of “Aktina Capital” LLC, and in the agreed language, unless a mandatory condition is otherwise stipulated by the Agreement/regulations and/or through publication on the Company’s official website.

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3.2. The Client shall be deemed duly notified when the Notice is sent to the email address provided by the Client and there is an electronic confirmation of its dispatch, even if there is no confirmation of it being read. In such case, the Client shall be considered duly notified from the moment the Notice is sent by the Company. Alternatively, if the Notice is sent via the “My Account” module, the Client shall be deemed duly notified on the day following the dispatch of the Notice. If the Notice is published on the Company’s official website, the Client shall be deemed duly notified on the day following the publication. Moreover, within the scope of services provided under the Agreement/regulations, all Notices shall be sent from the Company’s official or legal email address and/or via the “My Account” module.

3.3. In the event the Client does not provide an email address and/or the provided email address is inactive or incomplete, communication with the Client shall be carried out via the “My Account” module and/or by sending a short message (SMS) to the phone number provided by the Client, informing them about the availability of such information for in-person receipt at the Company’s office premises—regardless of whether the Client actually appears and receives the information.

Furthermore, the Client acknowledges and agrees that any Notice submitted within the scope of the Agreement shall be deemed duly received by the Client, even if the Client has not actually received such Notice due to (i) the phone number provided by the Client being incorrect, incomplete, disconnected, or otherwise unreachable, or (ii) the Company sending the Notice to an incorrect number due to the Client’s failure to fulfill their obligation to update their contact information as stipulated in the Agreement. In all such cases, the Client shall be considered duly notified.

3.4. The Client undertakes to notify the Company in writing of any changes to the information included in the material terms of the Agreement within 5 (five) business days after such changes are made, starting from the conclusion of the Agreement until its termination.

3.5. Agreements between the Client and the Company are concluded either in original hard copy form, by signing a single document by both Parties, or in electronic form. An Agreement may be concluded electronically through the exchange of electronic messages, documents, or data using electronic communication or other means of connection, including through an electronic platform (such as a website, mobile application, or other similar means), by performing a clear action indicating the intention to conclude the Agreement. Agreements in electronic form shall be deemed concluded if the scanned copies of the Agreement signed by both the Company and the Client are exchanged. Moreover, the Agreement must be signed only by a person duly authorized to sign it and must be sent/received using the email addresses specified in the Agreement.

3.6. Information requested by Clients include:

3.6.1. Within the scope of providing investment services, the Company requests from the Client information regarding the Client’s knowledge and experience related to the specific investment service or financial instrument being offered. This information enables the Company to assess whether the investment service or financial instrument is appropriate for the Client’s needs. If, based on the information

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provided by the Client, the Company determines that the offered investment service or financial instrument is not appropriate for the Client, it shall issue a warning to the Client accordingly.

- 3.6.2.** When the Company provides portfolio management services or investment advice related to financial instruments, the criteria for requesting information from the Client are regulated by the Company's internal regulations governing the provision of such services and must comply with Regulation 4/07.
- 3.6.3.** If the Client fails to provide the information required under Clause 3.6.1 of this Regulation or provides insufficient information, the Company shall warn the Client that such behavior does not allow the Company to assess whether the offered investment service or financial instrument is appropriate for the Client's needs.
- 3.6.4.** If the Client fails to provide the information required under Clause 3.6.2 of this Regulation or provides insufficient information, the Company shall warn the Client that such behavior does not allow the Company to assess or recommend such investment services and financial instruments that would best meet the Client's preferences.
- 3.6.5.** Upon receiving the information specified in Clauses 3.6.1 and 3.6.2, the Company assesses whether the Client possesses the necessary knowledge and experience in the field of investment activities to understand the risks associated with the given investment service or financial instrument. The Company presumes that a Professional Client possesses such necessary knowledge and experience.
- 3.6.6.** The Company relies on the information provided by the Client, unless it knew or should have known that the information was clearly outdated, inaccurate, or incomplete.
- 3.7.** Prior to the conclusion of any Agreement with the Client concerning the provision of services by the Company, the Client shall familiarize themselves with all of the Company's regulations and internal legal acts, which are published on the Company's official website. The service provision agreement concluded with the Client shall expressly state that the Client is acquainted with the regulations, internal acts, documents, and Tariffs developed and approved by the Company governing the provision of the relevant service.
- 3.8.** The provisions regarding the exchange of information and communication with the Client within the scope of investment services are established by this Regulation and the Company's other internal legal acts. In the event of any discrepancies between this Regulation and other internal legal acts, preference shall be given to the internal legal act governing the specific relationship.

4. FINAL PROVISIONS

- 4.1.** All additions and amendments to this Regulation are approved by the meeting of participants (unless otherwise provided by the Charter of the Company) and come into force from the moment of approval by the meeting.

