

APPROVED

On the Stakeholders Meeting of the Bank
On July 09, 1990
Decision N 2, minutes N 01

AMENDED

By resolution N 01/24 of the Bank's
Shareholder of 10/01/2024

Chairman of the Management Board
Mher Abrahamyan
Digitally signed by Mher Abrahamyan
Date: 2024.02.19
16:35:14 +04'00

REGISTERED

In the Central Bank of RA

On August 01, 1990
Registration N 335

Re-registered by the Central Bank of RA

On December 28, 1993

Registration N 9

Chairman of the Central Bank of RA
/signature/ Martin Galstyan

Digitally signed by Martin Galstyan

Date: 2024.02.29

18:05:00 AMT

Reason: Registered on
28.02.2024

CHARTER

(new edition)

“ID BANK”

Closed joint stock company

Yerevan, 2024

Amended by Stakeholders Meeting of the Bank 15/10/1993 Minutes N 02	Amendment registered on 10/02/1994
Stakeholders Meeting of the Bank 31/03/1994 Minutes N 02	11/05/1994
Stakeholders Meeting of the Bank 17/04/1996 Minutes N 12	23/05/1996
Stakeholders Meeting of the Bank 17/12/1996 Minutes N 15	24/02/1997
Stakeholders Meeting of the Bank 07/05/1997 Minutes N 18	30/05/1997
Stakeholders Meeting of the Bank 20/06/1997 Minutes N 21	14/07/1997
Stakeholders Meeting of the Bank 12/06/1998 Minutes N 27	17/07/1998
Stakeholders Meeting of the Bank 14/09/1998 Minutes N 29	09/10/1998
Stakeholders Meeting of the Bank 25/09/1998 Minutes N 30	16/10/1998
Participants Meeting of the Bank 14/12/1999 Minutes N 38	04/01/2000
Participants Meeting of the Bank 20/01/2000 Minutes N 01	17/02/2000
Participants Meeting of the Bank 22/04/2000 Minutes N 03	12/05/2000
Participants Meeting of the Bank 10/05/2000 Minutes N 04	22/06/2000
Participants Meeting of the Bank 10/12/2003 Minutes N 07	15/01/2004
Participants Meeting of the Bank 31/05/2004 Minutes N 01	02/07/2004
Participants Meeting of the Bank 04/11/2004 Minutes N 02	09/12/2004
Participants Meeting of the Bank 23/01/2006 Minutes N 01	21/03/2006
Participants Meeting of the Bank 15/04/2006 Minutes N 02	30/06/2006
Participants Meeting of the Bank 15/10/2006 Minutes N 03	28/11/2006
Participants Meeting of the Bank 13/12/2006 Minutes N 04	30/12/2006
Participants Meeting of the Bank 07/04/2007 Minutes N 01	Resolution N 1/871 A, 09/07/2007
Participants Meeting of the Bank 19/04/2008 Minutes N 01	08/05/2008
Participants Meeting of the Bank 21/02/2009 Minutes N 01	Resolution N 1/820 A, 24/06/2009
Participants Meeting of the Bank 11/03/2009 Minutes N 02	Resolution N 1/435 A, 10/04/2009
Participants Meeting of the Bank 04/07/2009 Minutes N 04	Resolution N 1/945 A, 24/07/2009
Participants Meeting of the Bank 12/11/2009 Minutes N 05	Resolution N 1/1587 A, 26/12/2009
Participants Meeting of the Bank 14/04/2011 Minutes N 01	Resolution N 1/522 A, 24/05/2011
Participants Meeting of the Bank 24/11/2011 Minutes N 02	Resolution N 1/1413 A, 15/12/2011
Participants Meeting of the Bank 20/09/2012 Minutes N 03	Resolution N 1/1110 A, 31/10/2012
Participants Meeting of the Bank 30/04/2013 Minutes N 02	Resolution N 1/499 A, 17/06/2013

Participants Meeting of the Bank 18/12/2013 Minutes N 05

Resolution N 1/58 A,
29/01/2014

Participants Meeting of the Bank 29/04/2014 Minutes N 01

Participants Meeting of the Bank 28/03/2015 Minutes N 01

Shareholders Meeting of the Bank 28/07/2016 Minutes N 2

Shareholders Meeting of the Bank 22/12/2017 Minutes N 3

Bank's shareholder Resolution N 01/05 of 22/05/2023

Bank's shareholder Resolution N 01/24 of 10/01/2024

1. General provisions

1.1 “ID Bank” Closed Joint Stock Company (the “Bank”) is the legal successor of “Anelik Bank” CJSC (by the resolution of the Shareholders Meeting of the Bank as of December 22, 2017, (Minutes N 3) “Anelik Bank” CJSC was renamed into “ID Bank” CJSC). “Anelik Bank” CJSC was established as a result of reorganization of Anelik Bank LLC pursuant to the resolution of the participants of the Bank dated 7 April, 2007 (minutes N 1) and is the legal successor of “Anelik Bank” LLC which was established pursuant to the resolution of the general meeting of founders of the Bank, dated 9 July, 1990 (minutes N 1) in accordance with founding agreement signed on 1 August 1990.

1.2. The founding document of the Bank is this charter, provisions of which are binding for the shareholders and management bodies of the Bank.

1.3. During its activities the Bank is guided by Civil Code of the Republic of Armenia (the RA), the Law of the RA On Banks and Banking, other laws of the RA, legal acts of the Central Bank of the RA and other legal acts, this charter and the bylaws of the Bank.

1.4. In case of conflict between the requirements of this Charter and the requirements of RA legislation due to subsequent amendments to RA legislation, including the normative legal acts of the RA Central Bank, the requirements of RA legislation shall apply.

1.5. The full name of the Bank is:

in Armenian: «ԱյԴԻ Բանկ» Փակ Բաժնետիրական Ընկերություն

in English: “ID Bank” Closed Joint Stock Company

in Russian: Закрытое Акционерное Общество «АйДи Банк»

1.6. The short name of the Bank is:

in Armenian: «ԱյԴԻ Բանկ» ՓԲԸ

in English: “ID Bank” CJSC

in Russian: ЗАО «АйДи Банк»

1.7. Legal, actual and postal address of the Bank is: 13, Vardanants street, 0010, c. Yerevan, Republic of Armenia.

2. LEGAL STATUS OF THE BANK

2.1. The Bank is a commercial organization aimed at receiving profit.

2.2. The Bank is considered established and acquires a status of legal entity upon its registration with the Central Bank of the Republic of Armenia, and has the right to carry out banking activities and financial transactions provided by law since the moment of acquisition of

license for carrying out banking activities from the Central Bank of the Republic of Armenia.

2.3. The Bank has property, which is separate from the property of its shareholders, independent balance, seal bearing its name and emblem, digital seal, stamp, blanks and numeric seals for the territorial subdivisions and the head office of the Bank.

2.4. The Bank may sign agreements on its behalf, acquire proprietary and personal non-proprietary rights, bear obligations, act in courts as applicant and respondent.

2.5. The Bank is liable for its obligations with all of its property, except for cases provided by the law.

2.6. The Bank is not liable for obligations of its shareholders.

Shareholders of the Bank are not liable for the obligations of the Bank and bear the risk of losses in connection with the operation of the Bank to the extent of the value of their shares in the Bank.

The shareholders, managers of the Bank and other persons may be held liable vis-à-vis the Bank for their actions or omission in cases stipulated by law.

2.7. The Bank has rights and bears obligations provided by RA laws, regardless of provision of such rights and obligations under this Charter.

2.8. The Bank independently possesses, uses, and disposes, as well as reevaluates its assets.

2.9. The Bank guarantees the confidentiality of information of its clients, classified as banking secret, in the manner prescribed under the law of the RA On Banking Secrecy.

3. FINANCIAL AND OTHER OPERATIONS CARRIED OUT BY THE BANK

3.1. In the manner provided by the RA legislation the Bank may carry out the following financial operations:

- a) accept deposits;
- b) provide loans, perform debt and trade financing, factoring;
- c) issue bank guarantees;
- d) open, perform settlements with letters of credit;
- e) open, operate and maintain accounts, including correspondent accounts of other banks;
- f) provide other billing services and/or otherwise serve customer accounts,
- g) issue, buy (discount), sell and service securities, perform transactions with securities, derivative financial instruments on its own behalf and on its own account,

- perform other similar operations,
- h) perform investment and non-core services in accordance with the Law of the Republic of Armenia “On the Securities Market”,
 - i) carry out investment fund (including pension fund) custody activities,
 - j) provide financial agent (representative) services, manage other people’s securities and investments (trust (power of attorney)) management, except for a package of securities, the management of which is carried out in accordance with subparagraph h) of this clause;
 - k) buy, sell and manage bank gold and standardized bullion and souvenir coins,
 - l) buy and sell (exchange) foreign currency, including concluding dram and foreign exchange futures, options and other such transactions,
 - m) carry out financial leasing (leasing),
 - n) to take into custody precious metals, stones, jewelry, securities, documents and other valuables,
 - o) provide financial and investment advice,
 - p) establish and operate clients’ creditworthiness information system, carry out debt collection activity;
 - q) realize insurance certificates and (or) agreements, perform insurance agent operations in the manner prescribed by the law,
 - r) Perform functions of account operator prescribed by the RA Law “On Accumulated pension fund”.

3.2. Upon permit of the Central Bank the Bank may perform activity or operations which are not directly provided under the Law of the RA On Banks and Banking and this charter, if they arise from or are related to banking activity or operations provided under clause 3.1 of this Charter.

3.3. The Bank has the right to carry out specialized activities of the securities market (brokerage, dealer, trust management, custody, etc.) in the cases and according to the procedure stipulated by the Law of the Republic of Armenia “On Banks and Banking”, other laws and normative legal acts of the Central Bank of the Republic of Armenia. The Bank carries out specialized activities in the government securities market, participating in the process of allocating government bonds (dealer, agency, custodian activities).

3.4. The Bank may enter into any civil law transaction that is necessary or appropriate to

carry out its activities permitted by law.

3.5. The bank carries out the financial operations specified in this charter in AMD, and in cases provided by law, in foreign currency.

3.6. The Bank shall independently determine interest rates for attracted deposits, disbursed loans and issued securities, as well as amount of commissions against rendered services.

3.7. The relations between the Bank and its clients shall be deemed as contractual. The Bank establishes rules of its activity aimed at avoiding conflict of interests, particularly:

a) obligations undertaken by the Bank vis-a-vis one of its clients shall not contradict obligations undertaken by the Bank vis-a-vis another client;

b) interests of the managers and employees of the Bank shall not contradict the obligations of the Bank vis-a-vis its clients.

3.8. The Bank may acquire participation in the charter capital of other entities by following the requirements of RA legislation, and by receiving appropriate permit upon the necessity.

3.9. The Bank has the right to open correspondent accounts in other banks, including foreign banks.

3.10. The Bank may perform state budget cash servicing operations in cases provided by legislation

4. BANK'S BRANCHES, REPRESENTATIVE OFFICES AND INSTITUTIONS

4.1. The Bank may establish branches and representative offices that do not have the status of a legal entity in and outside the territory of the Republic of Armenia, in accordance with the procedure established by the Law of the Republic of Armenia "On Banks and Banking".

4.2. The Bank's Council establishes the Bank's territorial units and approves their charters.

4.3. The Bank's branch is a separate subdivision without the status of a legal entity and located outside the location of the Bank, which operates on the basis of the branch charter approved by the Bank within the limits of the powers granted by the Bank and carries out banking activities and/or financial operations provided for by RA law "On Banks and Banking" on behalf of the Bank.

4.4. The Bank's representative office is a separate unit that does not have the status of a legal entity of the Bank and is located outside the location of the Bank, which represents the Bank, studies the market, concludes contracts on behalf of the Bank, and performs other similar functions.

The representative office does not have the right to carry out banking activities and financial operations defined by the Law of the Republic of Armenia “On Banks and Banking”.

4.5. The Bank may, in the manner prescribed by the Central Bank of the RA, temporarily terminate operations of its subdivisions.

4.6. Property of branches and representative offices shall be accounted in the balance sheet of the Bank.

4.7. The Bank may establish institutions, which are organizations not having a status of legal entity, engaged in governmental, social-cultural, educational and other non-commercial activities. Decision on establishment of an institution of the Bank shall be adopted by the council of the Bank.

4.8. Establishment, registration and liquidation of the branches and representative offices of the Bank shall be effected in the manner prescribed by RA laws.

5. SHARES OF THE BANK

5.1. The shares of the Bank are privately allocated among its shareholders.

5.2. The allotment price of the shares to be issued is their nominal value or the market value determined by the Bank’s Council. The market value is determined according to the law. Bank shares are non-documentary.

5.3. Only AMD is used as a means of payment for the purchase of shares.

5.4. One ordinary share of the bank entitles the shareholder to one vote at the general meeting.

5.5. The number of common (ordinary) shares owned by one shareholder in the statutory fund of the bank is not limited.

5.6. The Bank may issue and distribute common (ordinary) and one or more classes of preferred shares in accordance with the law.

5.7. The register of the bank’s shareholders is managed by a specialized organization in accordance with the RA legislation.

6. BONDS AND OTHER SECURITIES OF THE BANK

6.1. The Bank may issue bonds and other securities in the manner prescribed by laws and other legal acts.

6.2. Bonds and other securities of the Bank are issued upon resolution of the council of the Bank. The resolution on issuance of bonds shall include the terms, conditions, interest and methods of their repayment.

Bonds shall have nominal value. The total nominal value of all issued and secured bonds shall not exceed the charter capital or the security amount, provided for issuance of the bonds of the Bank.

6.3. Bonds can be issued only after full payment of the charter fund of the Bank. The Bank may issue convertible bonds and other securities, which give the right to convert the Bank's bonds and other securities into shares or right of preferential acquisition of shares. Moreover, the Bank does not have the right to allocate convertible bonds and other securities, if the number of shares announced according to the types and shares is less than the number of shares of the specified types and shares, which are necessary to ensure the possibility of converting the convertible bonds and other securities into Bank shares.

The conversion of Bank bonds and other securities is carried out taking into account the restrictions on acquiring participation in the statutory fund provided by the RA Law "On Banks and Banking" and this charter.

6.4. The Bank can issue bonds with simultaneous and installments (in the sequence of terms defined by the Bank). The decision to issue bonds and other securities defines the types and classes of the given bonds or other securities, the rights and obligations of their owners, as well as other information required by law.

The register of the bank's nominal bonds and other securities owners is managed by a specialized organization in accordance with the procedure established by RA legislation.

7. SHAREHOLDERS OF THE BANK

7.1. Shareholders of the Bank may be individuals and legal entities, both resident and non-resident of the Republic of Armenia, in the manner prescribed by laws and other legal acts.

7.2. State and local self-governmental bodies of the RA may be shareholders of the Bank in cases and in the manner prescribed under laws. Parties and trade unions may not be shareholders of the Bank.

7.3. Each ordinary share of the Bank gives equal rights to its owners.

7.4. A shareholder who has the right to issue a mandatory instruction to the Bank or the ability to predetermine the Bank's activities in any other way not prohibited by law bears additional (subsidiary) responsibility for the Bank's obligations in the event of the Bank's insolvency, if the shareholder with the said right or opportunity has used that right or opportunity to make the Bank perform or not perform certain actions, in order to impose, while implementing them, he knew in advance that as a result the Bank would be in a state of insolvency defined by the law, including

consuming a significant part of the main capital.

7.5. Only shareholders holding fully paid ordinary shares are entitled to vote at the general meeting.

7.6. Shareholders, holding ordinary shares of the Bank have the right to:

7.6.1. participate in the management of the Bank personally or through a representative, including participating in the general meeting with the right to vote on all issues reserved to the latter's competence, according to the number of shares, except for the cases defined by RA legislation;

7.6.2. receive dividends from the profit, gained as a result of the activity of the Bank;

7.6.3. receive information on the activity of the Bank in cases and in the manner prescribed by the laws and this charter;

7.6.4. get acquainted with the financial and other reports of the Bank and information provided by law upon their written request;

7.6.5. make suggestions in the general meeting, including those in connection with agenda of general meeting in the manner prescribed by law and this charter;

7.6.6. vote in the general meeting in the number of votes of the shares held by them;

7.6.7. appeal in judicial order the resolutions of the general meeting, contradicting to laws and other legal acts in force;

7.6.8. receive relevant part in the property of the Bank upon liquidation of the latter;

7.6.9. acquire in priority right shares and other securities issued and allocated by the Bank unless otherwise provided by law;

7.6.10. receive free copies of the Bank's latest annual report and external audit report,

7.6.11. upon the written request of the shareholder (shareholders) to receive the information provided for in subparagraphs a-e of Article 43, Part 4 of the RA Law "On Banks and Banking ", if the given shareholder owns 2% or more of the Bank's voting shares. Moreover, the mentioned information is provided to the Bank's shareholders within two banking days based on their written request.

7.6.12. enjoy other rights provided by the law and this charter;

7.7. The shareholders of the Bank shall:

7.7.1. comply with the requirements of this charter and the resolutions of the general meeting of the shareholders of the Bank;

7.7.2. pay in full the value of their shares within the terms determined by the resolution

on issuance of shares;

7.7.3. not to publish confidential information about the Bank's activities,

7.7.4. not to transfer the information received in accordance with point 7.6 of this charter to other persons, not to use it to invalidate the Bank's business reputation, to violate the rights and legal interests of the Bank's shareholders or customers, or for other similar purposes.

In case of violation of the obligation provided for in this point, the Bank's shareholders bear responsibility in accordance with the procedure established by RA legislation.

7.7.5. disclose to the bank's Council information about the existence of related and interested parties.

7.8. Shareholders of the bank may also bear other obligations provided for by RA legislation and this charter.

8. CHARTER FUND (CAPITAL) OF THE BANK

8.1. The actual replenished statutory fund of the Bank is formed from the nominal value of the shares acquired by the shareholders of the Bank. The Bank's statutory fund is the minimum amount of the Bank's property guaranteeing the interests of creditors, which is replenished with the drams of the Republic of Armenia.

8.2. The Bank's statutory fund amounts to 33,971,850,000 (thirty-three billion nine hundred and seventy-one million eight hundred and fifty thousand) AMD, consisting of 679,437 (six hundred and seventy-nine thousand four hundred and thirty-seven) ordinary shares with a nominal value of 50,000 (fifty thousand) AMD.

8.3. The bank may increase the size of its statutory fund by issuing additional ordinary shares with a nominal value of AMD 50,000 (fifty thousand) each, in the amount determined by the general meeting.

8.4. The Bank can change the size of the statutory fund by the decision of the general meeting of the Bank's shareholders. The bank has no right to reduce the statutory fund, if it will result in reduction of the size of the statutory fund to be smaller than the minimum amount defined by the law or other legal acts.

8.5. The Bank can use its issue income exclusively for the purpose of reducing the authorized capital as a result of the repurchase of its shares by the Bank or to cover losses in the event of the Bank's insolvency, or if it is directed to the increase of the nominal value of the Bank's shares.

9. REDUCTION OF THE CHARTER CAPITAL

9.1. Reduction of the paid-up charter capital of the Bank during its activity by distribution of dividends or otherwise is prohibited, save for cases provided under the law of the RA On Banks and Banking and this charter.

9.2. The shareholders, holding voting shares of the Bank, have the right to require from the Bank determination of buy-back price and buy-back of their shares or part of them if:

a) a decision was made on reorganization, disapplication of pre-emption rights or execution of major transaction (in cases where the decision on execution of the transaction is made by the general meeting) and such shareholders voted against such reorganization, disapplication of pre-emption rights or execution of major transaction, or did not participate in the voting;

b) the charter has been amended or supplemented, or new edition of the charter has been approved resulting in limitation of rights of such shareholders, which voted against the decision on such amendment, supplement or approval of new edition of the charter or did not participate in the voting.

9.3. The list of shareholders of the Bank entitled to require buy-back of their shares in the Bank, shall be made on the basis of the data included in the registry of the shareholders of the Bank, as of the date of compilation of the list of shareholders entitled to participate in such general meeting, the agenda of which includes issues in connection with decisions, adoption of which has resulted in limitation of shareholders' rights provided under paragraph a) of clause 9.2.

9.4. Buy-back of shares by the Bank shall be executed at its market price. The market price shall be determined without taking into account the changes arisen due to operations of the Bank entitling the shareholder to demand evaluation and buy-back of her shares.

9.5. Reduction of the statutory fund of the Bank is allowed also in the case defined by the Law of the Republic of Armenia "On Bankruptcy of Banks, Investment Companies, Investment Fund Managers, Credit Organizations and Insurance Companies".

9.6. The consent of the Board of the Central Bank of RA is necessary for the buyback of participation.

9.7. The Bank is obliged to inform the shareholders about the right and the procedure for exercising the demand for repurchase of the shares owned by them.

The notice of the General meeting, the agenda of which includes issues, the voting on which may lead to the emergence of the right to demand the repurchase of shareholders in accordance with the law and this charter (paragraph 9.2), must contain at least the information specified in the same paragraph, as well as the information subject to mandatory notification by RA legislation.

including information on the share repurchase price.

Within 7 days from the adoption of the decisions of the said general meeting, the Bank is obliged to notify the shareholders with the right to buy back the shares from them about the right to demand the buy back of the shares from the Bank and the order of the buy back. If the shares to be redeemed are encumbered by the rights of third parties, the Bank's shareholders' register is obliged to notify those persons about the redemption of the given shares in the manner and within the time limits defined by the law or other legal acts.

9.8. The written request of the shareholder to buy back the shares belonging to him, which contains information on the number of shares submitted for buyback and the place of residence (location) of the shareholder, is submitted to the Bank no later than within 45 days from the moment of the adoption of joint-interest decisions by the general meeting.

Upon expire of term specified in the same point, the Bank is obliged to buy back the shares from the shareholders who submitted a written demand for the buyback within 30 days.

Redemption of shares is carried out at the price specified in the notice mentioned in the same point.

The amount of funds directed to share buyback cannot exceed the annual interest rate of the Bank's net assets. The value of net assets is determined as of the moment of adoption of the decisions mentioned in subparagraphs "a" and "b" of clause 9.2 of the same charter.

If the monetary value of the shares to be repurchased at the request of the shareholders exceeds the amount that the Bank can provide for the repurchase of the shares, the shares are repurchased in accordance with the requests submitted by the shareholders.

If the shareholder does not agree with the repurchase price, then he has the right to apply to the court with the request for re-evaluation of the shareholders within 3 months from the date of payment to the shareholders by the Bank.

9.9. The shares repurchased on the grounds specified in clause 9.2 hereof, shall be transferred to the Bank's management.

The said shares do not give the right to vote, are not taken into account during the calculation of votes, and dividends are not calculated from them. They are subject to allocation within one year. Otherwise, the general meeting is obliged to adopt a decision to reduce the size of the statutory fund by redeeming the said shares.

9.10. In the case of the bank buying back its shares, the decision on the reduction of the statutory fund or the sale of the given shares is adopted by the general meeting, with 3/4 of the

votes of the owners of the voting shares participating in it, but not less than 2/3 of the votes of the owners of the voting shares.

9.11. Regardless of any basis provided by this charter, the Bank does not have the right to acquire the ordinary (common) shares allocated by it or the preferred shares of certain classes allocated by it, if the acquisition of these shares is prohibited by the legislation of the Republic of Armenia or there are circumstances in which acquisition restrictions are defined by the legislation of the Republic of Armenia.

10. INCREASE OF CHARTER CAPITAL OF THE BANK

10.1. The Bank may increase its charter capital through increase of nominal value of its shares or allocation of additional shares.

10.2. The bank shall not organize open subscription of or otherwise offer its issued shares to unlimited number of persons.

10.3. If previously distributed shares are not fully paid, the charter capital of the Bank shall not be increased through attraction of financing.

10.4. The resolution on distribution of additional shares shall establish:

- a) the number of additional ordinary (common) shares available for allocation;
- b) terms and conditions, including allocation price of additionally issued shares;
- c) other data provided under laws and this charter.

10.5. After summarizing its financial results the Bank may increase its charter capital through increase of nominal value of its allocated shares:

- a) by transferring a part of its profit to the charter capital;
- b) by fully or partly transferring from the net asset value (equity) of the Bank the amount, exceeding the difference of liquidation and nominal values of the charter capital, general reserve and preferred shares (if any) to the charter capital of the Bank.

10.6. The Bank shall not increase its charter capital through increase of nominal value of its shares, as a result of which it shall exceed the value of its net assets established by the most recent audit results or the most recent balance sheet approved by general meeting of shareholders.

10.7. Share certificates shall be deemed invalid in case when no application for their exchange or making of relevant entry has been submitted within a term of one year minimum.

11. THE RESERVE FUND (GENERAL RESERVE) AND OTHER FUNDS OF THE BANK

11.1. A reserve fund of not less than 15 percent of the statutory fund shall be formed in the Bank.

If the reserve fund is smaller than the size established by the charter, allocations to that fund are made in the amount of 5 percent of the profit, as well as from the funds obtained from the difference between the value of allotment of new securities of the Bank and their nominal value.

11.2. The reserve fund is used to cover the Bank's losses, as well as to repay the bonds issued by the Bank and buy back the shares, if the Bank's profits and other resources are not sufficient for the same. The reserve fund is used by the decision of the Bank's Council. The reserve fund cannot be used for other purposes.

11.3. The reserve fund is formed in accordance with the law through annual deductions from the Bank's profits until reaching the specified amounts.

11.4. The Bank may also establish other funds in accordance with the law and other legal acts.

11.5. The formation of the funds, the order of their allocations and their amounts are determined by the general meeting of the Bank's shareholders, and their use is made by the decision of the Bank's Council.

12. PARTICIPATION AND RESTRICTIONS OF PARTICIPATION IN THE CHARTER CAPITAL OF THE BANK

12.1. The shareholders of the Bank may at any time alienate their shares in the manner prescribed by laws and this clause.

The shareholder's alienation of shares is carried out taking into account the restrictions on acquiring other participation in the Bank's statutory fund established by the Law of the Republic of Armenia "On Banks and Banking"

A shareholder of the Bank has a pre-emption right to acquire, pro rata to her shares in the Bank, shares sold by other shareholders.

A shareholder shall inform the Chairman of the Management Board of the Bank on her intention to alienate her shares. The Chairman of the Management Board shall inform on such intention other shareholders of the Bank within 5 days upon receipt of such notification in the manner prescribed under this charter for notification on convocation of general meeting. The term for application of pre-emption rights for purchase of shares offered by other shareholders is 30 days.

In the event none of the shareholders uses her pre-emption right within the term provided under this clause, the shares may be alienated to third parties.

Shares may be alienated to third parties solely in the manner prescribed by laws.

Shares allocated by the Bank through private subscription may be acquired by non-shareholders.

Shareholders of the Bank (owners of ordinary shares) have pre-emption right to acquire shares and securities convertible to shares, allocated by the Bank, except for cases provided by law.

Such pre-emption right shall be exercised by shareholder of the Bank within 10 days following receipt of notification on relevant allocation.

The shareholders, holding voting shares of the Bank, shall be notified on the possibility of exercising their pre-emption rights in the manner prescribed for convocation of a general meeting and at least 30 days prior to such date at which allocation of voting shares, subject to payment in cash and securities convertible to voting shares of the Bank shall start.

The notification shall include information on:

- a) the number of voting shares and securities convertible to voting shares subject to allocation;
- b) allocation price of voting shares and securities convertible to voting shares (including allocation price of voting shares and securities convertible to voting shares for the shareholders of the Bank, having a pre-emption right of their acquisition);
- c) procedure of determining the amount of shares and securities convertible to voting shares to be acquired by the shareholders of the Bank with pre-emption right, as well as on terms and information for exercising such rights;
- d) types and classes of the shares to be acquired.

A shareholder has the right to fully or partially exercise her pre-emption right by sending a written notice to the Bank on acquisition of voting shares or securities convertible to voting shares. Such notice shall include:

- a) full firm name of the shareholder (name in case of individual), state registration data (passport data), registered (residence) address;
- b) the number of shares and/or securities to be acquired;
- c) document on payment of shares and/or securities

Notification shall be submitted not later than one day prior to the beginning of allocation of the voting shares and securities convertible to voting shares of the Bank.

12.2. The shares in the charter capital of the Bank shall be transferred to the heirs of individual and legal successors of legal entity shareholders of the Bank.

12.3 A person or its affiliate may acquire, through one or more transactions, a significant participation in the charter capital of the Bank provided under the Law of the RA On Banks and Banking solely upon prior consent of the Central Bank of the RA.

12.4 Any agreement on acquisition of other participation without prior consent of the Central Bank of the RA is null.

13.DISTRIBUTION OF THE BANK'S PROFIT

13.1. Profits gained as a result of activities of the Bank is subject to taxation pursuant to the laws of the Republic of Armenia.

13.2. After paying taxes and making other mandatory payments provided under the laws of the Republic of Armenia, the net profit of the Bank is formed, which shall remain at the disposal of the Bank and be distributed by the general meeting of shareholders of the Bank for the purposes of replenishment of reserve fund and other funds, provided under this charter and distribution of dividends.

13.3. The Bank may decide (declare) on payment of quarterly, semi-annual or annual dividends to its shareholders, unless otherwise provided under the laws of the RA and this charter.

13.4. The council shall decide on payment of interim (quarterly or semi-annual) dividends, as well as the amount and method of payment of such dividends. The amount of the interim dividends shall not exceed 50% of dividends disbursed during the previous financial year.

13.5. The general meeting of shareholders shall decide, upon recommendation of the council, on payment of annual dividends, as well as on the amount and method of payment of such dividends.

The amount of the annual dividends shall not be less than the amount of already paid interim dividends.

13.6. In the event when the amount of annual dividends, determined pursuant to decision of the general meeting is equal to the amount of already paid interim dividends, no annual dividends shall be paid. In the event when the amount of annual dividends, determined pursuant to decision of the general meeting, is more than the amount of already paid interim dividends, the annual dividends shall be distributed in the amount equal to the difference of the determined amount of annual dividends and the amount of interim dividends already paid.

13.7. The General Meeting has the right to adopt a decision not to pay dividends, except for the payment of dividends for a certain class of preference shares, if the Bank has issued preference shares.

13.8. The term of payment of annual dividends is determined by the decision of the general meeting on payment of dividends. The term of payment of interim dividends is determined by the decision of the council on payment of interim dividends and shall not be earlier than 30 days following the date at which such decision has been made. Unless otherwise provided by the resolution of the General Meeting of Shareholders, any declared annual dividends shall be paid by the Bank to the shareholders within 15 business days after the relevant decision of the shareholders for distribution of the profit has been taken.

13.9. For each payment of dividends, the council makes a list participants entitled to dividends, which shall include:

a) in case of payment of interim dividends, the names of the shareholders of the Bank, included in the registry of shareholders of the Bank, as of at least 10 days prior to the date at which decision of the council on payment of dividends has been made;

b) in case of payment of annual dividends, the names of shareholders of the Bank included in the registry of shareholders of the Bank as of the date at which the list of shareholders, entitled to participate in the annual general meeting of shareholders of the Bank has been made.

13.10. Payment of dividends to shareholders of the Bank is prohibited, if as of the date of payment the losses of the Bank are equal to or more than the amount of the retained profits of the Bank.

13.11. Dividends are distributed in the manner prescribed by the laws of the RA and this charter.

13.12. Regardless of the procedure established by this charter, the Bank's dividends shall not be distributed if their distribution leads or may lead to the violation of RA legislation, or if a decision prohibiting the distribution of dividends has been made by the RA Central Bank.

14.MANAGEMENT BODIES OF THE BANK

14.1. Management bodies of the Bank are:

- a) general meeting of shareholders of the Bank (the "General Meeting"),
- b) council of the Bank (the "Council"),
- c) management board of the Bank (the "Board"),
- d) Chairman of the Management Board (the "Chairman of the Management Board"),

At the same time, the management of the Bank's current activities is carried out by the Chairman of the Bank's Board together with the Bank's Board.

In addition to the above-mentioned management bodies, the Bank also has a chief

accountant and an internal audit unit, a person/department responsible for the implementation of the risk management function and a person/department responsible for the implementation of the compliance function.

15. GENERAL MEETING OF SHAREHOLDERS

15.1. The superior management body of the Bank is the general meeting of the Bank's shareholders (in this charter also referred to as the General Meeting).

15.2. The Bank is obliged to convene an annual general meeting of shareholders every year. The annual general meeting is convened within four months of the end of the financial year.

If the owner or nominee of the voting shares of the Bank is only one person, then the General Meeting is not convened, the decisions on matters reserved to the jurisdiction of the General Meeting are adopted by the written decision of that person. The decision of the shareholder legal entity must be adopted by the body with such powers under the latter's charter.

15.3. The General Meeting may be held via joint meeting of shareholders, remote voting (through inquiry) or communication by telephone. Annual General Meeting shall not be held by remote (through inquiry) voting.

The Shareholders may give their approval to any of the matters stated in sub-point "b)" and "c)" of clause 15.32 of the present charter (or to any variation of them) either in writing or through their authorized representatives for this purpose at a General Meeting.

15.4. The General Meetings may be ordinary or extraordinary.

15.5. During preparation of the General Meeting, the Council shall determine the date, place and time of the General Meeting, agenda of the General Meeting, the date of the list of shareholders having right to participate at the General Meeting, list of information and documents to be provided to the shareholders during preparation of the General Meeting, form of the notice, form and content of the voting ballots in case if voting shall be carried out by voting ballots.

15.6. The following individuals are entitled to participate at the General Meeting:

a) the shareholders who become the owners of the Bank's common (ordinary) shares by the number of votes they own, as well as nominees, if they submit documents substantiating the names of the Bank's shareholders they represent and the number of shares they own,

b) in the cases of allocation of preferred shares as defined by the Bank's charter, the shareholders who become the owners of the Bank's preferred shares will be entitled to the number of votes proportional to the number and nominal value of the preferred shares they own, in the cases stipulated by the law and the charter, as well as the nominal owners of these shares, if they

represent the shareholders represented by documents justifying the names and the number of shares owned by them,

- c) non-shareholder members of the Council and the Management Board with a right of advisory vote,
- d) members of internal audit unit as an observer,
- e) individuals carrying out external audit of the Bank (in case when their report is included in the agenda of the General Meeting) as observers,
- f) representatives of the Central Bank as observers,
- g) other employees of the Bank in case of reporting matters included in the agenda of the General Meeting,
- h) heads of territorial and structural subdivisions as observers,
- i) individuals having professional knowledge on certain matters included in the agenda of the General meeting.

15.7. The list of shareholders entitled to participate at the General Meeting is compiled as of the date determined by the Council on the basis of the data of shareholders' register of the Bank.

Compilation date of the list of shareholders entitled to participate at the General Meeting must meet the following requirements:

- a) It shall not be earlier than the date of the Council resolution on convocation of the General Meeting
- b) It can't be more than 45 days prior to convocation of the General Meeting.

In case if the General Meeting is convened by remote voting, compilation date of the list of shareholders entitled to participate at the meeting participants shall be at least 35 days prior to the date of the General Meeting convocation.

15.8. The Central Bank of the Republic of Armenia shall be notified by the Bank on convocation of the General Meeting not later than 15 days prior to convocation.

15.9. For the purpose of compilation of the list of shareholders entitled to participate at the General Meeting, the nominees shall provide information on shareholders, for representation of whose interests the nominee disposes of the shares.

15.10. The list of shareholders entitled to participate at the General Meeting shall include information on the name (firm name), legal (residence) address of each of the shareholders of the Bank and his/her shareholding in the charter capital of the Bank, according to the share type and

class.

15.11. The list of shareholders entitled to participate at the General Meeting shall be provided for acquaintance purposes to those shareholders of the Bank, who are included in the shareholders' register of the Bank.

The above mentioned list shall be provided to the shareholder entitled to participate at the General Meeting together with the notice mentioned in section 15.14. of this charter.

Upon request of the shareholder, the Bank shall provide a certificate on his/her inclusion in the list of shareholders entitled to participate at the General Meeting.

The foregoing certificate shall be provided to the shareholder entitled to participate at the General Meeting within 2 days upon his/her written request.

15.12. The list of shareholders entitled to participate at the General Meeting may be amended solely for the purposes of correcting the mistakes made during compilation of the list or restoring the rights and legal interests of the shareholders of the Bank not included in the list.

15.13. The Bank notifies its shareholders on holding the annual General Meeting at least 15 days prior to its convocation.

The Bank notifies its shareholders on holding the extraordinary General Meeting at least 10 days prior to its convocation.

15.14. The notification of the shareholder with the right to participate in the General meeting is carried out by sending or hand-delivering ordered letters or by e-mail, software and application platforms (including mobile phone applications), if they allow to ensure that they are received by the addressee.

15.15. The notice of convocation of the annual General Meeting shall be published on the website of the Bank and in press within the terms prescribed by the law.

15.16. The notice on the General Meeting shall contain:

- a) firm name and legal address of the Bank;
- b) date and location of General Meeting convocation;
- c) list of the shareholders entitled to participate at the General Meeting;
- d) issues included in the agenda of the General Meeting;
- e) order of acquaintance with the information and documents related to issues to be discussed during the General Meeting, which shall be provided to the shareholders during preparation of the General Meeting.

15.17. Information and materials to be presented to shareholders in preparation for the

annual meeting include:

- a) Annual report of the bank.
- b) The conclusion of the person conducting the Bank's audit regarding the results of the Bank's annual financial and economic activity;
- c) information about the candidates for the Council;
- d) the draft of amendments and additions to the charter or the draft of the charter with a new edition, if necessary.

When convening the meeting by remote voting, all shareholders entitled to participate in the meeting shall be sent the information and materials specified in this point together with the ballot papers and the agenda of the meeting.

15.18. If the person registered in the register of shareholders of the Bank is the nominee of the shares, then the notice of convening the General Meeting is sent to him. The latter is obliged to send the notice to the persons whose interests he represents within the terms stipulated by the law, other legal acts or the contract concluded between him and those persons.

15.19. The shareholder of the Bank, who is the owner of at least 2 percent of the voting shareholders, within 30-60 days after the end of the financial year of the Bank, has the right to submit no more than two proposals regarding the agenda of the annual general meeting, as well as to propose candidates for the Council membership.

Recommendations regarding the agenda of the annual general meeting are submitted in writing, stating:

- a) the grounds for proposing the item,
- b) the name of the shareholder proposing the item,
- c) the number of votes of the shareholders belonging to him, according to the types and classes of shares,
- d) the signature of the author of the proposal or its facsimile reproduction.

15.20. When submitting proposals regarding the candidates for a member of the Council, including in the case of self-nomination, the candidate's name, the fact that he is or is not a shareholder in the Bank, the number of votes provided by the shares owned by him according to types and classes, the names (titles) of the shareholders nominating him, with the shares owned by the latter, shall be indicated the number of votes provided by types and classes, as well as compliance with the requirements submitted to the Council member, in case such requirements are defined by RA legislation.

15.21. The board is obliged to discuss the submitted proposals and adopt a decision on including them in the annual general meeting or to include them in the list of candidates or to reject the inclusion within 15 days after the expiration of the period stipulated by clause 15.19 of the same charter.

The Council may decide to reject the inclusion of the submitted proposals in the agenda of the annual meeting or in the list of candidates only if:

a) the shareholder who submitted an offer has violated the deadline set by clause 15.18 of the same charter,

b) the shareholder who submitted the proposal does not own the number of voting shareholders specified in clause 15.18 of the Bank's Articles of Association,

c) the data specified in clause 15.20 of this charter are incomplete or missing,

d) the proposal contradicts the requirements of the law and other legal acts.

15.22. The reasoned decision of the Council to reject the inclusion of the submitted proposal in the annual general meeting or in the list of candidates is sent to the shareholder(s) who submitted the proposal or submitted the list within 3 days from the moment of adopting the decision. The decision of the Council to reject the proposal presented at the annual general meeting or to be included in the list of candidates can be appealed in court.

15.23. During the preparation of the general meeting, the Council decides:

a) The year, month, date, time and place of convening the general meeting,

b) The agenda of the general meeting,

c) Year, month, date of compiling the list of shareholders entitled to participate in the general meeting,

d) The procedure for notifying the shareholders of the convening of the general meeting,

e) The list of information and materials provided to shareholders during the preparation of the general meeting,

f) The form and content of the ballots, if voting will be done by ballots.

15.24. General meetings convened in addition to the annual general meeting are considered extraordinary.

15.25. Extraordinary general meetings of the Bank's shareholders are convened by the decision of the Bank's Council, on its own initiative, at the request of the Bank's Board, the person conducting the Bank's audit, or the shareholder(s) owning at least 10% of the Bank's voting shares at the time of the request.

15.26. The Council's decision on convening an extraordinary meeting defines the form of convening an extraordinary meeting by joint presence of shareholders or through remote voting. The Council cannot by its decision change the way of convening the meeting,

15.27. The Council is obliged to adopt the decision to refuse to convene an extraordinary meeting at will within 10 days from the moment of submitting the request.

15.28. In case of adopting a decision on convening an extraordinary general meeting, the Council must convene the extraordinary general meeting in accordance with the procedure established by this charter and RA legislation. If the Council does not adopt a decision on convening an extraordinary meeting within the period specified by this clause or adopts a decision on rejecting its convening, then the extraordinary meeting can be convened by the persons who submitted the request for convening the meeting.

15.29. The Council can adopt a decision to reject the convening of an extraordinary meeting only if:

a) the procedure for submitting the request for convening an extraordinary meeting according to the law and the charter was violated;

b) the shareholder (shareholders) who submitted the request for convening an extraordinary meeting does not (do not) possess the number of votes provided by the Bank's voting shares defined in Clause 1 of this Article;

c) none of the issues on the agenda of the extraordinary meeting refer to the jurisdiction of the meeting defined by the law and charter;

d) the issue proposed for inclusion in the agenda of the meeting does not meet the requirements of legal acts.

The decision of the Council on convening an extraordinary meeting or rejecting its convening is sent to the persons who submitted the request within three days from the moment of the adoption of the decision.

The decision of the Council to convene an extraordinary meeting or to refuse to convene an extraordinary meeting may be appealed in a court of law.

The Council's decision on convening an extraordinary general meeting establishes the agenda, the form of convening an extraordinary general meeting in the joint presence of shareholders or through remote voting. The Council cannot by its decision change the form of convening a meeting, if the request for convening an extraordinary meeting specified in this point indicates in the content of the meeting about the summoning form.

15.30. The voting results are announced during the General Meeting, or the shareholders are informed about the voting results after it.

15.31. The general meeting of the Bank's shareholders is eligible if the Bank's shareholders (their representatives) who jointly own more than 50 percent of the allocated voting shares of the Bank have registered at the time of registration of the participants of the General Meeting.

If the meeting lasts more than one day, registration of meeting participants is carried out for each day.

If ballots have been sent to the Bank's shareholders in accordance with the law and regulations, then the Bank also takes into account the votes cast by the ballots received before the end of the registration of the participants of the meeting for the purpose of calculating the quorum and summarizing the voting results.

In the absence of a quorum, the year, month, and date of the convening of a new General Meeting shall be convened following the procedure established by this charter. If due to the lack of quorum, the date of convening of the General Meeting that has not taken place is moved for a period of less than 20 days, then a new list of shareholders entitled to participate in that General Meeting is not drawn up. In case of convening a new General Meeting, no change of the agenda is allowed. A new General Meeting convened instead of a non-held General Meeting is valid if the Bank's shareholders (their representatives) who jointly own more than 30% of the allocated voting shares of the Bank have been registered at the time of completion of the registration of participants.

15.32. The followings are under the jurisdiction of the Bank's General Meeting:

- a) Drafting of the bank's charter, making changes and additions to it,
- b) Reorganization of the Bank,
- c) Bank liquidation,
- d) reconciliation of summary, interim and liquidation balances, appointment of the liquidation committee,
- e) determining the number of members of the council, electing its members and early termination of their powers, except for the cases of inclusion of persons with the right to be directly enrolled in the council or their representatives without election. The matters of determining the quantitative composition of the council and electing its members are discussed exclusively at the annual General Meetings, except for the cases of the inclusion of persons who have the right to be directly admitted to the Council without election or their representatives, when the quantitative

composition of the Council can be approved at an extraordinary general meeting. The issue of the election of members of the Council can be discussed at the extraordinary General Meeting, if the latter has adopted a decision on the early termination of the powers of the Council or its individual members,

f) determination of the maximum size of the volume of declared shareholders, as well as the increase or decrease of the statutory fund,

g) dismissal of the person conducting the Bank's external audit upon submission by the Council,

h) Reviewing the Bank's annual financial statements, accounting balances, distribution of profits and losses, adoption of the decision on the payment of annual dividends and resolution of the amount of annual dividends, and the issues mentioned in this subsection are discussed exclusively at annual meetings. If the annual meeting has not been held within the specified period, then an extraordinary meeting may be convened only for the purpose of liquidation or to discuss the matters specified in this sub-clause. Other issues cannot be discussed at the extraordinary meeting called for the mentioned issues, except for the cases of reduction of the statutory capital due to the decisions made on the issues mentioned in this subsection.

i) Approval of the order of conduct of the general meeting.

j) formation of the accounting committee,

k) consolidation and division of shareholders,

l) establishment of unions of commercial organizations,

l) participation in unions of commercial organizations,

n) determining the amount of remuneration of the Council members,

o) concluding transactions with the presence of interest in the cases defined by the legislation,

p) in cases defined by law, concluding large transactions related to the alienation and acquisition of the Bank's property (more than 50% of the balance sheet value of the Bank's assets), as well as in cases of 25 to 50% of the balance sheet value of the Bank's assets, if the Council has not adopted the matter unanimously, and the matter raised for discussion at the General Meeting,

k) Determining the form of communication of information and materials by the bank to the shareholders, including the selection of the appropriate means of mass media, if the communication should also be carried out in the form of a public announcement.

l) Acquisition and repurchase of shares allocated by the Bank,

m) Adopting a decision not to exercise the pre-emptive right to purchase shares in the cases provided for by law.

15.33. The general meeting is held in the following order:

a) The Secretary of the General Meeting shall report to the Chairman of the General Meeting on the presence of shareholders at the meeting before the opening of the meeting,

b) The Chairman of the General Meeting welcomes the attendees and declares the meeting open,

c) The Chairman of the General Meeting presents the agenda of the general meeting, after which s/he puts the agenda items for discussion in order,

d) The Chairman of the General Meeting offers those who wish to present their opinion on the proposed issue,

e) After the phase of expressing opinions on the proposed question is over, the discussed questions are put to a vote.

Voting in the general meeting is carried out on the principle of “one voting share of the Bank - one vote”.

15.34. Decisions of the General Meeting are adopted by a simple majority of the votes of the owners of the voting shareholders participating in the General Meeting, with the exception of:

a) In case of repurchase of its shares by the bank, the decisions on the reduction of the statutory fund or the sale of the given shares are adopted by the General Meeting with 3/4 of the votes of the owners of the voting shareholders, but not less than 2/3 of the votes of the owners of the voting shareholders,

b) the issues mentioned in subparagraphs “a”, “d”, “f” and “z” of Clause 15.32 of this Charter, on which decisions are taken by the General Meeting with 3/4 of the votes of the owners of voting shareholders,

c) decisions on the issues mentioned in subparagraphs “b” and “c” of Clause 15.32 of this charter are adopted by the General Meeting by unanimous vote of the owners of voting shares participating in it;

d) the decision on the increase of the statutory fund, which implies the subscription of third parties for the newly issued additional shares, which make up 10 percent or more of the voting shares of the Bank, is adopted by the General Meeting by a unanimous vote of the owners of the voting shares;

Adopting decisions on the issues defined by Clause 15.32 of this Charter (except for the

issues defined by paragraph (j)) of Clause 15.32 is the exclusive competence of the General Meeting and cannot be transferred to the Board of the Bank, the members of the Bank's Board or any other person, except for the issues listed in the sub-clauses "j-l" and On the issue of increasing the statutory fund of the bank, the adoption of decisions by the decision of the General Meeting can be transferred to the Board.

15.35. In the cases of adopting decisions on other issues related to the jurisdiction of the General Meeting defined by the Law of the Republic of Armenia "On Joint Stock Companies", the General Meeting is guided by the procedure established for the adoption of these decisions by the same law, taking into account the provisions defined by the Law of the Republic of Armenia "On Banks and Banking".

The general Meeting has no right to change the agenda, as well as to make decisions on issues not included in the agenda.

15.36. The voting results are announced at the given meeting, or after the meeting, the shareholders are informed about the voting results within 45 days of the adoption of these decisions.

15.37. The decisions of the general meeting can also be adopted through remote voting (poll), except for the issues mentioned in subparagraphs "b", "c" and "h" of clause 15.32 of the charter.

The notification of the minutes of the General Meeting held remotely shall be carried out in accordance with the procedure of notifying the General Meeting of shareholders established by this charter, with mandatory mention of the fact of remote holding in the notification.

When convening the General Meeting remotely, all shareholders who have the right to participate in the general meeting are sent the information and materials required by law along with the ballot papers and the agenda of the general meeting.

The decision of the General Meeting adopted by remote voting has legal force if more than half of the owners of voting shareholders of the Bank participated in the voting.

Remote voting is done using ballots that comply with the requirements of the Law of the Republic of Armenia "On Joint Stock Companies".

During remote voting, the ballots must be provided to the shareholders at least 30 days before the completion of the acceptance of the completed ballots by the Bank, in the case of voting at the meeting by means of electronic, teletype or telephone communication, the ballots (including electronic ballots) must be provided to the shareholders at least 7 days before the meeting is held.

15.38. Decisions of the General Meeting can be taken in such a way that the participants of the General Meeting can communicate with each other by telephone, telecommunication or other communication in real time mode.

Such a meeting is not considered a meeting conducted remotely (through inquiry).

The notification of the minutes of the General Meeting held by telecommunication or other communication is carried out according to the procedure of the notification of convocation of the General Meeting established by this charter.

Together with the notification of the Bank participants about the convening of the general meeting of the Bank's participants, they are also sent the materials and other information on the issues of the General Meeting's agenda.

Communicating with each other on the day of the general meeting of the participants of the Bank through the established means of communication, the participants of the Bank discuss the issues of the agenda and make relevant decisions, based on which a minutes is drawn up about the issues discussed at the general meeting of the participants of the Bank and the decisions made regarding them, which is sent to the participants to be signed and returned to the Bank.

The established means of communication shall be filled in the minutes, where the place of convening of the General Meeting is indicated.

15.39. The minutes of the General Meeting is drawn up within 5 days after the end of the General Meeting in 2 copies, which are signed by the Chairman and the Secretary of the General Meeting.

The Chairman of the General Meeting is responsible for the accuracy of the information contained in the Minutes of the General Meeting. The minutes states:

- a) The year, month, date and place of convening the General Meeting.
- b) The total number of votes of the allocated voting shares of the bank.
- c) The total number of votes belonging to the shareholders participating in the general meeting.
- d) The Chairman (chair) and secretary (secretariat) of the General Meeting,
- e) The agenda of the General Meeting.

The minutes should contain the main provisions of the speeches delivered at the General Meeting, the questions put to the vote, the results of the voting on them, the decisions adopted by the General Meeting.

Shareholders of the Bank have the right to familiarize themselves with the minutes of the

General Meeting.

16. COUNCIL OF THE BANK

16.1. The Council of the Bank carries out general management of the activity of the Bank within the scope of issues reserved to the competence of the Council pursuant to the law and this Charter.

16.2. Members of the Council shall be elected at the annual General Meeting by shareholders present at it, and in case of early termination of the powers of Council members, at the extraordinary General Meeting by the participants present at it pursuant to the law and this charter.

Proposals with respect to candidates of Council members may be provided to the General Meeting by the shareholders of the Bank, as well as the Council (except for the formation of the Council for the first time).

16.3. In case of early termination of the powers of a Council member at the extraordinary General Meeting, election of the new Council is performed in the following order:

The group (shareholder) representing the Council member, whose powers have been early terminated, provides the shareholders of the Bank and the General Meeting with information required with respect to the Council member candidate representing their group (shareholder) within 5 days upon being notified on convocation of the extraordinary General Meeting and election of the new Council member at the extraordinary general meeting is made pursuant to the order defined by the law and this charter.

16.4. Members of the Bank Council shall be elected for a minimum term of one year with a right of re-election.

16.5. All the shareholders of the Bank having 10 percent or more of allocated voting shares of the Bank as of the compilation date of the list of shareholders entitled to participate at the General Meeting, may be included in the Council without any kind of election, as well as appoint their representatives.

16.6. Shareholders of the Bank, who hold allocated voting shares of the Bank not exceeding 10 percent of the allocated ordinary shares of the Bank as of the date of compilation of the list of shareholders entitled to participate at the General Meeting may unite and in case of reaching 10 % or more of the allocated voting shares, include their representative in the Council without election in the Council.

Engagement of the representative in the Council pursuant to the order defined in the first

paragraph is possible in case if an agreement is entered on establishment of the group of participants, as well as notifying the General Meeting on it.

The agreement set forth in second paragraph of this clause shall include the following terms and information:

- a) data on uniting shareholders of the Bank including number of allocated voting shares of the Bank held by them,
- b) information set forth under part 5 of article 43 of Law of the Republic of Armenia On banks and banking with respect to the candidate of the Council member proposed by the uniting shareholders,
- c) provision according to which the agreement shall be concluded for at least one year and it shall not be subject to amendment or termination until expiry of the foregoing time period,
- d) other terms at the discretion of uniting shareholders.

Copies of the agreements shall be provided to all participants of the General Meeting at least 30 days prior to the date of convocation of General Meeting or in case of remote voting, at least 30 days prior to the deadline of accepting the completed ballots.

16.7. Shareholders having minor shareholding in the charter capital of the Bank are entitled to include their representative in the Council of the Bank.

The shareholder is considered as having minor shareholding in the charter capital of the Bank if she holds less than 10 percent of allocated voting shares of the Bank and she did not conclude the agreement mentioned under clause 16.6 of this charter.

The common representative of shareholders having minor shareholding in the charter capital shall be nominated from among them and shall be included in the Council without election by the General Meeting. Solely the shareholders having minor shareholding in the charter capital of the Bank or their representatives present at the General meeting shall participate at the election of the representative of shareholders having minor shareholding in the charter capital of the Bank, even if there is only one such shareholder. The information required with respect to the representative nominated by the shareholders having minor shareholding in the charter capital of the Bank pursuant to the law, is provided to all the participants of the General Meeting by the Council at least 30 days prior to the convocation of the General Meeting and in case of the General Meeting in absentia, at least 30 days prior to the deadline of accepting the completed ballots.

16.8. Representatives of the group of shareholders by minority shareholders, as well as shareholders holding less than 10% of the allocated voting shares of the Bank are included in the

Council as follows:

Within 5 days upon receipt of the notice on General Meeting convocation, shareholders holding less than 10% of the allocated voting shares of the Bank, who wish to unite and establish a group of shareholders and whose collective shareholding will constitute 10 or more percent of voting shares of the Bank, shall conclude an agreement on establishing a shareholders' union, by mentioning their representative, information with respect to the representative as prescribed by the law, while their copies are submitted to the Council of the Bank for provision to the General Meeting and all the participants of the General Meeting.

Within five days from the moment of receiving the notification about convening the General Meeting, the participants with small participation present to the Council of the Bank the representative proposed by them and the information required by law regarding the latter, and the Council presents them to all the participants of the General Meeting.

Only the participants with a small participation take part in the election of a single representative nominated by the participants with a small participation in the general meeting, as part of the Council, even if their number is one.

Regarding the representative nominated by participants with a small participation in the statutory fund of the Bank, the required information is presented by the Council to all participants of the General Meeting, and in the case of remote voting, at least 30 days before the last day of the deadline for accepting completed ballots by the Bank.

The representative of the participants created as a group of participants in the General Meeting is included in the Council of the Bank without election.

16.9. The Council of the Bank shall consist of at least 5 and no more than 15 members.

16.10. Members of the Council shall not be affiliated to each other. Members of the Council and members of executive body of the Bank shall not be affiliated to each other.

16.11. Members of Council shall be remunerated. The term of office of Council members shall be defined by the General Meeting and may not be less than one year.

16.12. Chairman of the Council

The Chairman of the Council of the Bank is elected by the Council from among the members of the Council by the majority of their total number of votes. Upon the recommendation of the Council member(s), the Council may at any time re-elect the Chairman or elect a new Chairman. The candidacy of the Chairman of the Council is nominated by the member(s) of the Council.

16.13. The Chairman of the Council of the Bank:

- a) organizes the work of the Bank's Council,
- b) convenes and chairs the meetings of the Bank's Council,
- c) organizes the keeping of minutes of the Council meetings,
- d) presides over the General Meetings of the participants of the Bank,
- e) organizes the work of the committees attached to the Council.

In the absence of the Chairman of the Council, its powers are performed by one of the members of the Council by the decision of the Council (with the majority of the votes of those present).

16.14. The Council members must not be affiliated with each other. The members of the Council and the members of the Management Board of the Bank or the Chairman of the Management Board cannot be related persons.

16.15. The members of the Council are elected in accordance with the law and this charter.

16.16. Powers of the Bank Council are:

- a) determining the main directions of the Bank's activity, including the approval of the Bank's prospective development plan,
- b) convening the annual and extraordinary meetings of the General Meeting, approving the agenda, as well as ensuring the implementation of preparatory works related to the organization of their convening and holding,
- c) making decisions regarding the creation of other legal entities (including subsidiary and dependent companies) or participation in them,
- d) appointment of the members of the Bank's executive body, early termination of their powers, termination of signed contracts and approval of the amount and terms of remuneration,
- e) defining internal control standards in the Bank, forming the Bank's internal audit department, approving its annual work plan, early termination of internal audit employees' powers and approval of remuneration conditions,
- f) approving the Bank's annual budget and performance.
- g) submission of recommendations to the General Meeting regarding the payment of dividends, including the compilation of the list of shareholders of the Bank entitled to receive dividends for each payment of dividends, which should include those shareholders of the Bank who have been included in the register of shareholders of the Bank, the list of shareholders entitled to participate in the annual general meeting of the Bank as of the date of compilation,
- h) preliminary approval of the Bank's annual financial statements and presentation to the

general meeting,

i) presentation of the person conducting the Bank's external audit for the approval of the General Meeting,

j) determination of the amount of payment of the person conducting the external audit of the bank,

k) upon necessity, initiating measures aimed at eliminating deficiencies identified as a result of audits or other checks carried out in the Bank and monitoring their implementation,

l) adoption by the Bank of the internal legal acts defining the procedure for carrying out financial operations defined in clause 3.1 of this charter,

m) approval of the charters of the Bank's territorial and independent structural divisions, distribution of operational responsibilities between the Bank's independent structural divisions,

n) submission of issues provided for in sub-clauses "b", "j-p" of Clause 15.32 of this Charter to the consideration of the General Meeting,

o) Adoption of the decision on allotment of the Bank's bonds and other securities,

p) using the Bank's reserve and other funds,

q) creation and termination of the Bank's branches, representative offices and institutions,

r) defining the principles, bases, methods, rules, forms and procedures of the Bank's accounting policy for the purpose of conducting accounting and preparing financial reports,

s) in the cases defined by the legislation, the conclusion of large transactions related to the alienation and acquisition of the Bank's property, which must be adopted unanimously, as well as the adoption of a decision to discuss the issue of a large transaction at the General Meeting in the event of non-unanimity by the board,

t) conclusion of transactions with the presence of interest in the cases defined by the legislation,

u) Approval of internal legal acts regulating the process of concluding transactions concluded on behalf of the Bank, including the definition of limits for concluding transactions by the Bank's management bodies,

v) Determining the market value of the Bank's property, including the Bank's shares and other securities, in accordance with the procedure established by the legislation, except for the cases related to the Bank's normal activity, when the transaction is concluded within the framework of the Bank's budget of expenses and income, as well as other cases defined by the RA legislation,

w) In the cases provided for by RA legislation, the appointment of relevant employees, the

early termination of their powers, the approval of remuneration conditions, the periodic evaluation of activities, the application of measures of encouragement and disciplinary responsibility, or the provision of consent to these processes in specified cases,

x) Approval of the bank's corporate management code,

y) Adoption of other decisions provided for by law.

16.17. Decision-making on issues listed in Clause 16.16 of this Charter is reserved to the exclusive authority of the Bank's Council and cannot be transferred to other Bank's management bodies or other persons.

16.18. At least once a year, the Council of the Bank discusses the report of the person conducting the external audit (letter to the management) in its meeting.

The report of the person conducting the external audit (letter to the management), before being discussed at the meeting of the Bank's Council, is discussed at the meeting of the Bank's Management Board, relevant decisions are made regarding the recorded facts, then the report of the person conducting the external audit (letter to the management) is discussed at the annual general meeting of the Bank's shareholders convened after at the very first meeting of the Council.

After the end of each financial year, taking the planned and actual indicators as a basis, until the end of February of the current year, the Bank's Council discusses the Bank's prospective development plan in its meeting, and based on the results of the discussion, makes a decision on revising the main directions of the Bank's activity, the future strategy or leaving it the same and approves the Bank's prospective development plan.

At least once a year, the Council of the Bank shall review the processes and internal legal acts of the Bank approved by it. The Bank's Management Board submits the amendments to the current rules and internal legal acts of the Bank, as well as the new rules and internal legal acts, for consideration and approval by the Bank's Council.

The relevant units of the Bank, based on the laws and normative legal acts regulating banking activities, the organizational structure of the Bank, as well as the changes made in the process of implementation of transactions, review the existing regulations and internal legal acts, if necessary, develop new regulations and internal legal acts and submit for the consideration of the Bank's Management Board, which after being approved by the Bank's Management Board, are submitted to the Bank's Council for consideration and approval.

At least once a quarter, at the first meeting convened after the 15th of the month following the given quarter, the Bank's Council must discuss the reports of the Bank's internal audit

department, the Bank's Management Board and the chief accountant on the activities of the previous quarter in the order and form it has determined. In the event that, in the justified opinion of the internal audit, significant violations, as well as violations of laws and other legal acts are revealed, the report of the head of internal audit submitted to the Bank's Council, if necessary to the Chairman of the Council, is discussed by the Bank's Council in an extraordinary meeting within a maximum of one week from the moment of receiving the report.

Based on the results of the discussion, the Bank's Council adopts appropriate decisions, giving appropriate recommendations if necessary.

16.19 Council meetings

16.19.1. Council meetings must be convened at least once every two months.

The meeting of the Council is convened by the Chairman of the Council of the Bank - himself, a member of the Council, the Chairman of the Bank's Management Board (Board), the head of the internal audit department, the person conducting the Bank's external audit, the Board of the Central Bank of RA, as well as the shareholder(s) with 5 or more voting shares of the Bank, by submitting a request in writing, including by electronic correspondence.

The Chairman of the Bank's Council, upon the written request of the shareholder(s), shall notify all the members of the Bank's Council, in the cases prescribed by law, to the Chairman of the Management Board, as well as to the person who submitted a written request to convene a council meeting on the same, within three days period.

The notice on convening the meeting of the Council of the Bank specifies the place, date, time, agenda items, the procedure for the members of the Council to familiarize themselves with the information and materials related to the issues discussed at the meeting, and in the case of telecommunication or other means of communication, it is indicated about it as well as the specific means of communication.

The Council may establish a different procedure for making decisions on individual issues by internal legal acts of the Bank adopted by it.

The notification of the members of the Council about the convening of the meeting is carried out by sending ordered letters or delivering them personally or by notifying them by e-mail address.

The members of the Council are notified about the convening of the meeting of the Council at least 3 days before the day of the convening of the meeting.

16.19.2. Council meetings can be convened remotely.

The Council may adopt decisions at a meeting in which all participants in the Council

meeting can communicate with each other by telephone, teleconference or other means of communication, including e-mail, software and application platforms (including mobile applications) in real time. Such a meeting is not considered a meeting conducted remotely (inquiry).

Ballots are also sent together with the notification of the remote meeting convening, indicating the deadline for returning the completed ballots in the notification.

During the meetings of the Council convened remotely, decisions are made on the basis of the ballots filled by the participants of the Council meeting.

The adoption of decisions on the issues mentioned in subparagraphs “d”, “e”, “i”, “m” of clause 16.16 of this charter, as well as the approval of the Bank’s prospective development plan, issues of the election of the chairman of the Bank’s Council cannot be resolved by the Bank’s Council during remote meetings.

The Council may adopt decisions at a meeting in which all participants of the Council meeting can communicate with each other by telephone, teleconference or other means of communication in real time mode. Such a meeting is not considered a meeting conducted remotely (inquiry).

Convening and summarizing the results of the Bank Council meetings by telephone, teleconference or other means of communication is done as follows:

The notice of convening the meeting of the Bank Council states that the meeting of the Bank Council will be held (all the participants of the meeting of the Bank Council will communicate with each other) either by telephone or teleconference or other means of communication.

Together with the notification to the participants of the Bank Council meeting about the convening of the Bank Council meeting, the materials and other information on the issues of the Council meeting agenda are also sent.

Communicating with each other through the communication established on the day of the Bank Council meeting, the participants of the Bank Council meeting discuss the issues on the agenda and make relevant decisions, based on which a minutes are drawn up about the issues discussed at the Bank Council meeting and the decisions made regarding them, which is sent to the Chairman of the Bank Council and members to be signed and returned to the Bank.

In the minutes, the means of communication is filled in as the place of convening of the Bank Council meeting.

16.19.3. Unless otherwise provided by this charter, the quorum of the Council meetings is considered reached if more than half of the Council members participate in the meeting. The

decisions of the Council are adopted by the majority of votes of the members present at the relevant meeting of the Council, with the exception of the decisions of the Council defined in subparagraphs “c” and “p” of clause 16.16, for the adoption of which the quorum is considered ensured if all the members of the Council participate in the meeting, and which are adopted by all the members of the Council unanimously. In the event that the issues specified in sub-item “d” of Clause 16.16 require approval of the remuneration of the Chairman of the Management Board of the Bank, and this remuneration exceeds the market standards, the quorum for the adoption of decisions on these issues is considered to be reached if all the members of the Council participate in the meeting of the Council, and the decisions are adopted by all members of the Council unanimously.

Each member of the Council has only one vote during voting. The transfer of vote and voting rights to another person (including another member of the Council) is not allowed.

In case of equality of votes, the vote of the Chairman of the Council is decisive.

16.19.4. The discussion of all issues of the Council meetings can take place only with the mandatory participation of the Chairman of the Bank Management Board, except for the early termination of the powers of the Chairman of the Bank Management Board, as well as the approval of his remuneration conditions.

The Chairman of the Management Board of the Bank participates in the meetings of the Council with the right of consultative vote.

16.19.5. Council meetings are recorded. The minutes of the meeting are drawn up within 10 days after the end of the meeting.

The minutes shall state:

- 1) the year, month, date, time and place of convening the meeting,
- 2) persons who participated in the meeting,
- 3) agenda of the meeting,
- 4) the questions put to the vote, as well as the voting results, according to each member of the Council who participated in the meeting,
- 5) the opinions of the members of the Council and other persons participating in the meeting of the Council regarding the questions put to the vote,
- 6) decisions taken at the meeting.

The minutes of the meeting of the Council are signed by all the members participating in the meeting, who are responsible for the accuracy and reliability of the information contained in the minutes.

The meetings of the Council are chaired by the Chairman of the Council, who signs the decisions of the meeting and is responsible for the reliability of the information contained in the decision.

16.20. Committees under the Bank's Council

Committees may be established under the Bank's Council.

16.21. Grounds for early termination of the Council member's powers

16.21.1. The powers of the Council member are early terminated by the General Meeting if:

1) he/she was recognized as incompetent or limited in ability by a legally binding judgment of the court,

2) during the term of office, such circumstances appeared, by virtue of which s/he is prohibited from being a member of the Bank's Council (Manager of the Bank),

3) was absent from at least 1/4 of the Council meetings without excuse reasons or at least half of the meetings in total (including with and without excuse reasons) within a year. For the purposes of this clause, remote participation in real-time mode and defined by this charter is considered full participation,

4) was disqualified or deprived of the right to hold a certain position in accordance with the law.

The powers of a member of the Council are early terminated according to his/her application or in case of his/her death.

16.21.2. The powers of the Council member can be early terminated for the remaining period of the powers, and if that period is more than one year, then on the condition that the Bank compensates him/her the salary set for one year.

The Bank has the right to claim back the salary paid to it by the first paragraph of this part from the person dismissed from the position of the Council member, by proving in court the fact of the Council member's failure of official duties.

16.22. The chairman of the bank's Council or a member of the Council cannot simultaneously be a member of the executive body or hold another position in the Bank, as well as a member of the Council, member of the executive body or another employee of another bank or credit organization, unless the given bank and another bank or credit organization are affiliated with each other.

16.23 A member of the Council of the Bank can be a member of the Board of another bank at the same time if he has at least six years of professional experience in the field of banking or

insurance or securities market, of which three years in the position of the company's CEO, deputy CEO, Council member or member of the collegial executive body, or is a representative of an international financial organization or has a professional experience of at least four years of academic or research work in the field of economics, and whose being a member of the council of another bank will not have a negative impact on the normal operation of organizations and the financial system of the Republic of Armenia, and to which the head of the bank will be applicable excluding the grounds established by law.

17.MANAGEMENT BOARD OF THE BANK

17.1. The Management Board of the Bank shall:

a) ensures the implementation of the decisions of the General Meeting and the Council of the Bank, organizes and implements other powers related to the management of the current activities of the Bank, within the framework of the powers granted to the Management Board by the RA legislation, this charter, as well as legal acts adopted by the Council,

b) submits to the Council for approval the internal legal acts subject to approval by the Council of the Bank, including the charters of the separate units, the internal working regulations of the Bank, the administrative organizational structure of the Bank,

c) approves internal legal acts regulating separate functions of the Bank within the limits of its jurisdiction and in order to ensure the implementation of internal legal acts approved by the Council,

d) unless otherwise stipulated by the decision of the body with the highest authority, determines the amount of commissions for the services provided by the Bank, the interest rates of deposits and loans provided, or the authority to determine them is reserved to another governing body or person of the Bank,

e) discusses the materials of re-inspections, inspections, reports of heads of territorial and structural divisions.

17.2. The Management Board consists of at least 5 and maximum 9 members: Chairman of the Management Board, chief accountant of the Bank and members of the Board.

17.3. The members of the Management Board shall be elected for a term of at least one year.

17.4. Chairman of the Management Board shall be appointed by the Council.

17.5. Members of the Management Board shall be appointed by the Council upon recommendation of the Chairman of the Management Board.

17.6. The Management Board shall act on the basis of this charter, regulations of the Management Board approved by the Council, and other acts, which establish terms and procedure for convening and holding meetings of the Management Board, as well as the procedure of making decisions by the Management Board.

17.7. the Chairman of the Bank's Board, its deputies (if defined by the roster) and the chief accountant must be included in the structure of the Bank's Management Board.

17.8. Meetings of the Management Board shall be held when necessary, but not less than once a month.

Meetings of the Management Board shall be convened upon the initiative of the Chairman of the Management Board.

Meetings for discussion of issues to be resolved by the Management Board may also be convened upon suggestion of members of the Management Board, heads of structural subdivisions of the Bank, subdivision of internal audit.

17.9. Members of the Management Board participate at meetings. Other persons invited by the Chairman of the Board may participate at meetings of the Management Board.

Meetings of the Management Board shall be presided by the Chairman of the Management Board or any member of the Board upon his/ her assignment.

17.10. Preparatory works for organization of discussions of projects and other documents that are to be discussed by the Management Board are coordinated by the appropriate unit of the Bank.

17.11. The Management Board is authorized to discuss and make decisions if at least 2/3 of the Management Board members participate at the Management Board meeting.

17.12. Decisions of the Management Board shall be made by majority of votes of members participating at the meeting.

Each member is entitled to only one vote.

Transfer of vote or voting right to another person (including to another member of the Management Board) is prohibited.

In the event of tie vote, the vote of the Chairman of the Management Board shall be decisive.

17.13. Meetings of the Management Board shall be recorded.

Minutes of the Management Board meetings shall be submitted to the Council, internal audit, person implementing the external audit of the Bank upon their request.

Minutes shall be drafted within 5 working days following the end of the meeting.

Minutes shall include:

- a) date, time and location of the meeting;
- b) names of persons participating at the meeting;
- c) agenda of the meeting;
- d) issued to be voted upon, as well as the voting results for each member participating at the meeting;
- e) the Management Board members' and other participating persons' opinion on the issues on vote;
- f) decisions made during the meeting.

All the members participating at the meeting shall sign the minutes of the Management Board meetings and are liable for accuracy of information included in it.

The meetings of the Management Board are organized and presided by the Chairman of the Management Board who signs the resolutions of the meeting and is responsible for the accuracy of the information included in the resolution.

17.14. The issues that are not defined by the law or charter as belonging to the competence of the General meeting, the Council, the Chairman of the Management Board or the internal audit department, belong to the competence of the Management Board or the decision of the governing body or person determined by the latter.

18. CHAIRMAN OF THE MANAGEMENT BOARD

18.1. It is the exclusive competence of the Chairman of the Management Board to represent the Bank in the Republic of Armenia and abroad, execute transactions and act on behalf of the Bank without a power of attorney, grant powers of attorney.

18.2. Chairman of the Management Board of the Bank:

- a) manages the Bank's property, including financial resources
- b) opens correspondent accounts of the Bank in other banks,
- c) issues orders, instructions, orders within the limits of his authority, gives mandatory instructions for execution and controls their execution,
- d) approves the Bank's staff list and their descriptions within the framework of the annual budget of the Bank's expenses approved by the Bank's Council,
- e) hires and fires employees of the Bank, except for those employees whose authority to hire and fire belongs to the General Meeting or the Council,
- f) signs contracts, including labor contracts, according to the established procedure,

- g) applies incentives and disciplinary measures to bank employees,
- h) Submits reports on its activities to the Council regularly, but not less than once a quarter, in accordance with the procedure established by the Council.

18.3. Making of decisions on issues which are reserved to the competence of the Chairman of the Management Board (Management Board) may not be transferred to other management bodies of the Bank, internal audit of the Bank, chief accountant or any other person except when the fulfilment of powers of the Chairman of the Management Board has been duly and temporally transferred to the person substituting him/her.

Powers of the Chairman of the Management Board may be duly and temporally transferred to the substituting person, if such person satisfies the qualification and professional requirements set forth by the Central Bank of the Republic of Armenia.

18.4. Powers of the Chairman of the Management Board shall be early terminated upon the latter's application by the Council, or if:

- a) he/she has been recognized upon judgment of the court entered into legal force incapable or having limited capacity,
- b) such circumstances have been disclosed while serving as a Chairman of the Management Board which prohibit him from holding the position of the Chairman of the Management Board (Bank Manager),
- c) he/she has been disqualified or deprived from holding certain position in accordance with the law.

18.5. Powers of the Chairman of the Management Board may be early terminated upon compensation for the remaining period of her powers, and if this period exceeds one year, on compensation of the remuneration for one year.

The Bank may present a claim on return of the compensation by the person dismissed from the position of the Chairman of the Management Board upon condition of proving in the court misconduct of such person.

19. CHIEF ACCOUNTANT OF THE BANK

19.1. The chief accountant of the Bank or the person performing such obligations (the "Chief Accountant") performs the rights and obligations provided for chief accountant under the Law of the RA On Accounting.

19.2 The Chief Accountant of the Bank is appointed by the Council of the Bank upon recommendation of the Chairman of the Management Board (Management Board).

The Chief Accountant of the Bank is appointed for a minimum term of one year.

19.3 Rights and obligations of the Chief Accountant may not be transferred to the General Meeting, Council, members of management bodies, subdivision of internal audit or other person.

19.4 The Chief Accountant of the Bank shall at least once a quarter file financial reports with the Council and Chairman of the Management Board (Management Board), substantially in the form approved by the Council.

19.5 The Chief Accountant of the Bank is liable for the accounting of the Bank, its state and accuracy, for timely filing of the annual, financial and statistics reports to state executive bodies provided by law and other legal acts, as well as for the accuracy of the information included therein. In accordance with legal acts and the charter of the Bank, the Chief Accountant is also liable for the accuracy of financial information of the Bank submitted to the members, creditors of the Bank, press and other means of mass media pursuant to the law, other legal acts and charter of the Bank.

19.6 In the event of disclosure of incorrect data in the reports and in the information, the Chief Accountant shall present causes of their origination, refer the employees of the Bank who directly participated in the process of making reports and suggest measures to avoid repeating such mistakes in future or to eliminate the existing shortages. If such cases bear repeating nature, the Council shall raise a question on discussion of professional compliance of the Chief Accountant.

19.7. According to the Law of the Republic of Armenia “On Banks and Banking “ and other laws, the chief accountant is responsible for damages caused to the Bank as a result of its intentional actions (inaction).

20. INTERNAL AUDIT UNIT

20.1. The head and members of internal audit unit (the “Internal Audit”) are appointed by the Council of the Bank.

20.2. Officers of the subdivision of internal audit of the Bank are appointed for a minimum term of one year.

20.3. Other managers and officers of the Bank, as well as persons affiliated with the members of the management bodies of the Bank shall not be members of the internal audit the members of management bodies of the Bank.

20.4. The head and members of internal audit shall follow disciplinary rules provided for the employees of the Bank.

20.5. The Bank’s internal audit according to the charter approved by the Bank’s Council:

a) makes an independent assessment of the quality, adequacy and effectiveness of the bank's internal control, including risk management systems, the bank's management system and processes;

b) gives conclusions and recommendations on the issues presented by the Bank's Council, as well as on its own initiative.

20.6. Matters reserved to the competence of the internal audit may not be transferred to the management bodies of the Bank or other parties.

Officers of the subdivision of internal audit may participate as observers in the meetings of the Council and the Board.

Minutes of the Management Board meetings are submitted to internal audit upon its request.

20.7. The Head of internal audit files with the Council and the Chairman of the Management Board (the Management Board) the following reports on:

- a) ordinary reports on the results determined by annual program;
- b) extraordinary reports, in the event material violations have been disclosed in the reasonable opinion of the internal audit. Moreover, if the violations are the results of the actions or inaction of the Chairman of the Management Board (the Board) and the Council, the reports are directly filed with the chairman of the Council.

20.8. When disclosing material violations in the reasonable opinion of the internal audit, respective minutes are drafted which includes the detailed description of the violation, the person committing it, and after being recorded by the head of the internal audit is submitted to the Council of the Bank and the Chairman of the Management Board, and if the violation is a result of the actions or inaction of the Chairman of the Management Board (the Board) or the Council, then submitted directly to the chairman of the Council.

In such cases the reports are filed within maximum two business days following the disclosure of the violation.

20.9. In the event of disclosure of violations of laws, other legal acts, the internal audit shall present them to the Council of the Bank, meanwhile proposing measures aimed at elimination of the violations and their avoiding in the future.

20.10. In the event of disclosure of violations of laws, other legal acts, relevant minutes are drafted by the internal audit which includes the detailed description of the violation, the person committing it, suggestions of the internal audit on the measures aimed at elimination of the

violations and their avoiding in the future, and is submitted to the Council of the Bank, within 10 business days following the disclosure of the violation.

21. EXTERNAL AUDIT OF THE BANK

21.1. The Bank shall, for the purposes of audit of its financial-economic activity, each year engage an independent auditor (hereinafter “external auditor”) having the right to perform audit services in accordance with the laws and other legal acts, by concluding a respective agreement.

21.2. The external auditor of the Bank is selected by the General Meeting in the manner prescribed by the Central Bank of the RA. The amount of payment for the external audit services is determined by the Council of the Bank.

21.3. The audit of the financial-economic activity of the Bank may be performed by the external auditor also upon request of the shareholders of the Bank, holding at least 5% of voting shares.

In such case, the external auditor is selected, an agreement is concluded with her, and the payment for its services is made by the shareholders demanding audit. The shareholders may demand a compensation for their expenses if the audit has been justified for the Bank by the decision of the General Meeting.

An external audit of the Bank may be initiated any time by the Council at the expenses of the Bank.

21.4. Besides submission of an audit conclusion the Bank shall provide in the agreement concluded with the auditor, submission of audit report (Management letter).

The Bank shall also provide in the agreement to be concluded with the external auditor verifying of accuracy of the reports to be filed with the Central Bank of the RA.

21.5. The external audit shall immediately inform the Central Bank of RA about the facts that in its opinion significantly aggravates the financial status of the Bank, as well as of defects of the internal systems (including internal control system) disclosed when performing audit in the Bank.

21.6. The Central Bank of RA can compel the Bank to convene an external audit within four months and publish its conclusion, and also has the right to request the Bank to change the person conducting the external audit and appoint another person conducting the external audit.

21.7. The opinion of the external audit is submitted to the Central Bank by May 1 of the year following the given financial year.

21.8. The bank is obliged to publish the audit opinion and the annual financial report in the

media within four months after the end of the financial year.

22. THE PERSON RESPONSIBLE FOR IMPLEMENTING THE BANK'S RISK MANAGEMENT FUNCTION

22.1. The person responsible for the implementation of the Bank's risk management function is directly subordinate to the Chairman of the Management Board and is appointed by him with the approval of the Bank's Council.

22.2. The person responsible for the implementation of the bank's risk management function:

22.2.1. Submits the Bank's risk management strategy, acceptable risk limit, as well as separate risk management policies for the approval of the Council.

22.2.2. supervises the risk appetite set by the Council and the bank's internal limits for individual risks,

22.2.3. supervises the Bank's market and liquidity risk, operational risk management, monitoring of loans and credit portfolio management, compliance with the norms established by RA legislation,

22.2.4. controls and monitors identified risks, ensures their effective management;

22.3. carries out other functions related to risk management defined by the normative legal acts of the Central Bank of RA. The person responsible for the implementation of the bank's risk management function submits a report to the Council and the Management Board on the Bank's risk profile and risk management processes at intervals determined by the Council.

23. PERSON RESPONSIBLE FOR IMPLEMENTATION OF COMPLIANCE FUNCTION

23.1. The person responsible for the implementation of the compliance function is appointed by the Chairman of the Bank's Management Board with the approval of the Bank's Council.

23.2. The unit responsible for the implementation of the compliance function:

23.2.1. supervises so that the activities of the Bank and bank employees comply with laws, other legal acts, as well as with the requirements of the Bank's internal legal acts,

23.2.2. monitors and makes suggestions for the formation and maintenance of responsible behavior in the bank,

23.2.3. evaluates the impact of possible changes in laws and other legal acts on the Bank's activities and possible risks related to them,

23.2.4. ensures the existence of proper policies, processes and control mechanisms and proper monitoring in the main areas of legal, supervisory and ethical obligations,

23.2.5. carries out other functions related to ensuring compliance defined by the normative legal acts of the RA Central Bank.

23.3. In the case of discovering violations of laws and other legal acts, the unit responsible for the implementation of the function of compliance is obliged to present them to the Chairman of the Bank's Management Board or the Bank's Management Board, at the same time proposing measures to be taken to eliminate the violations and not to repeat them in the future, or to give an opinion on the elimination of violations proposed by the Bank's departments.

23.4. The work plan of the unit responsible for the implementation of the compliance function is approved by the Chairman of the Bank's Management Board, the results of the study, conclusions and recommendations regarding the performed works, identified risks or inconsistencies are presented by the unit to the Chairman of the Bank's Management Board and the Management Board.

23.5. The unit responsible for the implementation of the function of ensuring compliance brings to the attention of the Bank's Council those violations and risks, as well as the measures approved by the Bank's Management Board aimed at their elimination and reduction, which are considered significant according to the standards approved by the Council.

23.6. The unit responsible for the implementation of the function of ensuring compliance submits to the Council of the Bank a report on the function of ensuring compliance and measures taken by the Bank to ensure compliance, based on which the Council carries out an annual assessment of the function of compliance.

24. ACCOUNTING, REPORTING AND SUPERVISION OVER THE BANK

24.1. The Bank prepares, publishes and submits to the Central Bank of the RA annual and quarterly financial and other statements the form, filing procedure and terms of which are set forth by the Central Bank of RA, taking into account the international standards.

The statements submitted by the Bank to the Central Bank of the RA shall be complete and accurate.

24.2. The Bank conducts accounting in accordance with the RA Central Bank and the authorized body of the RA Government, in accordance with the RA accounting standards.

24.3. The bank is obliged to publish its quarterly financial report by the 15th day of the month following each quarter.

24.4. The bank's operating year begins on January 1 and ends on December 31 of the same year.

The bank compiles and presents published financial statements in accordance with the Law of the Republic of Armenia "On Accounting".

25. LIABILITY OF MANAGERS OF THE BANK

25.1. The Bank's managers act in the interests of the Bank, exercise their rights and perform their duties towards the Bank in good faith and reasonably and must avoid real and potential conflicts between personal and Bank interests (fiduciary obligation).

Managers of the Bank are liable for the actual damage caused to the Bank as a result of their intentional actions (omission) in accordance with the laws of RA.

In the event the action causing damage to the Bank has been committed by more than one Manager of the Bank they shall be jointly liable.

Those managers of the Bank who voted against the decision causing damage to the Bank or were not been present at the meeting shall be relieved of liability.

25.2. In the event the reports filed with the Council of the Bank disclose violations of laws, other normative legal acts and charter of the Bank, the Council shall take measures to eliminate such violations and to not to repeat them in future.

23.3. The liability of the Managers of the Bank includes without limitation the following possible situations:

a) The Chairman of the Management Board of the Bank is liable for the actual damages caused to the Bank as a result of disbursement of loans with violations of standards established for one borrower, major borrowers, Bank affiliates or other executed transactions, and where the resolution of the Council is required by law for conclusion of such transactions, then the members of the Council and the Chairman of the Management Board are liable.

b) Members of the executive body shall compensate the actual damages caused to the Bank as a result of transactions made with violations of bylaws adopted by the Council of the Bank.

c) In the event the reports filed with the Council of the Bank have disclosed violations of laws, normative legal acts and bylaws of the Bank and that damages have been subsequently caused to the Bank in connection with the same violations, then the members of the Council are jointly liable for the compensation of such actual damages, except where the member of the Council has taken reasonable actions within his/her powers to prevent such violations.

d) In the event the information on the violations of laws, other legal acts discovered

during by the internal audit has not been presented to the Council of the Bank and that damages have been subsequently caused to the Bank in connection with those violations, the Head of internal audit shall compensate those damages.

e) In the event the transaction with the Bank has been made upon the affirmative conclusion presented to the Council in violation of internal procedures of the Bank, the Chairman of the Management Board shall be liable for the compensation of actual damages caused to the Bank as a result of such transaction.

23.4. The person who acted in good faith, with the conviction that his/her actions are in the interests of the Bank shall be released of liability for the damages caused to the Bank. In particular:

a) if decisions were taken as per reasonable business logic even if they subsequently caused such damages to the Bank, the origination of which was considered as a business risk when making them,

b) if taking wrong or incomplete decisions by a manager was in good faith, without the intention to cause damages and if the requirements of laws and other legal acts have not been violated as a result of such decisions. The dismissal of the managers of the Bank from their position does not relieve them of liability for the damages caused to the Bank by their fault.

The Bank or the shareholder (shareholders) of the Bank, which (jointly) manage one or more percent of the Bank's allocated common (ordinary) shares (participation in the charter fund), have the right to file a claim against the Bank's managers in court, caused to the Bank with a claim for damages.

Resignation, recall or dismissal of a member of the Council or the Management Board does not release them from responsibility for the damage caused to the Bank.

25.5. When determining the basis and extent of the responsibility of a member of the Council or the Management Board, the board members must take into account the customs of business circulation and other circumstances important to the case.

26. MAJOR TRANSACTIONS RELATED TO THE ACQUISITION AND ALIENATION OF THE PROPERTY OF THE BANK. TRANSACTIONS WITH INTEREST

26.1. The following transactions are considered to be major:

a) one and more related transactions that, except for the transactions made within the framework of the regular activity of the Bank, are directly or indirectly related to the acquisition, alienation of the property of the Bank or the possibility of its acquisition or alienation, and the

amount of which at the moment of conclusion of the transaction makes 25% or more of balance sheet value of the assets of the Bank.

b) one and more related transactions which have as subject the allocation of preferred shares of the Bank convertible to ordinary shares, which makes 25% and more of the ordinary shares already allocated.

The price of the property subject to major transaction is determined in the manner prescribed by this charter and the law.

26.2. The decision on conclusion of a major transaction having as subject a property the price of which at the moment of taking the decision on conclusion of a major transaction makes 25% to 50% of the book value, shall be adopted unanimously. If the decision on conclusion of a major transaction has not been adopted by the Council, then the Council may decide to discuss the question at the General Meeting.

In such a case as provided by this clause, as well as when the price of the property subject of transaction at the moment of taking the decision makes more than 50% of the book value of the assets of the Bank, then the decision on conclusion of the transaction is adopted at the general meeting, by 3/4 of the votes of owners of voting shares participating in the meeting.

Failure to meet the requirements under this clause leads to invalidity of the transaction.

Failure to meet the requirements under this clause while concluding a major transaction does not lead to invalidity of the transaction if the person concluding the transaction with the Bank acted in good faith, did not know or could not know that the Bank failed to meet the mentioned requirements.

26.3. The member of the Council, the person holding another position in the management bodies of the Bank or the shareholder, who along with his/her affiliate, possesses 10% and more of voting shares if those persons or their affiliated persons are deemed interested parties in the transactions of the Bank, where:

a) are considered as a party to the transaction or participate in the transaction as an agent or representative,

b) possess 20% or more of voting shares of the legal entity acting as a party to the transaction, agent or representative,

c) hold positions in management bodies of the legal entity acting as a party to the transaction, agent or representative.

26.4. Persons mentioned in Section 26.3 of this charter shall give information to the Council, internal auditor and external auditor about:

- a) the legal entities where they alone or along with their affiliated person (persons) possess 20% and more of voting shares,
- b) the legal entities in the management bodies of which they hold positions,
- c) the transactions already made or to be made and known to them in which they may be considered as interested parties.

26.5. The decision of the Bank on conclusion of a major transaction is adopted by the Council, by majority of votes of its members not interested in the transaction.

26.6. In order to adopt a decision on conclusion of the transaction with interested persons, the Council shall come to the conclusion that:

- a) the payment received by the Bank as a result of conclusion of the transaction is not less than the market value of the property transferred by the Bank to the other party, of the services and works performed, calculated in accordance with Section 26.14 hereof.

- b) the payment for the property acquired, services received by the Bank or for the work performed for the Bank as a result of conclusion of the transaction does not exceed the market value of this property, service or work calculated in accordance with Section 24.12 hereof.

26.7. The decision on conclusion of the transaction in which there is a conflict of interest is adopted by the General Meeting by majority of votes of shareholders owners of voting shares if the transaction and (or) related transactions are concluded for the purposes of allocation of voting shares or other securities of the Bank convertible to voting shares the amount of which is more than 2% of the allocated voting shares of the Bank.

24.8. The transaction in which there is a conflict of interest and which satisfies the requirements of Section 26.7 hereof, may be concluded without the decision of the General Meeting if:

- a) the transaction is a loan provided to the Bank by the interested person,
- b) the transaction is the result of the regular economic activity between the Bank and the other person, which has been concluded before the recognition of the conflict of interest in accordance with Section 26.3 hereof (no decision is required until the date of holding the next General Meeting).

In the event it is impossible to foresee the possibility of the conflict of interest in the regular economic activity of the Bank and the other party to the transaction, the requirements under

Section 26.7 hereof are deemed to be respected if the General Meeting takes a decision on approval of contractual relations between the Bank and the other party, which shall stipulate the nature of transactions concluded and the maximum amount of the transactions.

26.9. In the event all members of the Council are recognized interested persons, then the decision on conclusion of the transaction is taken by the General Meeting, by majority of votes of shareholders not interested in the transaction.

26.10. In the event the transaction in which there is a conflict of interest is at the same time considered as a major transaction on alienation or acquisition of the property of the Bank, it is concluded in consideration also of the provisions of Sections 26.1 and 26.2 hereof.

26.11. The transaction in which there is a conflict of interest and which has been concluded in violation of requirements provided herein, does not lead to invalidity of the transaction if the party concluding the transaction with the Bank acted in good faith, did not know and could not know about the failure of the Bank to keep the mentioned requirements.

26.12. The person recognized interested party is liable in the amount of damages caused to the Bank. If more than one person is to be liable, they will be jointly liable towards the Bank.

A person is relieved of liability under this part if acted in good faith, did not know and could not know about the failure of the Bank to meet the mentioned requirements.

26.13 When there is an interest, the requirements of this charter and the law do not apply to the conclusion of transactions of the Bank if:

- a) all shareholders exercise their pre-emption right of acquisition of shares;
- b) other securities are converted into shares;
- c) in case of acquisition by the Bank of participation in the charter capital if all owners of such kind (class) of shares have equal right to sell their shares of the given class proportionally.

Failure to meet the requirements of the present clause leads to invalidity of the transaction.

26.14. The market value of the property (including the value of the Bank's shares and other securities) is considered to be the price at which a seller who has the necessary information about the value of the property and has no obligation to sell it would agree to sell the property, and who has all the necessary information about the value of the property and has no obligation to purchase it, the buyer would agree to purchase the property.

The market value of the property is determined by the decision of the Council, except for the cases provided by law, when the market value is determined by the court, other body or person.

If in one or more transactions for which the determination of the market value of property

is required, the member of the Council is considered as interested party, then the market value of the property is determined upon decision of those members of the Council who do not have any interest in the transaction concerned.

For the determination of market value of the property the Bank may upon decision of the Council use the services of independent appraisal company.

The determination by independent appraisal of the market value of property is mandatory in cases of buyback of shares of the shareholders of the Bank in the charter capital of the Bank, as set by the law.

If it is necessary to determine the market value of the bank's shares or other securities, the information regarding the acquisition of these shares, as well as the supply and demand prices and regularly published in the relevant mass media, is taken into account.

When determining the market value of the Bank's common (ordinary) shares, it is necessary to take into account the value of the Bank's net assets (fixed capital), as well as the price that a buyer with complete information about the Bank's property agrees to pay for all the Bank's common (ordinary) securities, as well as other factors that the body (person) determining the market value of the Bank's property will consider important.

The market value of common (ordinary) shares determined by the same clause cannot be less than the price calculated based on the value of the Bank's net assets (fixed capital). Any transaction of the Bank with an interest is presented in the Bank's annual report, disclosing complete and comprehensive information on the parties, conditions, nature and scope of the transaction and attaching the independent appraiser's conclusion on the compliance of the transaction with the market value.

27. INFORMATION AND ITS PUBLICATION

27.1. The Bank is obliged to publish on the website of the Bank:

a) Financial statements of the bank (at least the last annual and last quarterly) and a copy of the external audit report on the statements.

The Bank is also obliged to publish them in a separate booklet or in another form available to the public (in the Bank's head office, in the Bank's branches and representative offices) in accordance with the procedure, means and terms defined by the legislation of the Republic of Armenia.

b) Announcement on the annual General Meeting convocation within the terms defined by the law. The Bank is obliged to publish the announcement on General Meeting convocation in

press as well.

c) copies of resolutions on payment of dividends, as well as the copies of acts approving the dividend policy of the Bank, if available.

d) information on significant shareholders of the Bank, i.e. their name (denomination), the size of participation in the Bank (except for indirect significant shareholders who have no participation in the charter capital of the Bank, i.e. shares, stock and stake), information related to the loans and other borrowings (including repaid loans) received by them and their affiliates from the Bank during previous year, including their amount, interest rate and the term,

e) list of members of the Council and executive body of the Bank and their personal data, i.e. their name, date of birth, biographies, data on remuneration (including bonuses, payments for execution of certain works for the Bank, other income equivalent to salary), received by the members of the Council, Chairman of the Management Board and chief accountant during the preceding year, information on loans and other borrowings received (including repaid loans and borrowings) by them and their affiliates from the Bank, indicating the amount, interest rate and the term.

27.2. In addition to the information specified in subparagraphs “a”-“e” of Clause 27.1 of this Charter, the Central Bank of RA may request the Bank to publish other information on the Internet, on the Bank’s website, in the press or through other mass media, with the frequency and order determined by the Board of the Central Bank of RA except commercial, or other confidential information. This exception does not apply to the information provided by part 4 of Article 6 of the Law of the Republic of Armenia “On Banking Secrecy”.

27.3. The Bank shall publish the changes in any of the data prescribed by subsections “a”-“e” of clause 27.1. of this charter within 10 business days upon their occurrence.

27.4. The Bank shall publish daily updated information on acceptance of deposits, provision of loans, as well as all the services provided by it and financial operations carried out for the clients on its website and in a form of a brochure or in any other form accessible for the public (at the head office, branches and representative offices), including the interest rates, service commissions, the terms and other essential terms.

The bank is obliged to have rules of business conduct in accordance with the RA legislation.

27.5. The Bank is obliged to provide following information upon request of any person:

- a) copies of the state registration certificate and charter of the Bank,
- b) in case of public allocation of bonds and other securities issued by the Bank,

information in amount and order prescribed by the law of the Republic of Armenia “On securities market”, as well as normative legal acts adopted based on the law,

c) information and copies of documents prescribed by section 27.1. of this charter.

The fee charged for provision of the foregoing information may not be more than the factual expenses made for their preparation and (or) postal delivery.

The Bank shall post announcement on a visible place in head office, branches and representative offices of the Bank on the opportunity to acquire the foregoing information and the order, location and terms for acquiring it.

Minutes of the accounting committee must be provided to all shareholders of the bank.

In accordance with this charter or law, the information received by the Bank’s shareholder cannot be transferred to other persons, nor can it be used to defame the bank’s business reputation, violate the rights and legal interests of the bank’s participants or clients, or for other similar purposes. Otherwise, they are subject to liability in accordance with the laws of the Republic of Armenia and other normative legal acts.

27.6. The Bank is prohibited from using such misleading information or announcements made by other parties with respect to the Bank in its advertisements, public offers and in any announcements made by the Bank, which might serve as a ground for false assumptions with respect to the financial condition of the Bank, its position in the financial market, prestige, business reputation or legal status of the Bank.

27.7. Information published or provided by the Bank pursuant to this charter and the law shall be complete and credible.

26. REORGANIZATION AND LIQUIDATION OF THE BANK

26.1. Reorganization and liquidation of the Bank is implemented pursuant to the order defined by the civil code of the Republic of Armenia, RA Law On banks and banking, and other laws.