

Notarial act code: 520-20230920-67-7310653
Notarial act password: J9RR3X



Translation from Armenian

“APPROVED”

by the founding Meeting of Shareholders
of “UNIBANK” CJSC as of 04.09.2001

Changed at general extraordinary meeting of
shareholders of “UNIBANK” OJSC as of
24.07.2023

Chairman of Board of Bank
/signature/ Gagik Zakharyan
Seal

“REGISTERED”

at the Central Bank of the Republic of Armenia

09.10.2001

Registration number 81

Signed by the Chairman of the Central Bank of
the Republic of Armenia

Digitally signed by Martin Galstyan
Date: 2023.09.15 16:53:39 AMT
Reason: Registered on 13.09.2023
Official Seal



CHARTER OF
“UNIBANK”
OPEN JOINT-STOCK COMPANY

Amended

On the general extraordinary meeting of Bank Shareholders on 25.06.2002
On the general extraordinary meeting of Bank Shareholders on 18.08.2003
On the general extraordinary meeting of Bank Shareholders on 21.04.2003
On the general extraordinary meeting of Bank Shareholders on 20.08.2004
On the general extraordinary meeting of Bank Shareholders on 14.10.2004
On the general extraordinary meeting of Bank Shareholders on 26.01.2005
On the meeting of Bank Shareholders on 14.02.2006
On the general extraordinary meeting of Bank Shareholders on 10.01.2007
On the general extraordinary meeting of Bank Shareholders on 01.08.2007
On the general extraordinary meeting of Bank Shareholders on 05.12.2008
On the general extraordinary meeting of Bank Shareholders on 05.12.2008
On the general extraordinary meeting of Bank Shareholders on 18.03.2010
On the general extraordinary meeting of Bank Shareholders on 29.04.2011
On the general extraordinary meeting of Bank Shareholders on 21.07.2011
On the general extraordinary meeting of Bank Shareholders on 01.06.2013
On the general extraordinary meeting of Bank Shareholders on 21.10.2013
On the general extraordinary meeting of Bank Shareholders on 12.03.2015
On the general extraordinary meeting of Bank Shareholders on 26.12.2015
On the general extraordinary meeting of Bank Shareholders on 30.08.2016
On the general extraordinary meeting of Bank Shareholders on 16.12.2016
On the general extraordinary meeting of Bank Shareholders on 18.01.2017
On the general annual meeting of Bank Shareholders on 20.06.2018
On the general extraordinary meeting of Bank Shareholders on 13.11.2020
On the general extraordinary meeting of Bank Shareholders on 30.11.2021
On the general extraordinary meeting of Bank Shareholders on 24.07.2023

Amendment is registered

By the resolution №551A as of 15.08.2002
By the resolution №1/381A as of 10.10.2003
By the resolution №--- as of 17.06.2003
By the resolution №1/618A as of 14.10.2004
By the resolution №1/785A as of 29.12.2004
By the resolution №1/101A as of 25.02.2005
By the resolution №1/1401A as of 25.12.2006
By the resolution №1/224A as of 26.02.2007
By the resolution №1/1579A as of 28.12.2007
By the resolution №1/139A as of 12.02.2009
By the resolution №A/1311A as of 16.10.2009
By the resolution №1/240A as of 24.03.2010
By the resolution №1/574A as of 02.06.2011
By the resolution №1/976A as of 31.08.2011
By the resolution №1/721A as of 20.08.2013
By the resolution №1/142A as of 27.11.2013
By the resolution №146A as of 23.06.2015
By the resolution as of 30.12.2015
By the resolution as of 27.04.2016
By the resolution as of 14.09.2016
By the resolution as of 21.12.2016
By the resolution as of 22.02.2017
By the resolution as of 01.08.2018
By the resolution
By the resolution

1. GENERAL PROVISIONS

- 1.1. Open Joint Stock Company “UNIBANK” (hereinafter referred to as the “Bank”) is a profit-making trade company.
- 1.2. The present Charter, the provisions of which are mandatory for the Shareholders and the managerial bodies of the Bank, is the founding document of the Bank.
- 1.3. The Bank is considered to be duly established and achieves a status of legal entity, from the moment of registration at the Republic of Armenia Central Bank (hereinafter referred to as the “Central Bank”).
- 1.4. The Bank is entitled to carry out banking activity and financial transactions in compliance with the RA Legislation from the moment of obtaining the license on banking activity granted by the Republic of Armenia Central Bank.
- 1.5. The Bank guarantees the confidentiality of the information deemed as banking secrecy of its customers with the order prescribed by the Law.
- 1.6. The Bank bears no responsibility for the losses of its customers incurred as a result of sequestration, foreclosure and confiscation on the accounts and property of the latter by the competent bodies, envisaged with the order prescribed by the Law.
- 1.7. The Bank is responsible for its liabilities with its property and resources (funds), unless otherwise prescribed by the Republic of Armenia Legislation.
- 1.8. The bank has property over which it exercises ownership rights, duly registered trade name and symbol, a round seal with its name and symbol in Armenian, Russian and English, exit and entrance, as well as cash stamps, in order prescribed by the Law, and stamps, sample forms, and numbered seals for the branches and representative offices of the Bank.
- 1.9. The Bank is entitled to acquire and perform property and personal non property rights, bear liabilities, and act as a claimant or respondent in the court.
- 1.10. The Bank’s address is as follows: Republic of Armenia, Yerevan city, Kentron community, Charents street, bld. 12, №53, №1-5.
Postal address is: 0025, Republic of Armenia, Yerevan city, Kentron community, Charents street, bld. 12, №53, №1-5.
- 1.11. The full trade name of the Bank is:
Armenian - «ՅՈՒՆԻԲԱՆԿ» ԲԱՅ ԲԱԺՆԵՏԻՐԱԿԱՆ ԸՆԿԵՐՈՒԹՅՈՒՆ
Russian - ОТКРЫТОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО "ЮНИБАНК"
English - "UNIBANK" OPEN JOINT STOCK COMPANY
- 1.12. The Bank's shortened name is:
Armenian - «ՅՈՒՆԻԲԱՆԿ» ԲԲԸ
Russian - ОАО "ЮНИБАНК"
English - "UNIBANK" OJSC
- 1.13. The Bank's symbol is a blue quarter with a rounded orange upper left angle, with an inside triangle combined with a yellow circle, in the middle of which is written the Latin letter «U». On the bottom there is written «Յունիբանկ» in Armenian.

2. TERRITORIAL SUBDIVISIONS OF THE BANK

- 2.2. The Bank is entitled to establish branches and representative offices both within the territory of the Republic of Armenia and abroad. The branches and representative offices, set up within the territory of the Republic of Armenia, are registered in conformity with the Republic of Armenia Normative Legislation. If such branches and representative offices are established abroad, they are registered in compliance with the Law of the country, however complying to the requirements of the Law of Republic of Armenia.
- 2.3. The territorial subdivisions of the Bank operate on the basis of the Charter adopted by the Bank Board.
- 2.4. Establishment, registration, and liquidation of the branches and representative offices of the Bank are performed in conformity with the Republic of Armenia Legislation.

- 2.5. Branch of the Bank performs bank activity and financial transactions prescribed by the branch Charter on behalf of the Bank, as well as act as a representative function.
- 2.6. The property of branches and representative offices is registered in the balance sheet of the Bank, as well as in their separate balance sheets.
- 2.7. The head of subdivision is assigned by the Bank and performs on the basis of a power of attorney issued by the Bank for the period not exceeding three years.

3. FINANCIAL OPERATIONS AND OTHER TRANSACTIONS, REALIZED BY THE BANK

3.1. On the basis of bank activity performance license the Bank is entitled to execute all the financial transactions with residents and non residents, permitted to the banks in accordance with the law and other legal acts, as well as:

- a) accepting on demand and term deposits
- b) issuing trade and consumer loans, including mortgage loans, carrying out financing of debts or trade deals, factoring
- c) issue banking guarantees and letters of credit
- d) opening and managing accounts, including correspondent accounts in other banks
- e) provision of payment settlement services and (or) maintenance of the customers' accounts in other manner
- f) issuing, purchasing /discounting/, selling and servicing securities and conduct similar operations
- g) realize investing and subscription activities;
- h) conducting financial brokerage services, manage third persons' securities and investments (representative/agency management);
- i) acquiring, selling and managing standardized bullion's and coins;
- j) buying and selling (exchanging) foreign currency, dealing with local and foreign currency futures, options, and other similar activities
- ja) carrying out financial leasing;
- jb) carrying out safekeeping of precious metals, stones, jewelry, securities, documents and other valuables;
- jc) conducting financial and investment consulting services;
- jd) creating and operating a database of customer's credit ratings, carrying out all the relative activities concerning debt collection;
- je) selling insurance certificates and/or contracts, carrying out insurance agent operations in accordance with the Law.

3.2. The Bank may conclude any civil-law contract, necessary or expedient for performance of banking activity.

3.3. The Bank is not entitled to carry out production, trade and insurance activity, if the Bank is not entitled to do that by the Law.

3.4. The Bank performs its financial transactions in accordance with the terms of RA law «On currency regulation and currency control».

3.5. The Bank independently determines the interest rates of attracted deposits, issued loans and securities interest rates and tariffs for its services.

3.6. Relations between the Bank and its customers are regulated by the law and the contract concluded between these two sides.

4. BANK'S AUTHORIZED CAPITAL AND OTHER FUNDS

4.1. The Bank's statutory capital is AMD 22,425,447,230 (twenty two billion four hundred twenty five million four hundred forty seven thousand two hundred thirty), which includes 181,254,472 (one hundred eighty one million two hundred fifty four thousand four hundred seventy two) allocated ordinary shares, each with a par value of AMD 100 (one hundred) and 32,010,000 (thirty two million ten thousand) class A convertible preferred shares, with a fixed

annual dividend, each with a par value of AMD 100 (one hundred), 4,778,261 (four million seven hundred seventy eight thousand two hundred sixty one) class B convertible preferred shares, with a fixed annual dividend, each with a par value of AMD 230 (two hundred thirty).

The number of declared ordinary shares of the Bank subject to additional allocation is 517,742,528 (five hundred seventeen million seven hundred forty two thousand five hundred twenty eight) shares, each with a par value of AMD 100 (hundred). The allocation, dividend payment procedure, terms and liquidation value of convertible class A preferred shares with a fixed dividend (hereinafter referred to as class A preferred shares) are as follows:

Define 12% annual dividend calculated at par value of class A preferred shares, the calculation of annual dividends must be realized from the date of shares purchase, payable not later than three months after the end of the financial year.

- Payment for class A preferred shares to be made in cash, at the price determined by the Board upon issuance, according to emission decision.
- Define the liquidation value of class A preferred shares equivalent to the nominal value.
- Class A preferred dividends are payable only from Bank's net profit and/or from funds generated at its account.
- Class A preferred shares are subject to conversion into ordinary shares at one preferred share to one ordinary share ratio. The conversion is carried out at the request of shareholders not later than within two months after the submission of such request to the Bank. There is no time limit for submitting a conversion request. The conversion is carried out by allocation of additional ordinary shares, as a result of which the class A preferred shares are replaced by the same number of additional ordinary shares.
- Dividends on class A preferred shares, partially or in full are not subject to payment if such a payment leads to a violation of any economic normative ratios of the Central Bank of the RA by the Bank, moreover:
 - a) fully or partially unpaid dividends are not subject to accumulation with a condition of payment at a later stage
 - b) no legal document between the Bank and the owner of class A preferred shares can stipulate any restrictions for the Bank concerning full or partial non-payment of dividends, as well as no legal document can provide a right to grant such restrictions to the owner of class A preferred shares, except if such restrictions concern ordinary shares dividend payments. At the same time, the restriction on ordinary shares dividend payments referred by this paragraph can only be applied for the period, during which the due dividends on preferred class A shares were not paid in full or in part.

The allocation, dividend payment procedure, terms and liquidation value of convertible class B preferred shares with a fixed dividend (hereinafter referred to as class B preferred shares) are as follows:

- Define 12% annual dividend calculated at par value of class B preferred shares, the calculation of annual dividends must be realized from the date of shares purchase, payable not later than three months after the end of the financial year.
- Payment for class B preferred shares to be made in cash, at the price determined by the Board upon issuance, according to emission decision.
- Define the liquidation value of class B preferred shares equivalent to the nominal value.
- Class B preferred dividends are payable only from Bank's net profit and/or from funds generated at its account.
- Class B preferred shares are subject to conversion into ordinary shares on the terms established by the Board of the Bank, according to emission decision.

The conversion is carried out at the request of shareholders not later than within two months after the submission of such request to the Bank. There is no time limit for submitting a conversion request.

The conversion is carried out by allocation of additional ordinary shares.
- Dividends on class B preferred shares, partially or in full are not subject to payment if such a payment leads to a violation of any economic normative ratios of the Central Bank of the RA by the Bank, moreover :

- a) fully or partially unpaid dividends are not subject to accumulation with a condition of payment at a later stage
- b) no legal document between the Bank and the owner of class B preferred shares can stipulate any restrictions for the Bank concerning full or partial non-payment of dividends, as well as no legal document can provide a right to grant such restrictions to the owner of class B preferred shares, except if such restrictions concern ordinary shares dividend payments. At the same time, the restriction on ordinary shares dividend payments referred by this paragraph can only be applied for the period, during which the due dividends on preferred class B shares were not paid in full or in part.

4.2. The Bank is entitled to increase the statutory capital through increasing the par value of the Bank's shares or allocating additional shares declared by this Charter, if actually allocated shares were paid-up in full.

4.3. If the value of previously allocated shares is not paid-up in full, so the Bank can not increase the statutory capital via attracted financial means.

4.4. After summarizing its financial results the Bank may increase its statutory capital by increasing the par value of its allocated shares.

- a) By transferring the part of its profit to the Statutory Capital
- b) By full or partial transferring of the difference between the liquidity and par values of the statutory capital or part of its reserve capital or of his preferred shares out of its net assets (own equity) to the statutory capital.

4.5. The Bank cannot increase the share capital by increasing the nominal value of shares more than the value of net assets shown in the recent balance approved by the Shareholders' Meeting or audit.

4.6. The Bank may issue and distribute preferred shares, which in the Authorized Capital may not exceed 25%. The partial payment of dividends for certified preferred shares are determined by the General Shareholders Meeting after the end of the Financial Year (between the 1st of January and 31st of December), depending on the financial results of the Bank.

4.7. The reduction of the statutory capital may occur:

- a) through the reduction of the nominal value of the shares,
- b) reduction of the total number of the shares, including the cases of the repurchase of the latter in accordance with the Law.

4.8. The Bank notifies its debtors in written form about the decision on decreasing the statutory capital within 30 days after the decision is made.

4.9. In the case of the decrease of the net asset value of the Bank in comparison with the statutory capital, the statutory capital will be reduced by a proportionate reduction of the nominal values of the shares without any compensation to the Shareholders.

4.10. During the course of the banking activities the reduction of the statutory capital for paying dividends or otherwise is prohibited, except in the cases determined by the Law on Banks and Banking Activities.

4.11. A reserve fund is created in the Bank amounting to 15% of the statutory capital, which is used to cover losses and repay on bonds issued by the Bank, if the income of the Bank is not sufficient for that.

4.12. The Reserve Fund is formed from the income of the Bank, after confirming the annual results by the General Shareholders Meeting. The Reserve Fund is formed by the financial entries determined by the General Shareholders Meeting in the amount of not less than the 5% of the net annual profit.

4.13 According to the regulation norms determined by the Bank and general legal requirements funds (reserve funds) are being created for the coverage of unsecure credits and debts, as well as for the revaluation of the fixed assets, precious metals and foreign currency.

4.14 The formation and use of the Fund, the regulation of the entries from that Fund and their size are determined by the General Meeting.

4.15 The Bank's share premium can only be used in the event of a decrease in the statutory capital in accordance with Article 36 of the RA Law "On Banks and Banking Activities" or in the event of the Bank's insolvency in order to cover losses or it can be used to increase the nominal value of the Bank's shares."

5. SHARES OF THE BANK

5.1 The Bank shares can be placed among shareholders through open and closed subscription. The price of issued shares is the nominal value or the market price of the latter fixed by the Board of the Bank, except in the cases stipulated by the Law.

5.2 Armenian Dram may be regarded as mean of payment for the purchase of shares, as well as other means of payments decided by the issuer and not prohibited by the legislation regulating banking activities. The shares issued may be purchased via convertible bonds as well.

5.3 The issued shares are paid up through one-off or partial payments (within the period not exceeding one year), according to the decision on share placement. At least 25% of the nominal value of shares should be paid up in case of acquisition of additionally placed shares.

5.4 One ordinary share of the Bank empowers its owner with one vote at the Meeting.

5.5 One preferred share of the Bank empowers its owner with one vote at the Meeting if reorganization and liquidation of the Bank are being discussed, as well as amendments in the following Charter regarding restriction of the rights of the owners of such preference shares.

5.6 In the case of the conversion of preferred shares into ordinary ones the Bank has to repay all the liabilities to the preferred shareholders, or agree to pay them in other way upon agreement with the latter.

5.7 The Bank shares are non documentary. The Bank has the right to place issued shares and other securities via open subscription and sell them openly in order prescribed by RA legislation. In the case of placement via open subscription the Board of the Bank approves the Prospectus of the shares issue, which must also be approved by the Central Bank of RA. The Bank also has the right to place issued shares via a closed subscription in order prescribed by RA legislation. The form of placemen is formulated by the General Shareholders' Meeting of the Bank. The shares of the Bank may be purchased by any person, be managed and alienated in order prescribed by RA legislation.

5.8 The discount on the shares by the Bank, the purchase of shares or the purchase through any compensation, as well as accepting them as a collateral for issuing loans is prohibited, except in the cases prescribed by the Law.

5.9 The Shareholders with the right to vote are authorized to require any decision by the Bank regarding the price of the buyback shares , as well as buyback of all or some of their shares, if:

a) a decision has been made according to the 2nd point of the Article 61 of the Law of the Republic of Armenia on Joint Stock Companies on restructuring of the Bank, priority right liquidation or signing a major agreement, and if the above-mentioned Shareholders voted against the restructuring of the Bank, liquidation of the priority right or signing a major contract, or haven't taken part in the voting at all.

b) amendments have been made into the Charter of the Bank or there is a new revised and edited version of the Charter, as a result of which the right of the above-mentioned Shareholders have been restricted, while they have voted against or have not taken part in the voting at all.

5.10 The List of the Shareholders having right to require from the Bank their buyback shares demand is formed based on the data in the Registry of the Shareholders of the Bank, at the day of forming the List of Shareholders entitled to take part in the Meeting with an agenda involving issues that can somehow result in the limitation of the rights of the Shareholders specified by Point 5.9 of the present Charter.

5.11 The repurchase of the shares by the bank is done at the market price, which is decided without evaluating the shares to be bought back, neither taking into account the changes registered as a result of the Bank' activities.

5.12 The Bank is obliged to let its Shareholders know about their right to claim their shares to be repurchased and about the regulation and norms of doing that.

5.13 The announcement of any Meeting which may discuss any issue that can somehow lead to the creation of rights to demand a repurchase of shares, mentioned in these Articles, must contain the information mentioned in point 5.12 of this Charter. The announcement must also contain information about the price at which the shares are to be repurchased, if the above-mentioned price has already been determined according to the established norms.

In 7 days from the moment of ratification of the mentioned decisions the Bank must notify the shareholders with repurchase rights about the creation of the right to repurchase the shares from the Bank and the order of repurchase.

5.14 The written demand to repurchase the shares by a Shareholder, which must contain the information on number of shares to be repurchased and the living address of the Shareholder at the moment, must be submitted to the Bank in no more than 45 days after the corresponding decision made by the Meeting.

5.15 If the deadline determined in Point 5.14 of the present Charter expires, the Bank is obliged to repurchase the shares in 30 days' period after having received the written demand of Shareholders.

5.16 The repurchase of the shares must be done at the price mentioned in the announcement as specified in the first part of point 5.13 of the current Charter, and if the price is not determined, then it is decided at the very moment of making decision by the Meeting specified in point 5.9 of the current Charter.

The amount of means directed at the repurchase of the shares may not exceed 10 percent of the Bank assets. The value of net assets is determined by the decision specified in the point 5.9 of the current Charter. If the sum demanded by the shareholders for the repurchase exceeds the sum that Bank may allocate for the repurchase of the shares, then the shares are being repurchased according to the presented demands proportionally.

5.17 If a shareholder is against the price offered for repurchase of the shares, he may claim the reevaluation of the given shares at any Court of Justice within 3 months beginning from the day of the decision made by the Bank to pay the Shareholders for their shares.

5.18 The shares repurchased according to the terms specified in Point 5.9 of the current Charter, are directed to the Board of Directors of the Bank. The mentioned repurchased shares do not grant any additional votes, are not taken into account in vote counts and no dividends are paid to them. They are to be placed within a year's period. Otherwise, the Meeting is obliged to make a decision about the liquidation of such shares, thus reducing the statutory capital.

5.19 The shareholders of the Bank have the right to alienate the shares belonging to them without the agreement of the other shareholders of the Bank.

6. BONDS AND OTHER SECURITIES OF THE BANK

6.1 The Bank is entitled to issue nominal and bearer bonds.

6.2 The Bank bonds and other securities are issued by the resolution of the Board, where form of repayment, terms and other conditions of such bonds and securities are specified.

6.3 The total nominal value of all the bonds having been issued by the Bank cannot exceed the statutory capital of the Bank.

6.4 Once the fixed statutory capital has been fully paid up, the Bank is entitled to issue bonds.

6.5 The Bank is entitled to issue bills of exchange, checks and other securities as prescribed by the Law.

6.6 As a result of secondary placement of shares and bonds the ownership right of a new shareholder emerges and the ownership right of the previous shareholder ceases once relevant amendments have been made in the Shareholders Registry.

6.7 The Bank keeps the Shareholders Registry in the Central Depository.

7. SHAREHOLDERS OF THE BANK

7.1 Residents and non-residents of the Republic of Armenia, legal and physical entities may act as shareholders of the Bank, subject to restrictions of the Law and the following Charter.

7.2 The bank is not responsible for its shareholders' obligations/liabilities unless the Bank has assumed them as a third person or as a guarantee.

7.3 Any shareholder of the Bank failing to pay fully for his/her shares acquired by him/her assumes responsibility for the Bank liabilities irrespective his/her unpaid investment.

7.4 Any shareholder/s/ of the Bank entitled to report to the Bank, or forecast and manage its activities in compliance with the Law, carry (carries) additional subsidiary responsibility for the Bank's liabilities in case of insolvency of the Bank, resulting from activities of such person/s/ if the latter had known or had been well aware that his/her actions would bring to insolvency of the Bank or the Bank would exhaust the large part of its statutory capital.

7.5 Only the owners of ordinary, fully paid shares shall have voting rights at the Meeting.

7.6 Owners of preferred shares shall have voting rights at the Meeting in cases prescribed by the following Charter.

7.7 By the demand of any shareholder owning more than 2% of placed shares of the Bank with voting rights the Bank must provide free of charge information mentioned by the Law of the Republic of Armenia about Banks and Banking Activities, even if the information contains any banking, commercial or other types of secrets.

7.8 Shareholders of the Bank are liable:

- a) to pay up the full value of his/her shares within the period prescribed by share issue;
- b) not to publish or otherwise reveal any secret information concerning customers or activities of the Bank;
- c) to follow the provisions of the Law, other legal acts and the following Charter.

7.8 Owners of ordinary shares have the rights:

- a) to take part in the Meeting personally or by proxy with voting concerning all the matters in their jurisdiction in compliance with the quantity of his/her shares, sticking to the restrictions of the Law and the following Charter;
- b) to take part in the management of the Bank personally or by proxy
- c) to receive dividends from the Bank's profit gained in the result of the latter's activity taking into account the restrictions of the Law and the following Charter;
- d) to look through the Bank's balance sheet, financial and tax reports;
- e) to use the privilege of acquiring shares and bonds issued, offered by the Bank via closed subscription;
- f) to receive an appropriate part of the Bank property and means in case of liquidation of the Bank;
- g) to alienate or otherwise transfer to other persons the shares under his/her ownership in compliance with the Law and the following Charter;
- h) to implement other powers reserved to him/her by the Law.

7.10 Owners of preferred shares have the rights:

- a) to take part in the Meeting personally or by proxy with voting concerning all the matters in his/her jurisdiction in compliance with the quantity of his/her shares, sticking to the restrictions of the Law and the following Charter;
- b) to get an annual share dividends in accordance with the quantity and order determined by the Meeting,
- c) to take part in the management of the Bank personally or by proxy,
- d) to receive any information mentioned in Article 43 of the Law of the Republic of Armenia on Banks and banking Activities, even if the information contains any banking, commercial or other types of secrets,
- e) in case of the liquidation of the Bank to get the liquidation value of his/her shares from the property of the Bank determined by the Meeting of the Bank in terms of quantity and order,
- f) to alienate or otherwise transfer to other persons the shares under his/her ownership in compliance with the Law and the following Charter;
- g) to implement other powers reserved to him/her by the Law.

8. DISTRIBUTION OF THE BANK PROFIT

8.1 The positive difference between the gross profit of the Bank and deductions allowed by the Law is subject to taxation in compliance with the tax legislation of the Republic of Armenia.

8.2 The positive difference between the gross profit along with all the deductions made in addition to income tax is considered to be the net profit of the Bank.

8.3 Distribution of the net profit is carried out in compliance with the following Charter and with the aim of reimbursement of the funds formulated by the Meeting, as well as payment of preferred and ordinary dividends to shareholders.

8.4 The Bank has the right to make a decision (declare) on the quarterly, semiannual or annual dividend payments to its shareholders. Dividends can be paid in the form of cash or in the form of other assets, including shares of the Bank.

8.5 The decision on the intermediate (quarterly and semiannual) payment of dividends, their size and form of payment is made by the Board. The decision on the annual payment of dividends, their size and form of payment as well as the date of payment is made by the General Shareholders Meetings of the Bank by the Board's suggestion.

8.6 The Bank shall not pay dividends in case the statutory capital is not fully paid, as well as in cases where the losses of the Bank are equal or exceed the net profit.

8.7 Payable dividends and liquidation value for a class B preferred share are paid first, secondly, dividends and liquidation value for a class A preferred share, and last paid are payable dividends and liquidation value for ordinary shares.

9. MANAGEMENT BODIES OF THE BANK

Management bodies of the Bank are:

- the General Meeting of Shareholders (hereinafter: "Meeting");
- the Board;
- the collegiate Executive body: Executive Board (hereinafter: "Executive Board");
- the sole Executive body: Chairman of Executive Board (hereinafter: "Chairman of Executive Board").

Besides the above mentioned management bodies the Bank has also a chief accountant and internal audit subdivision.

10. THE MANAGEMENT BODIES. THE MEETING. THE ORDER OF CONVENING MEETING SESSIONS AND THE EXECUTION OF RESULTS

10.1. The Meeting is the supreme body of Bank's management.

10.2. The meetings may be convened regular or extraordinary.

10.3 The Meeting is convened at the joint meeting of the shareholders or through a referendum ballot (query). The acts mentioned in the Article 10.1.1 (item "c" and "i") cannot be passed through a referendum ballot.

10.4 The day, month and year of the Meeting, as well as the order of the meeting announcement and the list of the materials to be handed over to the participants of the Meeting are determined by the Board, according to the Law and current Charter.

10.5 The Bank is obliged to hold General Shareholder Meetings every year. Annual Meetings are held upon the end of financial year within the period of 2 to 6 months. General Shareholders Meeting cannot be held through a referendum (query).

10.6 The meetings held beyond the General Meeting are considered to be extraordinary. The extraordinary meetings are held to discuss urgent issues.

10.7 Extraordinary Meetings may be convened on the initiative of the Board. According to the decision of the Board on the Extraordinary Meeting the agenda, form of convening – joint meeting of the shareholders or referendum ballot, are being formulated.

10.8 Special Meetings may be called at the request of the External Auditor or shareholders-bearers of at least 10% of ordinary shares, if such a request is duly presented in an order formulated by Law, and the agenda of the Meeting is under jurisdiction of the Meeting according to this Charter.

10.9 The Board decides holding a Special Meeting in 10 days and convening such meeting within 30 days at the request of the External Auditor, or shareholders-bearers of 10% of ordinary shares, if such requests are duly presented, and are in compliance with the law and procedures set by the following Charter. In the case the Board does not convene the Meeting, the person requesting such the Meeting shall be entitled to convene a Meeting in compliance with the provisions of the following regulation.

10.10 The list of shareholders entitled to take part in the Meeting:

- a) Ordinary Shareholders of the Bank with the right to vote determined according to the number and nominal value of the shares they possess,
- b) Preferred Shareholders of the Bank with the right to vote determined according to the number and nominal value of the preferred shares they possess,
- c) Members of the Board and Executive Board of the Bank who are not Shareholders, with a right of a consultative vote,
- d) Members of the Internal Audit of the Bank as Observers,
- e) External Auditor of the Bank as an Observer (if any his conclusion is involved in the materials or subject matters of the given Meeting),
- f) Representatives of the Central Bank of the Republic of Armenia as Observers,
- g) Heads of regional and structural branches and departments as Observers,
- h) Any other employees of the Bank who are to attend to report on any of the questions involved in the agenda of the given Meeting,
- i) Professionals competent in any of the issues involved in the agenda of the given Meeting.

10.11 The List of Shareholders authorized to attend the Meeting is formed on the basis of the data of the Registry of Shareholders on the day determined by the Board,

10.12 The votes of Shareholders involved in the List of Shareholders are not counted if the value of the shares has not been paid completely, and all those shares which constitute a considerable participation in the capital and which are attributed to holders with limited rights to vote and whose rights, together with the rights of holders and related parties are limited by the Law.

10.13 The Bank issues a notice to any shareholder upon his/her request concerning his/her being enlisted or not being enlisted in the Shareholders Registry of the Bank.

10.14 The notice of the Meeting is given to the shareholders entitled to take part in the Meeting by the Board by means of written communication and registered letters, or by personally handing the notice, or by email, according to the Law of RA on “Banks and banking activity”, as well as Law on “Open Joint Stock companies. The notice of the Meeting is published in internet through a public notification /on the public website of the Bank/ according to the Board decision, as well as in the daily report having minimum 1000 circulation. Such notice shall specify all the information prescribed by Law. People, who are entitled to participate in the Meeting by the right of consulting vote in cases prescribed by law, are notified about convening of Meeting according to the procedure described above.

10.15 In case of Meetings conducted through referendum (query) ballots, materials and all the relevant information concerning matters to be considered at the Meeting is sent to the shareholders by registered letters or email, apart from the information prescribed by the Law.

10.16 Any shareholder that owns of at least 10% of voting shares of the Bank is entitled to receive the list of shareholders entitled to take part in the Meeting.

10.17 Any shareholder is entitled to take part in voting at the Meeting through sending the ballot completed by him/her to the Meeting on condition that the ballot has been received at least two days prior to the set date of the Meeting. The Ballot received in the aforesaid period is registered in the lists of members of the Meeting and is calculated at the voting.

10.18 In case of acts passed through referendum (query) the second working day preceding the fixed date of the Meeting is the deadline for receipt of ballots.

10.19 The Shareholders who have the right to vote due to at least 2 % of the shares, within 30 days after the end of the financial year of the Bank are entitled to submit no more than two proposals to be discussed within the agenda of the Meeting.

10.20 All the proposals into the Agenda of the Annual Meeting must be submitted in written form containing the information required by the Law.

10.21 The Board discusses the proposals submitted and make decisions whether to include the proposals or not in the agenda within 15 days' since the period stated in Point 10.19 of the present regulation.

10.22 The motivated decision made by the Board about the rejection of the proposal within the Agenda of the Annual Meeting should be sent to the Shareholder or Shareholders within 3 day's period after the decision is made.

10.23 The decision of the Board to reject the including of the proposal within the Agenda can be protested at the Court.

10.24 Within the period of preparation before the Meeting the Board is to decide:

- a) the day, month, year, hour and place of the Meeting to be held,
- b) the Agenda of the Meeting,
- c) the day, month and year of preparing the List of the Participants of the Meeting,
- d) the way the Participants of the Meeting will be informed about the Meeting,
- e) the list of the information and materials to be submitted for the Shareholders during the preparation of the Meeting,
- f) the form and contents of the voting bulletins if any voting bulletins are to be used.

10.25 Owners of ordinary shares are entitled to the voting rights in proportion to the fully paid ordinary shares in the statutory capital of the Bank, if no restrictions are stipulated in the given Charter. Owners of prefer shares have voting rights in the cases provided by the following Charter.

10.26 The Meeting is considered to have quorum if at the end of the registration of the members of the Meeting, more than 50% of shareholders with the voting shares have been registered personally or by their representatives, or the ballots duly completed by them have been enlisted in the Shareholders Registry.

10.27 In case of absence of a quorum the Board of the Bank fixes the new date for convening the Shareholder Meeting. All the shareholders are notified about the date of the Adjourned Meeting at least 10 days prior to the fixed date by registered letters, containing the ballots.

10.28 If the date for the Adjourned Meeting is fixed less than 20 days from the date of the Meeting, new lists of shareholders entitled to take part in the Meeting are not formed. In the case the Meeting is adjourned for the period exceeding 20 days from the date of the proceeding Meeting the new lists of shareholders entitled to vote in the Meeting shall be formed up by the Board on the 45th day preceding the new fixed date of the Adjourned Meeting .

10.29 The Adjourned Meeting is considered to have quorum if at least 30% of shareholders with voting shares, or the proxies, or the ballots duly completed by them have been registered at the end of registration of the members of the Meeting.

10.1. THE MANAGEMENT BODIES. THE MEETING. THE AUTHORITIES. DECISION MAKING

10.1.1. The Meeting's authorities are:

- a) Approval the Bank's Charter; making amendments and additions in it;
- b) Decrease of the Bank's declared authorized fund in the order, established by law;
- c) Reorganization and liquidation of the Bank;
- d) Appointment of a liquidation commission; confirmation of interim and liquidation balance sheet;
- e) Election of the Board members and early termination of their authorizations. Issues on election of the Board members shall be discussed exceptionally in the annual Meetings. The issue on election of the Board members may be discussed at the extraordinary Meeting of the Bank, if the extraordinary Meeting has made a decision on early termination of authorizations of the Board or its separate members;
- f) stipulating the size of the maximum volume of the declared shares;
- g) increase of the size of the Bank's declared statutory capital by means of increase of the shares nominal value or by summarizing the results of the additional shares allocation;
- h) approval of the person, carrying out the Bank's audit;

i) approval of the Bank's annual financial and tax reports, accounting balance sheets, profit and loss allocation; making a decision on payment of annual dividends; approval of the annual dividends amount;

j) the order of holding the Meeting, and the formation of the counting committee;

ja) decrease (separation) and increase (combining) of the nominal value of the allocated shares;

jb) In cases, established by law, the agreement on conclusion of big transactions in relation to the alienation and obtaining of the Bank's property (more than 50% of the balance value of the Bank's assets);

jc) Obtaining and buy back of shares, allocated by the Bank in special cases, stipulated by law;

jd) other authorizations, established by law and the present Charter.

10.1.2. Authorities, stated in the point 10.1.1. of the present Charter are the exceptional authorities of the Meeting and cannot be passed to the Bank's Board or to the members of the Executive body.

10.1.3. Issues, which are not given to the competence of the Meeting by law or according to the point 10.1.1. of the present Charter, may not be discussed at the Meeting.

10.1.4. The decisions are made by simple majority of shareholders, participating in the Meeting. At that, the decisions on issues, established by sub points (a), (c), (e) and (jb) of point 10.1.1. of the present Charter, are made by the 3/4 of the votes of the owners of shares, giving voting right, participating in the Meeting.

10.1.5. Absentee vote (polling) is carried out in compliance with the requirement of the RA law "On Joint-Stock Companies".

10.1.6. The Meeting decision, made by Absentee vote has a legal force, if more than the half of the owners of voting shares participated at the vote.

10.1.7. The Meeting decisions may be made by the session, at which the Meeting members may communicate with each other by means of telephone, telecommunication or other communication facilities in real-time mode. Such session is not deemed a session, held by (absentee) polling. Notification of the Meeting sessions, held by means of telephone, telecommunication or other communication facilities is performed in the order of notification on convening of the Meeting, established by the present Charter.

10.1.8. Information on decisions, made by the Meeting, as well as the voting results shall be informed to the Bank's shareholders by means of sending or handing over to them ordered letters or sending by e-mail address within 45 days from the moment making those decisions.

10.1.9. The Meeting minutes are made within 5 days after the end of the Meeting, which shall be signed by the Chairman and Secretary of the Meeting.

10.1.10. In the Meeting minutes are stated:

a) the year, the month, the day, and the place of convening of the Meeting;

b) the cumulative number of votes of the allocated voting shares;

c) the number of votes, belonging to shareholders, participated in the Meeting;

d) the Meeting chairman and secretary, the Meeting agenda;

e) general provisions of speeches, made at the Meeting; vote results on issues, included in the agenda; decisions, made by the Meeting.

10.1.11. The chairman of the Meeting is responsible for the truthfulness of the information in the minutes of the Meeting.

11. THE MANAGEMENT BODIES. THE BOARD

11.1 The Board exercises the general management of the Bank activities, except the matters under exclusive authority of the Meeting.

11.2 Any capable citizen of the Republic of Armenia and a foreign country, meeting the demands of the Law and other legal acts of the Republic of Armenia and the Central Bank, can act as a member of the Board.

11.3 Any shareholder of the Bank may have one seat in the Board. Persons who are not shareholders of the Bank, can also be elected in the Board.

11.4 The members of the Board are elected by the $\frac{3}{4}$ of the votes at the Annual Meeting for the term of no less than one year. Total term of the office of the Board Members is not restricted. Board members are being paid.

11.5 Related persons cannot be members of the Board. The Members of the Board and the Members of the Executive Board cannot be related as well.

11.6 The Board consists of maximum of 9 people.

11.7 The Members of the Board are elected by the Participants present at the Annual General Meeting of the Bank, and in case of ceasing the competences attributed to the Board Members, the new Members are elected by the participants of the extraordinary Meeting and in accordance with the terms determined by the Law and the current Charter.

11.8 The proposals about the candidates of the Board Members may be submitted by the Board and Bank participants.

11.9 In case of proposing candidates to the Board Members the above mentioned proposal is formulated in written form and is addressed to the Chairman of the Board in the way prescribed by the Law. The candidates offered should not exceed the number of the Board Members.

11.10 In case of proposing candidates, including the cases of self-proposals, the following information should be provided or mentioned: the name, the fact of being or not being a Shareholder of the Bank, the number of shares belonging to the candidates, the name and the number of the shares of the person who promotes his/her candidature.

The Board is to consider all the proposals and make decisions about involving the candidatures submitted in the list of elections or reject them within 5 days from the period determined by Point 11.9 of the current Charter. The Board may reject to involve the given Candidature in the list of elections if:

- a) the proposal or promotion of the candidature has been submitted against the time terms determined in Point 11.9 of the current Charter,
- b) the information required by the present point is submitted partially or incompletely,
- c) the proposal is against the Law or the requirements of any other Legislative Acts.

11.11 The Board promotes the Candidature to the Board Member in accordance with Point 11.10 of the current Charter by including the proposal within the Agenda of the Meeting of the Bank.

11.12 Any shareholder of the Bank owning more than 10% of voting shares can be represented in the Board himself or by his/her representative, if such shareholder is enlisted in the Shareholders Register due to the fixed date.

11.13 Any shareholder of the Bank owning less than 10% of voting shares can be united and in case of completing the 10% and more of the of the shares entitled to vote, may involve their representative in the Board of the Bank without being elected by the Meeting.

The involvement of the Representative in accordance with the requirements detailed in the first paragraph of the current point is authorized only if there is a corresponding Agreement on the creation of the Group of the Participants of the Bank and after informing the Meeting about such an Agreement. The Agreement of that sort must contain the following information:

- a) the data about the participants of the Bank to be united including the number of the shares placed by the Bank with the right to vote,
- b) the information required by Part 5 of Article 43 of the Law of the Republic of Armenia on Banks and Banking Activities,
- c) the condition that the Agreement is being signed at least for one year and till the end of that period it is inalterable or cannot be solved,
- d) other conditions that may be mentioned by the Participants to be united.

The copies of the Agreement are handed to all the Members of the General Shareholders Meeting at least 30 days prior to the day of Meeting and in case of the Meeting through absentee voting, 30 days prior the submission of the ballots of voting.

11.14 The Participants with limited participation in the statutory capital of the Bank have the right to include their representatives who would represent their interests within the Board of the Bank.

11.15 Participants owning less than 10 percent of the shares with the right to vote who have not signed the Agreement specified in Point 11.13 of the current Charter should be considered as Participants with limited participation in the statutory capital of the Bank. The Representative of the Participants with limited participation in the statutory capital of the Bank must be promoted by the

above mentioned participants and included within the Board without previous election by the Meeting.

11.16 Only by the Participants with limited participation in the Statutory Capital of the Bank their representatives present at the Meeting take part in the election of the Representative of the Participants with limited participation in the Statutory Capital of the Bank, even if there is only one of them present. The Participants of the Bank who signed the agreement specified in Point 11.13 of the present Charter do not take part in the elections of the Representative of the Participants with limited participation in the Statutory Capital of the Bank.

11.17 The Participants with limited participation in the Statutory Capital of the Bank are informed about their status of participants according to the same order as for the notifications for the Meeting, within 5 days' period after having received the Agreement specified in Point 11.13 of the current Charter. After the notice the above mentioned Participants promote their candidate for the Board membership. If there is no agreement on that issue, on the day of the Meeting through a closed anonymous voting the Participants with limited participation choose a Board Member Candidate from the number of candidatures promoted by them. The voting is organized and conducted by the Chairman of the Board of the Bank or by a Member of the above mentioned Board.

11.18 The information required by the Law about the representatives of the Participants with limited participation in the Statutory Capital of the Bank is sent to all the participants of the Meeting at least 30 days before the Meeting or in case of the meeting by distant voting, 30 days before the very day of the receipt of the ballots for voting.

11.19 The Board members provides the Board and the Auditor of the Bank with relevant information on his/her concern in deals and agreements executed by the Bank, as well as on interrelations between the member and person/s/ involved in such deals and agreements as prescribed by the Law.

11.20 In order to organize an efficient work the Board of the Bank may create Committees. The Committees attached to the Bank Board may involve the Members of the Board, as well as managers and other employees of the Bank. The main principles and competences of the above mentioned Committees are determined by the Regulations authorized by the Board.

11.21 The Chairman of the Board is elected from the Board Members and is reelected and fired by the Board Members through the simple majority of the votes.

11.22 The Chairman of the Board is to:

- a) organize the activities of the Board,
- b) call and lead the Meetings of the Board,
- c) organize the minutes keeping of the sessions of the Meeting and the Board,
- d) lead the Meeting or assign someone to lead the Meeting,
- e) sign the resolutions made by the Meeting and the Board, as well as the documents authorized through the above mentioned decisions,
- f) sign agreements with the Executive Board Chairman, Executive Board Members, Employees of Internal Audit and Chief Accountant.

The Chairman of the Board gives assignment to the Committees attached to the Board, which are to carry out the assignments in the terms determined by the Chairman of the Board.

11.23 In case of absence of the Chairman of the Board or impossibility for execution of the latter's powers, one of the members of the Board shall undertake execution of the above-mentioned authority in compliance with the resolution of the Board.

11.24 The Board is empowered and qualified:

- a) to decide on the main directions of the Bank activity, adopt economic projects/programs aiming at development of the Bank, or to pick up projects aiming at improvement of financial standing of the Bank;
- b) to execute agreements with Central Bank preventing breach of the Banking Law and prudential standards;
- c) to make decisions on execution of assignments issued by the Central Bank to the Bank;
- d) to convene Annual or Extraordinary Meetings;
- e) to approve the agenda of the Meeting;
- f) to organize Meetings, to fix dates for drawing up the lists of shareholders entitled to take part in the Meeting;

- g) to decide on establishment and liquidation of branches, to affirm the Charters of the Branches and regulations of structural subdivisions, to present suggestions to the Meeting concerning amendments to be made in the latter;
- h) to affirm documents regulating the financial operations,
- i) to decide on issue of the declared shares, whether full or partial, to decide on terms of placement of such shares;
- j) to decide on issue of bonds and other securities of the Bank, on terms of their placement and repayment
- ja) to assign the Executive Board Chairman of the Bank; to terminate his/her office ahead of time; to set the conditions of payment
- jb) to formulate the internal audit standards of the Bank, form the internal audit department and approve the yearly work schedule, preemptively terminate the authorities of the internal audit employees of the Bank and set the conditions of payment of the latter
- jc) to approve annual estimates of expenditures of the Bank
- jd) to evaluate the market price of the Bank property in the order stipulated by the Law (including shares subject to issue);
- je) to present a suggestion to the Meeting concerning salaries of the members of External Audit, terms of payment of the latter;
- jf) to present suggestion concerning size of annual dividends and terms of their payment;
- kg) to use the Reserve Fund of the Bank, to approve terms of use of other funds created from the profit of the Bank, as authorized by the Meeting;
- k) to set terms and order of crediting, financing, cash servicing, economic activity and security dealing;
- ka) to consider documentation subject to inspection, reports of the branch managers;
- kb) to decide on establishment of daughter enterprises and amount of memberships in their Statutory Capital
- kc) to approve significant agreements dealing with acquisition and alienation of the Bank property (making 25-50% of assets of the Bank), if corresponding resolution is passed unanimously;
- kd) to decide on signing of agreements with insider interest in the latter;
- ke) to decide on termination of interest rate calculation towards the Bank's debtor, debts discount as well as/and their cancellation, to approve terms and procedures in relation to adoption of such resolutions by the Chairman of the Executive Board
- kf) to approve the balance sheet of the Bank 30 days prior to the fixed date of the Annual Meeting;
- kg) to increase the Statutory Capital through increase of nominal value of shares or through placement of additional shares;
- kh) to form the Executive Board of the Bank, affirm the staff, tasks, the order of organizing and conducting Meetings, affirm the Regulation of the Executive Board;
- ki) to approve the internal managerial structure and job positions of the Bank
- kj) to set the size of salaries and reimbursements for the Board Members
- kl) in the case of open public offer approve the Prospectus of the Bank
- ki) to exercise other authorities designated to it by the current Charter and the Law.

11.25 The acts specified by Article 11.24 of the Charter are under the strict jurisdiction of the Board and shall not be transferred to the Executive Board, with the exception of the job places stipulated by sub-item (ki) of point 11.24. The Chairman of Executive Board is empowered to revise the salaries of the respective employees in excess of the Bank's annual salary fund approved by the Board by no more than 1%.

11.26 At least once per quarter the Board is to discuss the reports submitted from the Section for Internal Auditor, Executive Board Chairman and Chief Accountant of the Bank. The reports are submitted according to the order defined by the Board Regulation approved by the Meeting, which mentions the types of the reports, the regulation of the preliminary submission of the reports, the way of preliminarily discussing the reports with Board Members if necessary and the way of submission to the Board.

The reports must contain issues connected with the agreements and transactions within the given quarter, reports presented to the Central Bank of the Republic of Armenia, operative and other

expenses made by the Bank, as well as issues connected with the reserves related to the credits and other receivables of the Bank, losses, juridical procedures and other matters.

11.27 At least once per year the Board is to discuss the Report submitted by the person responsible for the External Audit of the Bank, as well as discusses and in case of need revises the main directions of the activities and strategy of the Bank.

For the discussion of the abovementioned issues the Heads of the Structural Departments together with the Heads of all the Committees may also take part in the Meeting, where they may present their proposals on the improvement of the strategy, quality of service, management of the Bank and other spheres.

11.28 The Board Meetings are convened, held in the manner as prescribed by the regulations of the Board and the current Charter.

11.29 The meetings of the Board are to be convened at least once per two months. The Board Meetings are convened on the initiative of the Chairman of the Board, at the written request of the Board members, or the Chief of the Internal Audit department of the Bank, the External Auditor, Board of the Central Bank, the Executive Board Chairman and Executive Board, and of the Participant(s) with 5 and more percent of shares of the Bank. Within 10 days after submitting the request about the Meeting the Board is to inform the applicants about the date or time of the Meeting.

11.30 The announcement of the Meeting to be held should be sent to the Board Members in 5 days' period prior to the day of the Meeting or the announcement must be handed personally, informed by phone or e-mail.

11.31 The Meetings may be convened and the voting must take place by distance voting. The Board may make decision at the Meetings where all Participants may communicate through phone, video conferencing or other ways of communication in live regime. Such sessions are not considered to be by held by distant voting.

According to sub points ja), jb), je) and g) of the present Charter the projects of long-term development of the Bank, as well as the matters connected with the elections of the Chairman of the Board may not be settled through the distant sessions.

11.32 The session or Meeting of the Board is considered to have a quorum only if more than the half of the Board Members take part personally or realize a voting by ballot.

11.33 Each member of the Board is empowered with one vote only. No one shall be authorized or transferred the voting right of any of the member of the Board. Such authorization or transfer is prohibited and not effective.

11.34 The resolutions made by the Board are considered valid by the vast majority of the votes. In case of equal votes the Chairman's vote is decisive.

11.35 The discussion of all the issues of the Board Meetings should be realized only with the obligatory presence of the Executive Board Chairman of the Bank, except for the cases of the premature ceasing of the rights and authorities of the Executive Board Chairman, and in cases of the salary matters aimed at the above-mentioned Chairman. The Executive Board Chairman takes part in the Meeting with a consultative vote right.

11.36 Meetings of the Board should proceed with minutes. The final minutes must be ready at least within ten days' period after the session. In the minutes the following information is to be stated:

- a) the day, month, year and place of the session,
- b) the names of the participants,
- c) the Agenda of the Meeting,
- d) the issues promoted for voting and the results of voting according to each member who participated in the session,
- e) the opinions and points of view of the Board Members and Participants of the session,
- f) the decisions made at the session.

The minutes and protocols are signed by all the Participant members who carry responsibility for the accuracy of the information stated there.

The sessions or Meetings of the Board are led by the Board Chairman who signs the resolutions or decisions made at the Meetings: The Chairman carries responsibility for the accurateness of the information stated in the resolutions of decisions.

11.37 The rights and authorities of any Member are ceased prematurely by a written request or:

- a) if by any juridical verdict he/she is recognized as illegal to be employed or of restricted rights,
- b) if under certain circumstances he/she may not be legally a Board Member (Head of the Bank),
- c) within one year he/she didn't attend at least ¼ of all the Meetings without respectful cause or at least the half of the Meetings with or without a respectful cause (except the cases when the distant participation in accordance with the norms determined in the current Charter or participation in live regime are also considered to be a complete participation),
- d) he/she is was disqualified or banned to occupy the position by Law.

11.38 The rights of a Board Member may be ceased prematurely for the rest of the term period, and if that period is more than a year, then compensating him with the total sum of the annual salary determined for him/her.

The Bank is empowered to claim back the salary determined in the first part of the present point from the Member of the Board at the Court of Justice in cases of incomplete professional activities were demonstrated by the given Board Member.

12. MANAGING AUTHORITIES. EXECUTIVE BOARD

12.1. The Executive Board implements the current management of the Bank as a collegial executive body.

12.2. The Executive Board reports to the Board and organizes the execution of the resolutions passed by the Board.

12.3. The members of the Board of the Bank forms the Executive Board for the term specified by the Board of the Bank.

12.4. The Chairman of the Executive Board presents candidates for the members of the Executive Board to the Board of the Bank; however the latter may reject such candidates.

12.5. The members and the Chairman of the Executive Board are elected and discharged by the Board of the Bank with vast majority of the votes of its members. In case any member is discharged from his/her office in the Executive Board, the latter shall not lead to his/her discharge from the office held by such a member within the Bank.

12.6. The Executive Board consists of the Chairman of the Board, his/her deputies, and the Chief Accountant.

12.7. The minimum number of the Board members is not limited.

12.8 Any member of the Executive Board may declare about his/her resignation before his/her assignation to the post by the Board of the Bank.

12.9 Any member of the Executive Board may withdraw by prior written notification produced to the Chairmen of the Board of the Bank and the Executive Board of the Bank.

12.10 If in case of the withdrawal of several members of the Executive Board the remaining members are not able to provide a quorum, the Board of the Bank convenes a Meeting of the Board within reasonable time, but not exceeding one-month period, aiming at formation of a new Executive Board. The same applies in case of withdrawal of all the members of the Executive Board.

12.11 The members of the Executive Board considers any matters in strict jurisdiction of the Executive Board, as prescribed by the Charter, in case they fail to provide quorum for the Meeting of the Executive Board.

12.12 The Board of the Bank is entitled to terminate the office(s) both of the Executive Board and its members as ahead of time.

12.13 The following can serve as a basis for termination of the offices of the members of the Executive Board ahead of time:

- the Bank has suffered losses in the result of such member's acts or inactivity;
- the business image of the Bank has suffered;
- such members have committed crimes;
- such members have concealed their interest in the deals carried out by the Bank;
- such members do not carry out their duties conscientiously;
- such members have often been absent from the Meetings of the Executive Board without any valid reason;

- in case of breach of the norms and provisions of the Banking Law of the RA and the current Charter;
- such members have undertaken offices within other state or private bodies without the Board consent;
- in case the management of the Bank property has been carried out serving his/her interests, unless not being forbidden by the Law, the following Charter, other By-laws and resolutions;
- such members have revealed information considered Banking or work secret;
- such members have not carried out resolutions of the Meeting, the Board of the Bank and the Executive Board;
- such members have established rival companies/institutions to the Bank while in an office within the Executive Board;
- the Bank interests have been infringed in the result of such members' acts or inactivity;
- the offices of the members of the Board may be terminated in other cases as prescribed by the Law of the RA, the current Charter and the By-laws of the Executive Board.
- 12.14 The Executive Board is empowered to exercise any rights in relation to current management of the Bank except those in strict jurisdiction of the Board of the Bank, the Chairmen of the Board and the Executive Board as prescribed by the Law and the current Charter.

12.15 The Executive Board is entitled and qualified:

- to carry out prior consideration of all the matters put to approval for the Board of the Bank, and to arrange all the due documentation;
- approve common rates for the customer service and make changes and additions
- to consider the result of trade activity of the Bank;
- to arrange documentation in relation to issue of Bank securities
- to affirm the rules, regulations, proceedings and other internal documentation of the Bank, with the exception of documents defined by h) subpoint of 11.24 point of current Charter;
- to see to execution of the resolutions passed by the General Shareholders Meeting, the Board of the Bank, as well as to execution of annual working plans of the Bank;
- to put to affirmation by the Board the Charter of the Bank branches;
- to coordinate activity of the structural and territorial subdivisions of the Bank;
- to manage current activity of the Bank work as well as of its branches and representative offices;
- to decide on initiation of new bank services in compliance with the Charter of the Bank;
- to see to organization of internal supervision, accountancy and bookkeeping of the Bank;
- to inform the Board of the Bank on the financial standing of the Bank, as well as on execution of favorable projects for the Bank;
- to produce to the Board of the Bank semiannual and annual working plans, annual reports and other accountancy and bookkeeping documentation;
- to provide information to the person engaged in internal audit
- to define responsibilities for failure to carry out the Board resolutions, as well as for failure to organize and exercise internal supervision within the framework of the Bank policy and strategy;
- to analyze the work of the Bank branches and to carry out comprehension of results of their activities;
- to define duties of the employees of the Bank branches in the sphere of the internal supervision;
- to create an effective system for information exchange including all the documentation defining the operational policy and procedures of the Bank activity;
- to pass resolutions concerning current economic activity of the Bank;
- to create/form committees aiming at working out materials and preparation of resolutions in relation to different spheres of the Bank activity

- to put to approval by the Board of the Bank the Regulations of the Bank branches, organizational-administrative structure, job places.
- to exercise other powers assigned to the Executive Board by the following Charter and the Law.
- 12.18 The members of the Executive Board are entitled:
 - to put before the Chairman of the Executive Board suggestions in relation to agenda of the Meetings
 - to take part in the Executive Board Meetings with suffrage in relation to any matter in their jurisdiction
 - to produce offers and remarks in relation to any matter under the Executive Board consideration;
 - to receive any information in relation to the Bank activity from the Bank branches and other subdivision within the framework of their jurisdiction;
 - to produce offers in relation to establishment of new branches and subdivisions of the Bank, to put the latter to affirmation by the Board of the Bank;
 - to look through minutes of the Meetings of the Executive Board and the Board of the Bank, as well as General Meetings of Shareholders;
 - to fix the size of the contractual rates/charges effective within the Bank;
 - to sign agreements on behalf of the Bank within their jurisdiction.

12.19 The members of the Executive Board are liable:

- not to carry out any other paid work except those of scientific, pedagogical, and creative activity;
- to provide the Board of the Bank, the Internal and External Auditor with any information as prescribed by the Law concerning his/her interest in the Bank deals or his/her interrelations with people executing deals with the Bank;
- to produce at least quarterly reports to the Board of the Bank;
- to carry responsibility for the financial losses suffered by the Bank in the result of their actions;
- to execute the resolutions and directives of the General Shareholders Meeting, the Board and the Executive Board the Bank, as well as Executive Board the Chairman;
- not to publish any confidential information about the Bank activities or any information that constitute any part of the secrets of the Bank
- to act in favor of the Bank, to carry out their duties and authorities conscientiously and honestly;
- to do everything as prescribed by the current Charter, the Law of the RA and other legal acts.

The Meetings of the Executive Board:

12.20 The Executive Board meetings are convened for consideration of the questions in its authority and aiming at making relevant resolutions in relation to such matters.

12.21 The Executive Board Meetings can be regular and extraordinary.

12.22 The regular meetings of the Executive Board shall be convened once in two weeks, whereas the extraordinary meeting shall be convened in case of necessity.

12.23 The meetings of the Executive Board shall be convened by the Chairman of the latter on his/her initiative, at the request of the Chairman and of a member of the Bank's Board, at the request of a Executive Board member, at the request of the internal auditor, as well as at the request of the heads of the Bank branches and subdivisions in case of valid matters only.

12.24 The manner and procedure of convening and holding Executive Board Meetings are defined by the By-laws of the Executive Board affirmed by the Board of the Bank.

12.25 The Chairman of the Executive Board presides over the Meetings, whereas in his/her absence the Acting Chairman of the Executive Board carries out the above mentioned.

- 12.26 The meeting of the Executive Board is effective if at least the half of the members of the latter are personally present.
- 12.27 Each member of the Executive Board has one vote. No other member of the Executive Board should transfer such a vote, and such transfer shall not be lawful or effective.
- 12.28 The Executive Board act any meeting through referendum.
- 12.29 The Executive Board passes resolutions with vast majority of the votes: the Chairman of the Executive Board has the decisive vote in case of equal votes.
- 12.30 The Executive Board passes resolutions obligatory for all employees and officials, as well as for the heads of the Bank branches.

The responsibility of Executive Board members

- 12.29. The chairman and the members of Executive Board are responsible for not fulfillment or not proper fulfillment of their obligations, for the losses caused to the Bank in the result of their fault, if they are not defined other basis and limits of responsibility.
- 12.30. In case of responsibility for caused damage to the bank by several members they bear equal responsibility at the Bank.
- 12.31. The members, who were absent at the Executive Board session, not participate to voting and who voted against the decision, which making lead to losses caused to the Bank, do not bear responsibility.
- 12.32. The resign or dismissal of the member of Executive Board does not relieve them from the responsibility, if the damage arises by their fault.

13. THE MANAGERIAL BODIES. CHAIRMAN OF THE EXECUTIVE BOARD

- 13.1. For the implementation of decisions of Meeting and Board, as well as for the purpose of solving current problems of the Bank sole executive body, Chairman of Executive Board, acts in the Bank.
- 13.2. The Chairman of Executive Board is appointed by the Board for five years period. Labor contract is signed between chairman of Board and Chairman of Executive Board. A chairman of Executive Board may not be the person, who is prohibited to be a manager of a bank by RA legislation.
- 13.3. Presentation the bank in the RA and in foreign states, as well as signing transactions on the behalf of Bank are exclusive authorities of the Chairman of Executive Board.
- 13.4. The chairman of Executive Board is authorized by the Bank and is liable to:
- a) disposes the property of Bank in the frames of his/her competence, including financial means, sign transactions, necessary for bank operation and financial functions, or authorize other person to sign them (alienation and acquiring of property, signing transactions by 25% and 50% balance amounts of Bank assets in case of availability of primarily agreement only Board or in case of more than 50% availability of primarily agreement of Meeting)
 - b) give power of attorneys, including to the managers of Bank's branches
 - c) chair the Executive Board sessions and manage Executive Board activities
 - d) sign and present to competence bodies Bank's financial, static, tax reports, claim application and other necessary documents
 - e) employ and dismiss Bank's employees, as well as apply encouraging and disciplinary measures
 - f) define work field of his/her deputies
 - g) in the frames of his/her competence and on the basis of Executive Board decisions make orders, injunctions, binding instructions for execution and control of their execution
 - h) apply encouraging and disciplinary measures in respect of Bank employees
 - i) in the frames of his/her competence approve injunctions of execution of financial operations and other documents regulating interbank control
 - j) in the frames of his/her competence and on the basis of Bank's competent bodies' decisions to submit to the Executive Board's approval proposals on terminating penalty calculation on the Bank's debtors' liabilities and remitting calculated fines and penalties.
 - ja) control Bank's expenditures validity

- jb) implement other authorities not considered to be the authority of Meeting of Bank or the Board, defined by the present Charter or Law,
 - jc) The authorities of Chairman of Executive Board can be early terminated by the compensation conditions of the salary by the Bank for the rest period, and in case of the rest period is more than one year, the salary defined for one year.
- 13.5. The decisions of the Chairman of the Executive Board are formatted in commands and orders form.

14. INTERNAL AUDIT SUBDIVISION OF THE BANK

- 14.1 Head and members of the Internal Audit subdivision /hereinafter referred to as the Internal Audit/ are appointed by the Board of Bank.
- 14.2 The members of the managerial bodies of the Bank, other officials and employees, as well as persons, affiliated to the members of Executive Board, cannot be the internal audit members.
- 14.3 The head and members of the internal audit have to follow the work discipline, stipulated for the Bank employees.
- 14.4 According to the «Internal Audit Regulation», approved by the Board of the Bank, the Internal audit:
- a) controls current activity and operational risks of the Bank;
 - b) controls compliance with the Law, other legal acts and internal acts of the Bank by the Chairman of Bank's Executive Board, Executive Board, territorial and structural subdivisions of the Bank, assigned to the Chairman of Executive Board and the Executive Board;
 - c) provides conclusions and recommendations on the issues, submitted to the Board of Bank, as well as on its own initiative.
- 14.5. Issues under the power of the internal audit subdivision cannot be delegated to the solution of the Bank's managerial bodies or other persons.
- 14.6. Head of the internal audit shall submit to the Board, the Chairman of Executive Board and the Executive Board the following reports:
- a) regular – on the outcome of audit, conducted under the annual program;
 - b) extraordinary – if the Internal Audit has detected well grounded significant violations, furthermore, in case these violations are resulted by activity or inaction of the Chairman of Executive Board, Executive Board or the Board, the reports shall directly be submitted to the Board Chairman.
- 14.7. In case of revealing the violations, which are prescribed by part b) of 14.6. point, the statements shall be submitted at most within two working days after detection of violations.
- 14.8. In case of detection of violations in laws, other legal acts, the internal audit shall report about it to the Board of the Bank at the same time recommending on their remedy and prevention in the future.
- 14.9. By demand of internal audit it can be provided with the copies of minutes of Board sessions.
- 14.10. The members of internal audit may participate to the Board sessions if a written request of participation is submitted beforehand.

15. THE CHIEF ACCOUNTANT OF THE BANK

- 15.1. The Chief Accountant of the Bank or the person implementing such responsibilities /hereinafter referred to as the chief accountant/ exercises the rights and liabilities in compliance with the RA Law on “Accounting”.
- 15.2. The chief accountant is appointed by the Board of the Bank upon recommendation of the Executive Board of the Bank.
- 15.3. The rights and liabilities of the chief accountant cannot be delegated to the Meeting, the Board, the Executive Board, the internal audit or another person.
- 15.4. The chief accountant of the Bank submits a financial statement to the Board and the Executive Board of the Bank at least once a quarter, in the form and contents, approved by the Board.

15.5. The chief accountant of the Bank is responsible for the Bank's accounting, its state and authenticity, timely submission of annual statements, financial and statistic statements established by Laws and other by-laws to the state governing bodies, as well as for authenticity of information relating the Bank provided to the Bank's Shareholders, debtors, the mass media in compliance with the Law, other by-laws and the Charter.

15.6. In case of revealing inaccurate data in reports and information submitted to Board, the chief accountant present the prerequisites for their emergence, reference the Bank employees, who have directly taken part in the participation of the given report or information, and suggests solutions to the problems occurred in order to prevent the repetition of such cases or in order to get rid of the inaccuracies.

If such cases have periodical nature the Board raises the question on discussing the matter of professional qualification of the chief accountant.

15.7. The chief accountant bears the loss of responsibility for the damages caused to the bank in the result of latter's deliberate activities or inactivity in accordance with RA legislation "on Banks and banking operations", other laws and the contract of "Full material responsibility" concluded by him/her.

16. INFORMATION AND ITS PUBLICATION

16.1. The bank is obliged to constantly publicize on the Internet, on Bank's home page:

a) Bank's financial reports (at least last annual and last quarterly) and the copy of conclusion of the internal audit on the reports. Including, the Bank is obliged to publicize annual financial report, audit conclusion in media after the end of financial year within 4-month period, and quarterly financial report till the 15-th day of the month following to each quarter.

The Bank is obliged to publicize them in a separate booklet or otherwise available to the society (in the head office of the Bank, Bank's Branches and representations)

b) Announcement on convention annual General Meeting by the terms defined by law. Including, the banks are obliged to publicize announcement on convention annual General Meeting in media.

c) Copies of decisions on dividend payments, as well as in case of availability copies of acts, defining the policy of Bank dividend payment, if any

d) Information on participants having significant participation in the bank, their names, their participation amount in the Bank (except the persons having indirect significant participation, who do not have participation in bank Statutory capital: share), data on credits and other loans (including the paid ones) received from the bank by persons related to them during the last year, amount, interest rate and term.

e) List of members of the Board of the Bank, Executive body and their personal data: their name, date of birth, biography, whole amount of salary (including benefits, payments for certain work done for Bank, other incomes equated to salary) of members of Board of bank, Chairman of Executive Board and chief accountant received from Bank during the previous year, data on credits and other loans (including also the paid ones) received from bank by persons related to them during the last year, amount, rate and term.

Besides the data mentioned in point «a-e» of the present part, the central Bank can demand from the Bank on the internet, on Bank's home page, by media or other means of mass media by frequency and order defined by Board of Central Bank to publicize other information, except commercial, banking or other confidential information.

The Bank is obliged to publicize the amendments made in information mentioned in point «a-e» of the present part within 10 working days following the day of its making.

The Bank is obliged to publicize updated information on a daily basis, on the internet, on Bank's home page or by a separate booklet or otherwise available to the society (in the head office of the Bank, Bank's Branches and representations), on deposits acceptance by them, providing credits, as well as on financial operations implementing for other services and customers, including interest rates, commission of services, term and other essential conditions.

16.2. By demand of any person the Bank is also oblige to provide:

a) copies of Bank's certificate of state registration and Bank's Charter

b) in case of open subscription of shares, the copy of the share prospectus issue,

c) in case of public allocation of Bank's issued obligations and other securities, information by law of Republic of Armenia «On Securities Market», as well as on its basis by the volume and order defined by accepted normative legal acts

d) information or copies of the documents mentioned in 16.1. point of the present Charter.

The fee charged for the provision of information mentioned in present point may not be more than factual fees made for their preparation and/or postal delivery.

The Bank is obliged to attach an announcement in visible place of its head office, Bank's branches and representations, on possibility of getting information, mentioned in the present point, and on the order, place and time of getting that information.

16.3. Each shareholder has right to receive the copies of the last annual report and conclusion of external audit of the Bank for free.

By demand of the Shareholder/s/ owning 2 and more percent of the allocated voting shares of the Bank, the Bank is obliged to provide the following information /even if they will be bank, commercial or other type of secret/:

a) information on Chairman of the Bank, Executive Board and Chief Accountant, mentioned in 16.4. point of the present Charter.

b) whole amount of remuneration (including benefits, payments for certain work done for Bank, other incomes equated to salary) of members of Board of the bank, Chairman of Executive Board and Chief Accountant received from the Bank during the previous year, data on credits and other loans (including the paid ones) received from the bank by them and persons related to them during the last year, including amount, interest rate and term, information on participants having significant participation in the bank, their names, their participation amount in the Bank (except the persons having indirect significant participation, who do not have participation in the bank charter capital: share), data on credits and other loans (including the paid ones) received from the bank by them and persons related to them during the last year, including amount, interest rate and term.

c) On the large transactions concluding between the Bank and the persons related to them, as well as on the transactions, which were concluded within two years preceding to year of presenting of the demand regarding to receiving the information and are connected to the implementation of one of operations defined by «a-c», «i», «j» and «ja» points of the first part of Article 34 of RA Law «On Banking and bank operation» by the Bank.

d) On obligations of the Bank submitted in connection with a person somehow related to the Bank

e) On existence of contracts directed to creation of participants' group implementing similar policy of Bank, as well as names of the participants of the bank, considering to be a party of the contract

f) The copies of the documents, approving the property right of the Bank towards the property, reflected at the Bank balance, internal acts of the Bank approved by General Meeting or other managerial bodies, Charters of Bank's separated subdivisions and institutions, financial and statistic reports presented to state managing bodies by the bank, minutes of General Meeting, Board, directorate sessions, conclusions of audit executed by Central Bank, copies of decisions of Central Bank on sanctions imposed to the Bank and/or to the Chairman of the bank by Central Bank, copies of the report, submitted to the Board and Chairman of Executive Board /Executive Board/ by the head of internal audit

g) The list of such legal entities, where the Bank or persons related to them have 20% or more participation or possibility to effect on their decisions.

All the participants of the Bank shall be provided with the Returning Board results.

According to the present article, information received by participant of the Bank may not be transferred to the other persons, as well as they may not be used for damaging the reputation of the Bank, for the purpose of violation of rights and legal interests of Bank's participants or customers. Otherwise they are subject to responsibility by the order defined by the Law of the Republic of Armenia and other legal acts.

16.4. Information about participants of the Board of Bank, Chairman of Executive Board, chief accountant, as well as on candidates of Board members and disclosing the Bank's participants shall also include:

a) their surname, name, date of year, month, day

- b) profession and education
- c) held positions within last ten years
- d) date of year, month, day of appointment in the present position and date of year, month, day of dismissal
- e) number of reelection in the position
- f) amount of Bank's voting shares belonging to the Board member considering to be a participant of the Bank, Chairman of the Executive Board, Chief Accountant or candidate of Board member and persons related to them
- g) information about the legal entities, where the present person holds managing positions
- h) the nature of relations with the Bank and persons related to the Bank
- i) other data stipulated by the Bank Charter

16.5. The Bank does not have right to use such misleading assumptions in their advertisements, public offerings any announcement made by them or announcements made by other persons about the Bank, which may lead to false assumptions about the present bank's financial status, its held position in the financial market, reputation, business reputation or legal status.

16.6. According to the present Charter and laws, publicized or provided information by the Bank shall be complete and accurate.

17. LIQUIDATION OF BANK ACTIVITY

17.1. The Bank activity without a legatee is liquidated in an order defined by the law, in cases of self-liquidation, recognition invalid by the Central Bank or recognition invalid by the court with the action of the Central Bank, in the result of insolvent and judicially Bank liquidation on other basis prescribed by the law.

17.2. The Bank may be self-liquidated only by the prior permission of the Central bank.

17.3. Bank activity is terminated by reorganization in an order defined by the RA law «On Bank and Banking».

17.4. Liquidation of the Bank is performed in accordance with the liquidation program adopted in the Meeting, defined by the legislation. Liquidation committee consist at least 3 members. Only persons having an accordant qualification, received by the Central bank may be a Liquidation Committee Chairman and a member of it.

17.5. From the moment of creation of Liquidation Committee, they receive the management authorizations of the liquidating Bank.

17.6. The Liquidation Committee represents annual account and other information defined by him to the Central bank.

17.7. Within three days after creating a Liquidation Committee, the liquidation committee makes a declaration in the Press and notifies the Central Bank about the order and terms of Bank liquidation and presentation debtor's requests, which can't be less than two months.

17.8. If financial means of liquidating Bank are not satisfy for satisfaction of demands of debtors, the Liquidation Committee, by the order defined by RA law «On Joint-Stock Companies», implement selling of Bank's property by public auctions, and obligations, secured by pledge, are satisfied by the sum, receiving from realization of item, considered to be a subject of pledge, extraordinary.

17.9. After satisfying all debtors' claims, as well as if the Bank at the moment of affirming the transitory liquidating balance accounts with no debts left, the property and belongings of the Bank are proportioned amongst the Shareholders according to the requirements and norms stated in the Law of the Republic of Armenia on Joint-Stock Companies.

17.10. The Bank liquidation is considered finished, and its existence terminated, from the moment of state registration.

