



PUBLIC

Appendix № 1

Approved

By Regulation N 80-L of the Chairman of the Management Board
of "ID Bank" CJSC of June 7, 2023

"ID BANK" CJSC RULES FOR PROVIDING "PROFI" AND "STUDENT" LOANS

Responsible unit	Legal division
Effective date	01/07/2023
Scope	All units of the Bank
Other provisions	
Related documents	

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1. DEFINITIONS

- 1.1. «**Acceptance**» shall mean a certification issued by the Bank regarding the acceptance of the Offer submitted by the Borrower/Guarantor for the purpose of concluding an Agreement, which together with the Offer constitutes entire Agreement,
- 1.2. "**The Bank**" shall mean "ID Bank" CJSC (the term "Creditor" may also be used in these rules and the Agreement),
- 1.3. "**Student loan**" shall mean a type of loan defined by the Bank, which is provided to students for the purpose of paying tuition fees,
- 1.4. "**Profi loan**" shall mean a type of loan defined by the Bank, which is provided to individuals who receive or plan to receive a salary within a maximum of one month after the issuance of a card at the Bank, regardless of the existence of a cooperation agreement with the organization and the type of organization.
- 1.5. "**Profi credit line**" shall mean a type of credit line defined by the Bank, which is provided to those individuals who receive or plan to receive a salary within a maximum of one month after the issuance of a card at the Bank, regardless of the existence of a cooperation agreement with the organization and the type of organization.
- 1.6. "**Guarantor**" shall mean a person who signed a guarantee agreement within the framework of the student loan,
- 1.7. "**Parties**" shall mean the parties to the Agreement - the Bank and the Borrower jointly, and also the Guarantor for the loan provided within the framework of the Student loan,
- 1.8. "**Agreement**" shall mean a loan agreement concluded between the Bank and the Borrower in compliance with these rules, which is concluded upon the Bank's acceptance of the Offer submitted by the Borrower, and also the mixed loan and guarantee agreement concluded between the Bank, the Borrower and the Guarantor, in the case of a student loan, which is concluded upon acceptance of the Offer jointly issued by the Borrower and the Guarantor.
- 1.9. "**Loan**" shall mean consumer loan provided to the Borrower within the framework of the Student loan, Profi loan, Profi credit line on the basis of the Agreement.
- 1.10. "**Loan account**" shall mean an account to be opened or opened by the Bank in the name of the Borrower for the purpose of providing and accounting for the Loan,
- 1.11. "**Borrower**" shall mean a person who has signed an Agreement with the Bank or expressed an intention to sign an Agreement with the Bank, including a person who submitted an Offer, to whom the Loan will be granted or has been granted,
- 1.12. "**Lending conditions**" shall mean terms and conditions for providing and servicing loans, approved and published by the Bank, including packages and their amendments (information summaries). The Lending conditions of the respective loan type shall constitute an integral part of the concluded Agreement,
- 1.13. "**Offer**" shall mean a loan application submitted by the Borrower for the purpose of concluding an agreement, which, upon acceptance by the Bank, creates contractual legal relations between the Bank and the

person submitting the offer, and in the case of a student loan, also an application for providing a guarantee by the Guarantor, which, upon acceptance by the Bank, creates a guarantee legal relations.

2. GENERAL TERMS AND CONDITIONS FOR LENDING

2.1. Procedure for signing agreement, and loan maintenance terms

- 2.1.1. The Borrower, who is a party to the Agreement, submits an Offer to the Bank in order to receive a loan. The Agreement is considered concluded in case where the Bank sends the Acceptance (including Appendixes attached and considered to be integral part thereto) to the e-mail address provided by the Borrower, as well as in the event that the Borrower does not take any action to decline the Acceptance. Moreover, if the terms of the Acceptance provided by the Bank differ from the terms of the loan presented by the Offer, while the Borrower uses the amount of the Loan transferred to his or her account or a part thereof, or does not take any actions aimed at declining the Acceptance, then the Parties accept that the Borrower therewith has given his or her consent to the terms and conditions of Acceptance and the Agreement is considered concluded under those terms. The Agreement concluded in the manner defined by this clause includes the Offer submitted by the Borrower, the Acceptance, these rules and the Lending conditions provided for the corresponding type of loan, and other documents if required by the Lending conditions or these rules.
- 2.1.2. The Agreement is considered concluded on the day the Bank sends the Acceptance (including Appendixes attached and considered integral thereto) to the e-mail address provided by the Borrower or on the day the Loan amount is being used.
- 2.1.3. In case the Offer is subject to acceptance by the Bank, the Loan is provided within one business day from the moment the Bank received the Offer Bank, unless otherwise stipulated by the Agreement. The loan is provided by means of transfer to the Borrower's Loan Account. The loan is considered to be provided once the transferred amount is reflected on the Borrower's Loan account.
- 2.1.4. According to the Agreement, the Bank provides the Borrower with a Loan, and the Borrower is obliged to return the Loan and pay accrued interest under the terms defined by the Agreement, pay other payments defined by the Lending Terms and fulfill other obligations arising from the Agreement being concluded.
- 2.1.5. The calculation (accumulation) of interest against the used part of the loan is carried out on an everyday basis, starting from the date of granting the loan, the interest amount of the loan is calculated against the actual balance of the loan. Moreover, the specified interest rate can be changed in accordance with the procedure established by these rules or the Agreement.
- 2.1.6. The expenses incurred by the Borrower for the lending purpose are included in the calculation of the actual interest rate set for the use of the loan. The example of the mentioned calculation is published on the Bank's website www.idbank.am. By accepting these rules, the borrower certifies that he or she has read and accepted it and that it is completely acceptable to him/her.
- 2.1.7. Repayment of the loan and interest amounts calculated thereon is made according to the schedule that is an integral part of the Agreement, with the exception of Profi credit lines, in which case the Borrower is obliged to make a current repayment against the regular loan received within the Profi credit line, a monthly mandatory entry into the card account in the amount of the total of interest specified by the Agreement and other due amounts (calculated interests, penalties, receivables, etc.) on the amount used as of the last day of the previous month until the term specified by the Agreement. Amounts are considered paid from the moment they are actually credited to the card account.

- 2.1.8. If the loan repayment date specified in the loan repayment schedule, which is an integral part of the Agreement, is a Saturday or Sunday, then the repayment is made accordingly on the first working day of the week following those days, and if the repayment day is a non-working day stipulated by RA legislation, except for the days specified in this point, then the repayment shall be made on the next business day.
- 2.1.9. In the event that the order of payment of due amounts (a part thereof) arising from the Agreement, including, but not limited to, the amount of the Loan, interest, and other payments, is defined by the repayment schedule, it shall be deemed to be an integral part of the Agreement, which is sent to the Borrower's mail address in the manner prescribed by these rules together with the Acceptance.
- 2.1.10. The maturity of the loan provided to the borrower and the interest calculation are based on the 365 calendar days a year principle.
- 2.1.11. When fulfilling the Obligations to the Lender, repayments are accepted in the following order: a) recovery costs, including court costs (if any), b) interest penalty, c) loan principal penalty, d) interest, e) service fee and commissions (if any) and f) principal amount. The Lender has the right to unilaterally change the order of repayments mentioned in this clause at any time. Moreover, in case of overdue obligations as a result of non-fulfillment or improper fulfillment of Obligations, priority repayments are accepted for the fulfillment of overdue obligations, and then, in accordance with the procedure provided for in this clause.
- 2.1.12. The creditor's claim at the moment of actual satisfaction includes damages and losses, service fees and commissions, interest, and the principal amount of the loan.
- 2.1.13. The Lender may unilaterally change the loan interest rate, commissions or service fees and the conditions stipulated in these rules by giving the Borrower 7 (seven) business days prior notice, in the manner specified in this Agreement.
- 2.1.14. In the event that the fees specified in the loan and interest repayment schedule (a part of them) specified in the Agreement are changed unilaterally by the Bank, the Bank gives the Borrower a written notice on the same (by sending it to the e-mail, if provided by the Agreement) by attaching the amended repayment schedule, and the Borrower unconditionally undertakes to make the corresponding payments in accordance with the amended repayment schedule. The amended repayment schedule is an integral part of the Agreement from the moment it is sent to the Borrower.

When signing the Loan Offer, the Borrower gives his or her unconditional consent to the Lender to charge an amount corresponding to the amount of the debt from the Borrower's accounts in case of non-fulfillment or improper fulfillment of the obligations set forth in these terms, without additional notice. In this case, the Lender makes the non-acceptance charges at the end of the banking day set for making the payments provided for in the repayment schedule of the loan provided by the Agreement.

Moreover, the amount is charged without the acceptance from the account in a currency in which the loan was provided, and in case of insufficient funds, from another currency account at the Bank's choice.

- 2.1.15. By signing the Offer to receive a Profi credit line, the Borrower also gives his or her consent to the fact that the Lender has the right to terminate the Borrower's right to use the unused part of the Profi credit line by giving the Borrower a written notice of the same within 3 (three) working days, if:
- 2.1.15.1. In case where more than 5 (five) percent fluctuation in the US dollar exchange rate published by the CBA compared to the moment of signing the Agreement and/or a more than 3 (three) percent fluctuation in the pawn repo rate published by the CBA compared to the moment of signing this Agreement,
- 2.1.15.2. In case where a fluctuation of the public base interest rate used as the basis of the floating interest rate published by the Bank by more than 2 (two) percentage points within a year,

- 2.1.15.3. In case where more than 20 (twenty) percent fluctuation in the exchange rate of the Russian ruble published by the CBA compared to the moment of signing the Agreement,
 - 2.1.15.4. In case where more than 20 (twenty) percent fluctuation in the published prices of oil (BRENT) and gold on the international market compared to the moment of signing the Agreement,
 - 2.1.15.5. In case of publication of negative GDP of RA,
 - 2.1.15.6. In case of revocation of the license of any commercial bank of the Republic of Armenia by the CBA,
 - 2.1.15.7. In case of an increase of more than 10 (ten) percent of the published RA unemployment index,
 - 2.1.15.8. In case of a decrease of more than 10 (ten) percent in the published index of remittances from abroad to RA,
 - 2.1.15.9. In case of declaration of war or war operations in RA or neighboring country/territories,
 - 2.1.15.10. In case of declaring a state of emergency by RA,
 - 2.1.15.11. In case of appointment of extraordinary parliamentary elections in RA,
 - 2.1.15.12. In case of submission of an application (mandatory or voluntary) to recognize the borrower as bankrupt,
 - 2.1.15.13. In case of self-bankruptcy filing by the Borrower,
 - 2.1.15.14. In case the Borrower is involved as an accused in any criminal case and/or criminal prosecution is initiated against him or her,
 - 2.1.15.15. In case of satisfaction of the request against the borrower for confiscation of the amount exceeding AMD 1 million,
 - 2.1.15.16. In case that the borrower is found guilty under the criminal or civil code and imprisonment is imposed to him or her, as a result of which the claim will exceed AMD 1 million, or there will be a prison sentence,
 - 2.1.15.17. In case of making transactions with money laundering typologies or appearing on money laundering lists,
 - 2.1.15.18. In case of deterioration of the general macroeconomic situation,
 - 2.1.15.19. According to the results of the monitoring carried out by the Lender, in case of detection of deterioration of the Borrower's financial condition,
 - 2.1.15.20. In case where the Lender fails to contact the Borrower by phone for updating data or for other purposes, using the phone number provided by the latter.
- 2.1.16. The Borrower also agrees that the elimination of the conditions provided for in clause 2.1.15 hereof cannot be the basis for restoring the Borrower's right to use the unused part of the credit line, except for provided the case of restriction of the use of the unused part of the credit line on the basis provided for by clause 2.1.15.20 hereof, when the Borrower's data is being updated as a result of the latter's contacting the Bank (including the provision of a new valid telephone number) or the purpose for which the Lender tried to contact the Borrower is fulfilled.
- 2.1.17. The Bank has the right to unilaterally change the annual nominal interest rate of the Loan by increasing it up to twice the bank interest rate set by the Central Bank of the Republic of Armenia, in the cases provided for by clause 2.1.15 hereof, by giving the Borrower 7 (seven) business days prior notice through the means of communication selected by the Borrower.
- 2.1.18. By accepting these rules the Borrower acknowledges, realizes and accepts the conditions and consequences of termination of the possibility to use Profi credit line under clauses 2.1.15 and 2.1.16 hereof, as well as the change of the loan's annual nominal interest rate, and gives his/her unconditional consent to their application.

2.1.19. The actual annual interest rate and total cost provided for in the Profi credit line Agreement are calculated as of the date of signing the Agreement, are indicative and may change during the term of the Agreement due to the Borrower's repayment of the used amounts and interest during the grace period, as well as changes in the elements included in its calculation.

2.2. During the term of the Agreement, the Bank has the right to:

- 2.2.1. Execute control over all of the Borrower's accounts and other financial means with the Bank throughout the term of this agreement:
- 2.2.2. Perform loan debt repayments from the Borrower's accounts with the Lender or third parties specified by the Borrower (with the written consent of the latter) at the end of the repayment date provided for in this agreement and on further overdue days at the exchange rate set by the Lender as of the given day.
- 2.2.3. Take all the necessary actions provided for by the legislation of the Republic of Armenia and the Agreement (confiscation of accounts without acceptance, sale of collateral, termination of further lending, submission of a request for early repayment of the entire amount of the Loan, etc.) to ensure the fulfillment of the Borrower's obligations, in case of violation of any provision of the Agreement or these rules by the Borrower, non-fulfillment or partial fulfillment of the obligations by the Borrower within the terms stipulated in the Agreement, as well as in the case of detection of deterioration of the Borrower's financial condition.
- 2.2.4. Request all necessary documents from the Borrower regarding the intended use of the loan, financial condition and solvency, if the loan is granted for a purpose.
- 2.2.5. During the term of the Agreement, update information about the Borrower periodically, if necessary, every six months or at other intervals decided by him, request the Borrower to submit relevant documents and data.
- 2.2.6. In case the Borrower does not fulfill the obligations on time or partially fulfills them, based on the need to protect his rights and legal interests, to provide the court with information about the Borrower's accounts in accordance with the law.
- 2.2.7. Provide and receive information on the Borrower's loan obligations and other information on the Borrower, credit report to and from the loan registry of the RA Central Bank, "ACRA Credit Reporting" CJSC credit bureau and other authorized state and non-state institutions, organizations through the term of this agreement.
- 2.2.8. IN CASE IF THE BORROWER FAILS TO PERFORM OR PARTIALLY PERFORMS ITS OBLIGATIONS WITHIN THE TERM DEFINED BY THE REPAYMENT SCHEDULE, THE LENDER SHALL PROVIDE THAT INFORMATION ABOUT THE BORROWER TO THE CREDIT BUREAU WITHIN 3 /THREE/ BUSINESS DAYS.
- 2.2.9. To require the Borrower to provide additional documents during the term of the Agreement, including but not limited to the necessary documents defined by the internal legal acts of the Bank for the assessment of creditworthiness and creditability, etc.,
- 2.2.10. Transfer (assign) the right (claim) belonging to him/her on the basis of the Agreement to another person without the consent of the Borrower. The Borrower hereby certifies that the identity of the Lender does not have any significance for lending under these rules,
- 2.2.11. Demand the Borrower to fulfil obligations assumed by the Agreement, in a proper manner,
- 2.2.12. If the loan is provided for a certain purpose, to evaluate the intended use of the loan at its sole discretion,
- 2.2.13. Monitor the Borrower's creditworthiness against the Borrower's obligation defined in clause 2.5.3.

- 2.2.14. Refuse to grant a Loan completely or partially and/or submit a demand for early fulfillment of Obligations, if changes have occurred or information has become known, the presence of which, in the Bank's assessment, affects the creditworthiness or calls into question the further servicing of the loan,
- 2.2.15. Suspend the Borrower's right to use Profi credit line by giving the Borrower written notice within 3 (three) business days (from the moment of suspension), in case of presence of circumstances clearly indicating, that the amount provided to the Borrower will not be returned within the time limit and/or the Borrower has overdue liabilities and/or the Borrower's property is subject to a lien,
- 2.2.16. Cancel or partially cancel the suspension of the Borrower's right to use the credit line, if the Borrower submits to the Lender valid financial and other documents regarding the possibility of servicing the Prof credit line, acceptable for the Lender, absence of the payable Debt amount and the Borrower does not have overdue obligations.

2.3. During the term of the Agreement, the Lender undertakes to:

- 2.3.1. Perform the loan processing in accordance with the terms of the agreement, record the loan flow, repayments, interest accrual on time and in the defined order, provide necessary information upon Borrower's request,
- 2.3.2. Maintain the confidentiality of this agreement in an order defined by RA legislation,
- 2.3.3. At least at thirty days intervals, submit to the Borrower the mandatory submission information provided by the RA Law "On Consumer lending" and other legal acts, hereinafter referred to as "Mandatory Submission Information", in the manner preferred by the Borrower (**valid for loans up to 15,000,000 AMD**).

2.4. During the term of the Agreement, the Borrower has the right to:

- 2.4.1. On his/her initiative, partially or fully repay the loan and the actual interest amount accrued thereon ahead of time set by the repayment schedule of the Loan and other payments being the part of the Agreement.
- 2.4.2. Receive information from the Lender about the movement of the loan, in case of paying the commission established by the Bank's tariffs, except for the mandatory provision of information to the Borrower defined by RA legislation.
- 2.4.3. Terminate the Agreement unilaterally without any reason within 7 (seven) business days (time to think) following its conclusion by returning the loan amount received in full and paying interest accrued thereon in accordance with the actual annual interest rate provided for in the Agreement (applicable for loans up to 15 million AMD).
- 2.4.4. to fully or partially repay the Loan ahead of time, the Interest amount accrued as of the actual repayment date, as well as other mandatory payments stipulated by the Agreement. ***At any time perform (repay) the obligations under this agreement ahead of time. Given that, as well as in case of early repayment (fulfilment) of obligations assumed by the Agreement, as well as early pay off the total cost of borrower lending is reduced proportionally and no means of responsibility (penalty or other means to worsen the Borrower's state) can be applied towards the Borrower. Insurance fees, account opening, annual card maintenance, one-time loan disbursement, loan withdrawal, loan service monthly fees are subject to proportional reduction from the borrower's total cost of lending, while application processing fee is not subject deduction (valid for AMD 15,000,000 loans).***

2.5. During the term of the Agreement, the Borrower undertakes to:

- 2.5.1. Return the loan in accordance with the Agreement and within the specified terms and pay the interest and the commissions and other payable amounts specified in the terms of the loan,
- 2.5.2. Not to perform any action, including the assumption of credit, guarantee and other obligations, which may have a negative impact on the fulfillment of the obligations assumed under the Agreement.
- 2.5.3. Pay to the Bank the damages (penalties and fines) provided for in the Agreement and interest for the violation of monetary obligations, at the request of the Bank, in case of violation of the obligations assumed under the Agreement,
- 2.5.4. Immediately notify the Bank of any breach of its obligations under the Agreement, as well as significant changes in circumstances,
- 2.5.5. fulfill the obligations ahead of time and completely, in the prescribed manner and within the time limit, once receiving the written request for early fulfillment of the obligations assumed under the Agreement,
- 2.5.6. Perform other obligations specified in the Agreement.
- 2.5.7. In all cases where the Bank unilaterally changes any terms and condition in accordance with the Agreement, which the Borrower does not agree, the latter has the right to early repay (return) the Loan.
- 2.5.8. Not to transfer the obligation assumed under the Agreement or a part thereof to another person without the written consent of the Bank.
- 2.5.9. Immediately inform the Lender about the insolvency (bankruptcy) and/or other civil and/or criminal cases brought against him by other persons,
- 2.5.10. Immediately inform the Lender of any changes of address, passport data, means of communication and other essential valid conditions, in writing, attaching a copy of the document certifying the change, if available,
- 2.5.11. Notify the Lender in writing before assuming credit, guarantee and other obligations by the Borrower, as well as the persons affiliated with him/her.

2.6. Rejection of loan, demand for early fulfillment of obligations and unilateral change of interest rate .

- 2.6.1. At its discretion, the Bank may demand early and complete fulfillment of obligations (including, but not limited to, interest, damages (penalties and fines), refuse the granting of a loan, as well as unilaterally change the Loan interest rate if:
 - 2.6.1.1. The Borrower has not performed or improperly performed the obligations arising from the Agreement, including, but not limited to, not returning the Loan amount within the specified period and/or not paying the Interest, service fees, damages; and/or those overdues/delays are of a periodic nature, or the Bank's notification requirements or any other obligation prescribed by law, or
 - 2.6.1.2. Any judicial or other legal process or other change of situation gives reason to doubt that the Borrower will be able to fulfill the obligations to the Bank on time, or
 - 2.6.1.3. The Borrower's property or a significant part of it has been transferred or is likely to be transferred to third parties free of charge or on conditions significantly unfavorable for it, or
 - 2.6.1.4. The Borrower's property or a significant part of it has been or is likely to be subject to arrest or lien in accordance with the law, or
 - 2.6.1.5. The court has recognized the Borrower as bankrupt (insolvent) or bankruptcy proceedings have been initiated against him/her, or
 - 2.6.1.6. The Borrower has outstanding obligations to the Bank, other financial institutions (other banks, credit organizations, insurance companies, etc.), state or municipal budgets, or

- 2.6.1.7. The Borrower's financial situation has deteriorated or there are such trends, or there are circumstances that clearly indicate that the Loan will not be repaid within the specified period (including bankruptcy prerequisites), or
 - 2.6.1.8. Civil, criminal or administrative cases, administrative and other proceedings have been initiated against the Borrower, or
 - 2.6.1.9. It was found out that the Borrower had provided the Bank with distorted, false, fabricated, misleading or unreliable information or documents, or hid information of essential importance for granting the Loan, or did not inform the Bank of significant changes in circumstances, or did not submit the information stipulated in the Agreement (documents, reports) or violated the deadline for their submission, or
 - 2.6.1.10. The Borrower violated the financial obligations arising from other transactions concluded with the Bank, or
 - 2.6.1.11. According to the received information, the salary or other payments equivalent to it, on the basis of which the Loan is provided, are no longer transferred or will not be transferred to the Borrower's bank account, including the card account served by the Bank, or
 - 2.6.1.12. The loan submitted for financing, refinancing was not financed or the financing was terminated, or
 - 2.6.1.13. According to the Bank's assessment, the Borrower used the Loan not for the intended purpose, or
 - 2.6.1.14. The Borrower obstructed the inspections carried out by the Bank's representatives or did not ensure the possibility of monitoring the intended use of the Loan, or
 - 2.6.1.15. There are other grounds provided by the Agreement and/or RA legislation.
- 2.6.2. Any violation committed by the Borrower or any change of circumstances mentioned in clause 2.6.1 of these rules are considered significant for the Bank.
- 2.6.3. From the time of occurrence of the circumstances mentioned in clause 2.6.1 of these rules, the Bank shall have the right to demand from the Borrower early and complete fulfillment of obligations, to refuse the provision of the Loan or a part thereof, as well as to change the interest rate of the Loan, regardless of whether the violations committed at the time of performing the relevant action have been eliminated or not.
- 2.6.4. Submission of a request for early fulfillment of obligations, refusal to grant a loan or change of interest rate does not deprive the Bank of the right to apply any measure of responsibility provided for in the Agreement and/or these rules against the Borrower for the relevant violation.
- 2.6.5. In the event of the occurrence of the circumstances specified in clause 2.6.1 of the Lending Rules, the Bank, shall notify the Borrower in writing of the early and complete fulfillment of the obligations under the Agreement (including interest and damages (payment of penalties and fines)) upon exercise of its right to request early repayment of the Loan.
- 2.6.6. In case of non-fulfilment or partial fulfillment of the Bank's payment requirement by the Borrower according to these rules and/or the Agreement, all payments are considered overdue, and the obligation is violated, and the Borrower shall bear responsibility for their non-fulfilment in the order, conditions and amounts stipulated by the Agreement and/or these rules.
- 2.6.7. If the Bank requires the Borrower to fulfill its obligations early and in full, then the Bank acquires the right in an accepted manner, without additional consent of the Borrower, to charge the amount of the debt from the funds available in all his bank accounts in the Bank, observing the order provided by these rules, unless otherwise provided by the Agreement.

3. ENSURING FULFILLMENT OF OBLIGATIONS

- 3.1. The Borrower acknowledges that the Loan will be provided subject to the fulfillment of the obligation to return it, as provided by the Agreement.
- 3.2. The following conditions shall apply for the loan secured by a guarantee:
 - 3.2.1. By signing the Offer, the Guarantor undertakes to be jointly and severally liable to the Lender for the proper fulfillment of the obligations undertaken by the Borrower under the Agreement with all property and funds owned by it.
 - 3.2.2. If the Guarantor is not and/or does not declare to be a member of the Borrower's family, the Guarantor undertakes to bear subsidiary responsibility to the Lender for the proper fulfillment of the Borrower's obligations under the Agreement with all property and funds owned by him/her. Spouse, parents, grandparents, grandchild over 18 years old, child over 18 years old and his/her spouse, sister and brother over 18 years old and their spouses and their children over 18 years old are considered members of the same family.
 - 3.2.3. The guaranteed Lender's claim at the time of actual satisfaction includes the principal amount of the loan, interest, service fees and commissions, damages and expenses, debt collection costs.
 - 3.2.4. The Guarantor is liable to the Lender to the same extent as the Borrower is, including the principal amount of the Loan, interest, service fees and commissions, damages and losses, court costs in connection with the confiscation of the debt, compensation for auction and other expenses related to the confiscation of the collateral, etc.
 - 3.2.5. The Guarantor is obliged to pay all the unpaid amounts of the Borrower within 10 (ten) business days after receiving the Lender's demand for payment, in case the Borrower does not fulfill the monetary obligations assumed by the Agreement.
 - 3.2.6. In case of non-fulfillment of the obligations specified in the Agreement, the Guarantor reserves the Bank the right to repay all amounts payable by the Borrower to the Lender, irrevocably and non-acceptably from the property and funds of the Guarantor.
 - 3.2.7. In case the rights and obligations of the Borrower are transferred to the heirs (successors) in the order of general succession, the Agreement, in terms of guarantee, is considered to be concluded to ensure the fulfillment of the obligations assumed (transferred to the successors) by the Borrower's heirs (successors) under the Loan Agreement.

4. RESPONSIBILITY

- 4.1. In case the Borrower violates the terms of repaying (returning) the Loan whether partially or fully and the interest amount accrued thereon, or the obligations arising from the Agreement, interest and/or fine shall be calculated in the amount stipulated by the Agreement and/or Lending Terms, until the date of repayment of the overdue obligation.
- 4.2. The Borrower bears responsibility for the information hidden from the Bank, provision of unreliable or false or fabricated or distorted information to the Bank in the amount of 1 (one) percent of the Loan amount.
- 4.3. The payment of damages (fines and penalties) and interest does not release the Borrower from fulfilling its obligations, nor can it in any way limit the Bank's right to demand early fulfillment of obligations.
- 4.4. The Borrower is responsible for non-fulfillment or improper fulfillment of the obligations assumed by RA legislation and the Agreement regardless of the absence of fault and/or the impact of force majeure, circumstances. With the written consent of the Bank, the relevant terms specified in the Agreement may be

extended for the period of influence of force majeure. The Borrower may be released exclusively from the obligation to pay penalties and fines, but not from the fulfillment of obligations under the Agreement.

- 4.5. In case of non-fulfilment or improper fulfillment of the obligations under the Agreement, the Borrower is obliged to refund the Bank for all kinds of additional expenses that will be incurred by the Bank.
- 4.6. The annual maximum amount of penalties defined by the Agreement cannot exceed four times the reference rate of bank interest established by the Central Bank of the Republic of Armenia, unless otherwise specified by law. The sum of all the penalties specified in the Agreement cannot exceed the principal amount of the existing obligation.

5. COMMUNICATION

- 5.1. Any request, notification or other communication required or provided for by the Agreement, which does not involve the communication of information subject to mandatory submission by RA legislation, is sent by the Bank to the other party at the discretion of the Bank, by means of a courier or postal delivery, by electronic mail or by short message (SMS) to the appropriate contact, with the latest data known to the Bank, or provided on the Bank's premises or published on the Bank's official website.
- 5.2. Information subject to mandatory submission defined by the RA legislation, including the statements subject to mandatory submission, are provided to the Borrower in the manner chosen by the Borrower under the Agreement, using the latest data known to the Bank through the relevant means of communication.
- 5.3. The Borrower is obliged to notify the Bank immediately in writing about any changes in its address, passport data and other changes related to the Agreement. The Borrower bears the risk of all legal consequences of failure to notify the Bank about the changes.
- 5.4. By signing the Agreement, the Borrower gives its consent to the Bank to record the telephone calls between the Borrower and the Bank, for the reasons of proper provision of service and security. These recordings have probative value and are used as admissible and proper evidence in the event of disputes between them.
- 5.5. By signing the Agreement, the Borrower gives its consent to the Bank to make video recordings and recordings while serving the Borrower within the Bank's premises. These recordings (video recordings) have probative value and are used as admissible and proper evidence in the event of disputes between them.

6. RESOLUTION OF DISPUTES

- 6.1. Disputes and disagreements arising from the Agreement are resolved through the first instance civil court of general jurisdiction of Yerevan city, RA, in accordance with RA legislation, unless the parties have agreed to settle the disputes through arbitration.
- 6.2. All issues, not regulated by the Agreement or these rules shall be regulated in accordance with the legislation of the Republic of Armenia.
- 6.3. By exercising their rights provided for by part 2 of article 297 of the Civil Procedure Code of the Republic of Armenia the parties hereby agree that the examination of all disputes arising from the Agreement (regardless of the amount) will be carried out in a simplified procedure.
- 6.4. By signing the Offer, the Borrower assures that he is aware of the features of the simplified procedure, and that the consent provided for in clause 5.3 is in his interest.
- 6.5. Claims arising from the Agreement can be submitted to the Financial System Mediator, who resolves the dispute between the Parties in accordance with the procedure established by the Law of the Republic of

Armenia "On the Financial System Mediator". Moreover, if the amount of the property claim does not exceed 250,000 (two hundred and fifty thousand) AMD or its equivalent foreign currency, the decisions of the financial system mediator cannot be disputed by the Bank.

7. FINAL PROVISIONS

- 7.1. The Agreement comes into force upon being signed and is valid until the full fulfillment of the obligations arising from the Agreement, and in terms of the Guarantee, for a period of 60 (sixty) months beyond the deadline of the loan agreement.
- 7.2. By signing the Offer the Borrower/Guarantor give their consent to the public agreement text on "Processing, collection, use and transmission of personal information and other data, as well as making requests from "ACRA CREDIT REPORTING" CJSC and other authorized state and non-state bodies, organizations" published on the Bank's official website (www.idbank.am)
- 7.3. These rules are an integral and inseparable part of the Agreement.
- 7.4. These Rules are published on the Bank's website and may be unilaterally amended by the Bank from time to time, the amended Rules shall enter into force from the moment of publication, unless the Bank sets a later date for the changes to take effect.
- 7.5. Amendments and/or additions to the Agreement may be made by mutual consent of the parties, except for cases provided for by the Agreement and/or these rules.
- 7.6. The Bank shall notify the Borrower of changes in the terms and conditions of these rules in accordance with the law and the Agreement. The borrower has the right to refuse the mentioned changes and additions before their entry into force by terminating the Agreement signed with the Bank and fulfilling the assumed obligations. If the Borrower has not dissolved the Agreement signed with the Bank and fulfilled the obligations under the Agreement before the amendments and additions enter into force, then the amendments and additions shall be fully and completely extended to the relations arising from the Agreement, unless otherwise specified by the Bank.
- 7.7. Changes in the legislation of the Republic of Armenia and normative acts of the Central Bank of the Republic of Armenia during the term of the Agreement, which will apply to the terms of the Agreement, shall be binding for the parties.
- 7.8. In the event of a conflict between these rules and the Agreement, these rules shall prevail, unless otherwise determined by mutual written agreement of the parties.