



Approved by

the Decision N2 13.06.2012 of
the General Shareholders Meeting of
NASDAQ OMX Armenia

NASDAQ OMX ARMENIA

OPEN JOINT STOCK COMPANY

Regulation on Controller

CHAPTER 1. GENERAL PROVISIONS

Article 1. Purpose of Regulation

1. This Regulation is developed in accordance with the requirements of the RA Civil Code, the RA Law "On Joint Stock Companies", the RA Law "On Securities Market" law and "NASDAQ OMX ARMENIA" Open Joint Stock Company (hereinafter " the Company") Charter and shall regulate the activities of the Company's Control's Commission (hereinafter also "the Controller").
2. This Regulation defines the procedure for electing the Control's Commission, order of conducting financial supervision, the Control's Commission's decision-making procedure, its rights and obligations, as well as other issues related to the activities of the Control's Commission.

Article 2. Functions of the Controller

1. The Controller is the entity, supervising the Company activities, including supervision over proper execution of working responsibilities by the Company management bodies and employees, as well as financial, operational and informational technologies supervision over departments and services.
2. The Controller shall follow up execution of the decisions by management bodies of the Company, check compliance of the Company's documentation to the Law, other legal acts and the Company's Charter.
3. In its activities, the Controller shall be guided by the Company's Charter, as well as this Regulation and Annual Action Plan.
4. The Controller shall perform planning, organization, preparation and completion of working documentation, supervision over fulfillment of the post-inspection measures, taken as a result of inspection.
5. The Controller shall research internal acts of the Company and propose their amendments, if necessary.
6. Based on the results of inspections, the Auditor shall submit the following:
to the Company's management and heads of divisions: the relevant suggestions, based on the inspection results,
to the Company's Supervisory Board: quarterly reports, including inspection results and suggestions,
to the General Meeting: annual results of inspections and follow up on improvements.
7. The Controller shall supervise the schedule of actions to be completed by the Company's division, as proposed by independent external audit, and inform the management bodies on results of the latter.
8. The Controller shall preserve proper level confidentiality while performing his/her duties.
9. The Controller shall ensure duly submission of conclusion on his/her activities to the management body.

CHAPTER 2. PROCEDURE, PURPOSE AND OBJECTIVE OF CONTROLLER ELECTION

Article 3. Election of the Controller

1. The General Meeting of Shareholders shall elect the Controller. The Controller shall report directly to the Meeting. Any individual, having the relevant qualification, as envisaged by the RA Law "On Securities Market" and regulations of the Central Bank of Armenia (hereinafter "the CBA") and not involved in the Company's managerial bodies may be elected as the Controller.
2. Purpose of the Controller is to provide information to the Company's management bodies, based on independent and impartial supervision of the Company's activities, as well as to suggest solutions to shortcomings and issues revealed during inspections.
3. Objective of the Controller is to identify risks, related to the Company's activity.

CHAPTER 3. RIGHTS AND OBLIGATIONS OF THE CONTROLLER. RESPONSIBILITY OF THE CONTROLLER

Article 4. Rights and Obligations of the Controller

1. In order to fulfil its functions the Controller shall be entitled to:
 - request information (documents, materials), required for inspection, written and verbal responses to questions, arisen during inspection, from the Company's management bodies, heads of structural divisions, other officials, persons, bearing financial responsibility, employees.
 - inform the Company's relevant authorities in case of revealing violations of the requirements, set forth by the Company Charter, internal regulations and official instructions, by the Company employees, including officials.
2. The Controller shall be obliged to:
 - Perform annual inspection of the Company's financial and economic activity as well as upon request of the persons, entitled to initiate extraordinary inspection, as envisaged by the Legislation, the Company's Charter and these Rules,
 - Perform reliability assessment of data, included in annual financial and other reports of the Company;
 - Not to disclose sensitive information, the Controller became aware of during the investigation, and maintain trade secrets,
 - Record the violations, committed by the Company officials and employees,
 - Discuss inspection results with the Company's management body and head of the relevant division,
 - Attend General Meeting of the Shareholders and answer shareholders' questions, if necessary.

Article 5. Responsibility of the Controller

1. The Controller shall be responsible for:
 - proper maintenance of documents and materials received by the Controller;
 - preservation of the information deemed commercial or official secret of the Company;
 - Proper conduct of the Company's financial activities' inspections and timely submission of inspection act and conclusion to the Company's relevant bodies.
 - Proper execution of his/her responsibilities.

CHAPTER 4. FINANCIAL AND ECONOMIC AUDIT OF THE COMPANY: ORDER OF INSPECTIONS BY CONTROLLER

Article 6. Types of inspections

- 1. The Controller shall perform the following functions within financial audit of the Company:**
 - assessment of the Company's accounting and reports, as well as validity and reliability of operations conducted by the Company's divisions and their reflection in accounting and reports;
 - selective inspection of reports submitted to the RA Central Bank and other organizations,
 - collect, systematize, analyse, assess and document information, received during audit inspections.
- 2. The Controller shall perform the following operations within operational audit of the Company:**
 - inspect internal supervision systems of all the spheres and divisions of the Company, assess adequacy, sufficiency, usefulness, efficiency and reliability of current supervision mechanisms;
 - inspect compliance of the operations and functions, performed by the Company's divisions, with the RA legislative and legal acts, accepted standards, the Company's objectives and policy.
- 3. The Controller shall perform the following operations within information technologies audit of the Company:**

- assess risks, distinctive to information systems;
- inspect emergency response plans of the Company's relevant divisions, various technology systems, including conditions of relaunching reserve backups of current systems and databases, and their efficiency;
- audit efficiency of ensuring confidentiality, integrity, availability and adequacy of data in information systems;
- inspect payments and settlement systems;
- research information systems and the level of information protection and security therein;
- research the Company's security systems and programs.

Article 7. Order of Conducting Audit Inspections

1. Inspection of the Company's activities shall be carried out based on the Company's annual operation results (*regular inspection*) or at any time, according to the decision or request of the respective bodies, authorized to initiate inspection, as envisaged by the Law, the Company's Charter and this Regulation (*extraordinary inspection*), as well as inspection of completion of recommendations, given as a result of inspect or audit (*post-inspection*).
2. During inspection period all the necessary documents, materials and explanations, related to financial and economic activities of the Company, should be provided to the Controller upon his(her) request.
3. In course of extraordinary inspection, both particular areas and processes of the Company's activities and economic operations conducted within particular period can be inspected.
4. Recommendations of the Company's managerial bodies can be taken into account while drafting Audit plan of the Controller.
5. In case of unexpected or sudden inspection Head of divisions, liable for inspection, shall not be notified in advance.
6. The Controller shall gather and review data, plan and prepare inspection.
7. *During the inspection the Controller shall follow the following procedures:*
 - conduct interviews with head or employees of inspected divisions;
 - follows the work of inspected department without interrupting its natural workflow;
 - inspects working and other documentation, as well as information, used, registered, developed and provided by the inspected division;
 - accounts property, valuables, physically examines technical systems and software, views working and office conditions;
 - makes copies of the inspected documents upon necessity;
 - exports notices, excerpts and electronic information from informational systems;
8. The relevant report shall be prepared based on the regular inspection.
9. Inspection results shall be discussed with managerial body and head of the relevant division.

Article 8. Order of Submitting Request For Extraordinary Inspection

1. Extraordinary inspection shall be carried out at any time, based on the decision of the General Meeting of the Company's shareholders, the Supervisory Board, as well as the Controller's initiative and request of the Company's shareholder with at least 10% of voting rights.
2. Entities, initiating an extraordinary inspection, may withdraw their claim by submitting a written notice to the Controller, prior to the Controller's decision on extraordinary investigation.
3. The relevant report shall be prepared as a result of extraordinary inspection.

Article 9. Post-inspections

1. The Controller shall perform post-inspection compliance audit of measures, taken by the Company's divisions, as recommended by internal and external audit, as well as the CBA audit.

2. The Controller shall perform post-inspection according to the Audit plan or by the Controller's initiative.
3. Post-inspection may be conducted via both verbal inquiries and onsite inspections, based on the Controller's decision.
4. The relevant report shall be prepared as a result of post- inspection.

Article 10. Terms of Conducting Inspections

1. Terms of inspections shall be defined by the Audit plan.
2. The Auditor shall submit intermediate reports on inspections to the Company's Supervisory Board once in a quarter until the last day of the following month inclusive.
3. The Controller shall submit annual report on results of regular inspections, as well as conclusion on reliability of data, contained in the Company's annual report, including annual financial statements, to the Company's Supervisory Board 10 (ten) days prior to the date of convening the Company's Annual Meeting of Shareholders.

Yerevan,
Armenia