

Notarial act code: 460-20190614-67-3944308

Notarial act password: FL20Z8



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1. Country: REPUBLIC OF ARMENIA

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2. Has been signed by A. MIKAYELYAN
(surname)

3. Acting in the capacity of NOTARY OF YEREVAN NOTARIAL TERRITORY OF
(position)
..... THE REPUBLIC OF ARMENIA

4. Bears the seal/stamp of NOTARY

CERTIFIED

5. At CITY YEREVAN 6. the 19 JUNE 2019

7. by ACTING HEAD OF THE CIVIL STATUS ACTS REGISTRATION AGENCY OF
(position and surname)
..... THE MINISTRY OF JUSTICE OF THE REPUBLIC OF ARMENIA

ARMAN AVETISYAN

8. № 008388

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the Central Bank of the Republic of Armenia

digitally signed by Artak Balayan

Chairman of the Central Bank of Armenia

Signature/
Official Seal



CHARTER
OF “ARTSAKHBANK”
CLOSED JOINT-STOCK COMPANY
(NEW EDITION)

“APPROVED”

Minute N1 of General Meeting of
Shareholders of
“Artsakhbank” CJSC
as of 12.02.1996

Changed by Decision 3 of General
Meeting of Shareholders of
“Artsakhbank” CJSC
as of 22.06.2018

Digitally signed by Artak Balayan

Chairman of General
Meeting of Shareholders of
“Artsakhbank” CJSC
A. Sellefyan/signature/
Seal

“REGISTERED”

at the Central Bank of the Republic of Armenia

Digitally signed by Artak Balayan

Chairman of the Central Bank of Armenia

/signature/
Official Seal

CHARTER
OF “ARTSAKHBANK”
CLOSED JOINT-STOCK COMPANY
(NEW EDITION)

1. GENERAL PROVISIONS

1.1. “Artsakhbank” Closed Joint-Stock Company (hereinafter referred to as Bank) is a legal entity, which performs bank activity, according to license issued by Central bank of RA in order defined by RA Law «On Banks and Bank Activity».

1.2. Bank was established by decision of general meeting of founders (shareholders) of Bank from Artsakhbank CJSC established according to founding agreement as of 12.02.1996 to Arstakhbank OJSC by decision of general meeting of shareholders as of 06.11.1996, than by decision as of 23.06.2001 was reorganized into Artsakhbank CJSC.

1.3. Bank was established and received status of legal entity from the moment of state registration in Central Bank of RA and has a right to perform bank activity and financial operations, defined by legislation from the moment of receiving license on bank activity from the Central Bank of RA.

1.4. Performing its activity Bank is governed by operating laws, normative and other legal acts of CBA, this charter and other internal legal acts of Bank.

1.5. Founding document of the Bank is charter (hereinafter referred to as Charter), requirements of which are mandatory for shareholders and management bodies of the Bank.

1.6. bank has a firm name, property owned by him by the right of property, symbol, round seal with its symbol and name, blanks, stamp and corresponding seals for bank branches and representative offices (if available).

1.7. Bank is entitled to sign contracts, acquire and perform property and personal non proeprty rights, undertake responsibilities, act in courts as a plaintiff and defendant.

1.8. Location of Bank is Armenia, Yerevan, Charents 1b.

1.9. Full firm name of the Bank is:

in Armenian – «Արցախբանկ» Փակ Բաժնետիրական Ընկերություն

in Russian - Закрытое Акционерное Общество “Арцахбанк”

in English - “Artsakhbank” Closed Joint-Stock Company

1.10. The Bank’s shortened name is:

in Armenian – «Արցախբանկ» ՓԲԸ

in Russian - ЗАО “Арцахбанк”

in English - “Artsakhbank” CJSC

1.11. Bank can become a member of bank unions and associations or be a founder thereof to represent and defend its interests, exchange information and for other purposes defined by legislation.

1.12. Bank is responsible for its liabilities with the all its assets (funds), belonging to it with property right, unless otherwise is prescribed by the legislation.

1.13. Bank bears no responsibility for the losses of its customers incurred as a result of confiscation and seizure envisaged by the legislation.

1.14. Bank bears no responsibility for liabilities of its shareholders. Bank shareholders bear no responsibility for liabilities of Bank and risk of losses in connection with Bank activity bear within the value of their shares.

1.15. Shareholders, managers and other persons of Bank may bear responsibility in respect of Bank for their actions or inactions.

1.16. It is prohibited to impress Bank managers in any way within performance of their official liabilities or interfere Bank activity, except cases prescribed by law.

1.17. Losses of Bank in result of illegal impression to Bank manager or illegal interfere of Bank activity are subject to compensation in order defined by laws and other legal acts.

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

2.1. Bank may not execute productive, commercial and insurance activity, if other is not defined by law.

2.2. Bank in order defined by laws and other legal acts may

- 1) receiving deposits,
- 2) provision of loans
- 3) performing financing for cease of monetary obligations (factoring)
- 4) provision of bank guarantees and letters of credit,
- 5) provision of payment settlement services, including opening, keeping, maintaining bank accounts, including correspondent accounts of other banks
- 6) issuing, maintaining securities, implementation of other similar transactions, including conclusion of derivative financial transactions
- 7) provision of investment and non basic services, according to Law of the Republic of Armenia on Securities market.
- 8) in case of satisfying requirements defined by Law, implement custodian activity of investment fund (including pension fund)
- 9) manage the funds of other persons (trust (proxy) management), except for a portfolio of securities whose management is carried out pursuant to clause 7 of this point
- 10) buy, sell, manage bank gold, standardized bullions and coins,
- 11) buying and selling (exchange) of foreign currency,
- 12) financial lease (leasing),
- 13) taking into custody precious metals and gems, jewelry, securities, documents and other values,
- 14) provision of financial and investment consulting, with the exception of securities investment advisory which is carried out pursuant to clause 7 of this point;
- 15) creation and servicing an informative system on creditworthiness of customers, carrying on debt collection activities.
- 16) carry out debt-related activities;
- 17) realization of insurance certificates and (or) contracts, perform functions of insurance agent in order defined by law
- 18) realization of functions of operator of the account, provided by the RA law "On Funded pensions",
- 19) perform other activity not prohibited by law.

2.3. The Bank executes transactions mentioned in 2.2 clause of Charter both in AMD and in foreign currency, following requirements of legislation,

2.4. With the permission of the Central Bank, the Bank may carry out activities or operations not directly related to the Law of the Republic of Armenia "On Banks and Banking" if they are related to the banking activity or the Charter 2.2. and if such authorization does not contradict the purposes of the Law of the Republic of Armenia "On Banks and Banking" and does not substantially endanger the interests of depositors and lenders of the Bank.

2.5. The Bank may, in whole or in part, perform the operations specified in point 2.2 of the Charter as well as other (auxiliary) operations ensuring the normal operation of the banking activity, for a certain period of time or termlessly transfer other legal entities (counteragent) in compliance with the requirements set out in the Law of the Republic of Armenia on Banks and Banking : In addition, the Bank shall receive the prior consent of the Central Bank of Armenia for the purpose of the transaction.

2.6 The Bank is entitled to open correspondent accounts in other banks in order defined by Law.

2.7. In cases defined by the legislation, the Bank may carry out cash back operations of the state budget.

2.8. Any business relationship with the Client may be confirmed or dispatched only once the Bank has received the documents (information) identified by the Bank for identification and verification of their authenticity. In accordance with the procedure prescribed by law and other

legal acts, the Bank shall take measures to detect and prevent suspicious business relationships and transactions performed by its customer, as well as carry out other duties in the manner prescribed by the legislation to prevent money laundering and terrorist financing.

2.9. The Bank guarantees the preservation of banking and other confidential information of its customers in the manner prescribed by the legislation.

2.10. During the execution of financial operations, the Bank ensures protection of consumers' interests, including in accordance with the RA Law on Consumer Lending.

2.11. Client funds (including citizens' deposits) and other property in the Bank may be confiscated and seized only in the manner prescribed by applicable law.

2.12. The Bank itself determines the interest rates, rates and commission rates of the deposits, loans, own securities and other services provided, the currency exchange rates, while maintaining the requirements of the legislation.

2.13. The Bank establishes such rules of practice as to exclude conflicts of interest, in particular:

- a. the Bank's obligations to one client do not conflict with its obligations to another customer.
- b. The interests of managers and employees of the Bank do not conflict with the Bank's obligations to the Bank's customer.

2.14. The Bank may conclude any civil law transaction that is necessary or expedient to carry out the activity permitted by law and the Charter.

2.16. Without prior consent of the Central Bank, the Bank is prohibited from carrying out such transactions or operations as a result of which the Bank's participation is:

- a. 4.99% or more in the authorized fund of another person.
- b. in the charter capital of another person exceeds 15% of the Bank's total capital.
- c. in the authorized funds of all persons exceeds 35% of the total capital of the Bank.
- d. In the case of each new transaction or transaction, the authorized fund of another or the same person exceeds 9%, 15%, 25%, 35%, 50%, 70%, or 100%.

2.17. The prior consent provided for in clause 2.16 is not required, if

- a. the shareholder in the authorized capital of another person has been transferred to the Bank against the liabilities incurred by the Bank. The Bank acquired the same procedure as it should within a short period of time, but no later than six months. The Central Bank, taking into account the situation in the securities market, as well as the financial status of the Bank, may extend the terms set out in this sub-paragraph for six months to the extent that it has more favorable terms.
- b. The Bank acquires its share in the authorized capital of another person in the name and account of its customer or on the basis of a subscription, if the Bank is required to pay the issuer only the value of the realized (allocated) securities.

3. BRANCHES AND REPRESENTATIVE OFFICES OF THE BANK

3.1. The Bank may establish branches and representative offices without the status of a legal entity in the Republic of Armenia and outside the territory of the Republic of Armenia which are registered in the territory of the Republic of Armenia in the manner prescribed by the legislation of the Republic of Armenia and outside the territory of the Republic of Armenia, in accordance with the legislation of the given country, while maintaining the requirements of the legislation of the Republic of Armenia.

3.2. The decision to establish a branch or representative office of the Bank shall be made by the Board of the Bank. Branches and representations of the Bank operate on the basis of statutes approved by the Bank Board.

3.3. Creation, registration and termination of the Bank's branches and representative offices shall be carried out in the manner prescribed by the legislation.

3.4. The Bank's branch is a separate division of the Bank, which has no legal entity status and likes the location of the Bank acting within the limits of the powers granted by the Bank and on behalf of which the Bank carries out financial operations stipulated by the Bank's activities and branch charter, both in Armenian drams and in foreign currency the requirements established by the legislation.

3.5. The Bank's branch operates within the limits of its authority and on its own behalf carries out banking activity and (or) financial operations envisaged by the RA legislation, which are fixed in the branch charter.

3.6. The branch can also perform representative functions.

3.7. The Bank's representation is a separate subdivision of the Bank, which does not have a legal status and likes the location of the Bank, which represents the Bank, and the Financial Marketplace of the Bank, concludes contracts on behalf of the Bank, carries out similar functions. Representation does not have the right to carry out banking activities and carry out financial transactions as stipulated by the Law of the Republic of Armenia "On Banks and Banking".

4. AUTHORIZED CAPITAL AND OTHER FUNDS OF THE BANK

4.1. The Bank's authorized fund is the minimal amount of property of the Bank guaranteeing the interests of the creditors, which is replenished in the AMD.

4.2. The Bank's actual paid-up authorized fund is composed of the nominal value of the shares acquired by the Bank's shareholders.

4.3. The Bank's authorized capital is 23 261 150 000 (twenty-three billion two hundred sixty-one million one hundred fifty thousand) AMD, consisting of 465,223 allocated ordinary shares, each with a nominal value of 50,000 (fifty thousand) AMD. Reduction of the factually-accorded authorized fund of the Bank is prohibited, except for cases stipulated by law.

4.4. The Bank may also issue privileged nominal shares less than ten percent of the authorized fund.

4.5. In the case of two or more persons being a shareholder, they act as one shareholder and can exercise their rights through the authorized representative.

4.6. The Bank has the right to consolidate the placed shares by increasing their nominal value or dividing them into shares with a smaller nominal value.

4.7. The Bank may increase its authorized fund by increasing the nominal value of the Bank's shares or by placing additional shares.

4.8. Distribution of shares issued by the Bank shall be reflected in the Registry of Bank Shareholders in the manner prescribed by law.

The registry of shareholders of the Bank is implemented by a specialized organization in accordance with the procedure established by the legislation.

4.9. The Bank may issue shares, bonds, bills and other securities in the manner prescribed by the legislation.

4.11. The reserve fund is established in the Bank in the amount and timeframes established by the legislation.

4.12. The size of the Bank's reserve fund is 15% of the authorized fund. The Reserve Fund is formed from annual profits of the Bank. If the reserve fund is less than the minimum fixed rate, the allocations to that fund shall be made at a rate of at least five per cent of the profits.

4.13. The Reserve Fund is used to cover losses incurred by the Bank as well as to repay the Bank's issued bonds and redeem the shares if the Bank's profits and other funds are not sufficient for that purpose.

4.14. The Bank creates the reserve for possible losses in investment securities, the reserve for possible losses of loans and receivables, and other mandatory provisions stipulated by the legislation.

4.15. Other funds may also be created by the decision of the General Meeting of Shareholders.

5. ACQUISITION OF PARTICIPATION IN AUTHORIZED CAPITAL OF THE BANK AND LIMITATION THEREOF

5.1. Shareholders of the Bank may, at any time, alienate their respective shares in the manner prescribed by law and the Charter.

- 5.2. The alienation of shares by the shareholder shall be carried out taking into account the restrictions on obtaining other participation in the authorized capital of the Bank as defined by the Law of the Republic of Armenia "On Banks and Banking".
- 5.3. Shareholders of the Bank have the right of preference to acquire shares sold by other shareholders of the Bank in proportion to their shareholding.
- 5.4. The Bank's shareholder informs the Bank's other shareholders about their intention to sell their shares.
- To that end, the shareholders shall inform the Chairman of the Bank in writing of their intention to alienate their shares. The Chairman of the Bank shall notify the other shareholders of the Bank within a five-day period from the moment of entry of letter into the Bank, in accordance with the notice provided for calling General Meeting.
- The term of the Shareholder's preemptive right is set at 45 days from the moment of notification.
- 5.5. If none of the shareholders relies on their right of preference within the time limit set forth in point 5.4 of the Charter, the shares may be transferred to third parties.
- 5.6. Shareholders of the Bank (ordinary shares owners) shall have the right of preference for the purchase of shares and stocks exchanged by the Bank, with the exception of cases provided for by law. Shareholders exercise the said preference right within 10 days of their notice of their respective allocation.
- 5.7. Shareholders holding voting shares of the Bank shall be notified at least 30 days prior to placement of voting shares of the Bank subject to payment of money and the possibility of their pre-emptive right to be exercised by them in accordance with the procedure for convocation of the general meeting.
- 5.8. The notification shall contain the following information:
- a. on the number of placed voting shares and the number of securities convertible to voting shares;
 - b. on the allocation price for the Bank's shareholders entitled to preemptive purchase of voting shares and voting shares, convertible to voting shares (as well as the value of the placed voting shares and the convertible securities convertible into voting shares);
 - c. The order of determining the number of shares and voting shares convertible by the shareholders of the Bank, as well as the procedure and terms of the exercise of this right.
- 5.9. Shareholders have the right to exercise their pre-emption right in full or in part by issuing a written notice to the Bank on the acquisition of voting securities or voting shares, which shall include:
- a. the full corporate name of the shareholder (the name of the natural person), the state registration data (passport data), the place of residence (residence);
 - b. the number of shares and / or securities acquired;
 - c. the share certificate for shares and / or securities.
- 5.10. The notice shall be submitted no later than one day before the placement of shares of voting shares of the Bank and the convertible securities.
- 5.11. Shares of the Bank's authorized fund are transferred to legal successors and Shareholders of Shareholders of the Shareholders of the Bank.
- 5.12. A person or affiliated person shall be obligated to apply to the Central Bank for the prior consent of the latter in obtaining a qualifying holding in the authorized capital of the Bank as a result of one or more transactions.
- 5.13. A person or affiliated persons may not acquire a qualifying holding in the authorized fund of the Bank if:
- a. the person has been convicted of a deliberate crime;
 - b. a person has been deprived of the right to hold positions in financial, banking, tax, customs, commercial, economic and legal spheres with a valid judgment or decision,
 - c. the person has been declared bankrupt and has outstanding (non-specific) liabilities
 - d. the actions of a person have led to bankruptcy of the Bank or another person
 - e. the person or affiliated persons in the past acted as a deed which, in the opinion of the Central Bank, justified by the Central Bank's guidance, provides grounds to suspect that the actions of a

person who has a vote in the decision of the highest governance body of the Bank may lead to bankruptcy or deteriorating financial position, or discrediting reputation and business reputation

f. the transaction is aimed at or leads to or can lead to the limitation of free economic competition,

g. the person acquiring qualifying holding in the Bank's authorized fund as a result of the transaction and the affiliated persons acquires a dominant position as a result of the transaction in the banking market of the Republic of Armenia, which allows to predetermine the operations of the transactions specified in Article 34 of the RA Law on Banks and Banking or at least one market price or condition,

h. the documents have been submitted in violation of the form and manner prescribed by the Central Bank, or false or inaccurate information contained in the documents or information submitted,

i. the participant acquiring qualifying holding in the authorized fund of the Bank or the affiliated person thereof, in the reasonable opinion of the Central Bank, is in a bad financial position or the deterioration of the financial position of a significant participant or affiliated person may cause a deterioration in the financial position of the Bank or substantial the activities of persons involved and their affiliates, or the nature of their relationship with the Bank The reasonable opinion of the Central Bank may impede the implementation of effective supervision by the Central Bank or does not allow disclosing or effective management of the Bank's risks.

j. the person does not represent sufficient and complete grounds for the legitimacy of the origin of the funds invested by him.

5.14. Without prior agreement of the Central Bank, the contract on acquisition of significant participation in the authorized capital of the Bank is nothing at all

5.15. Alienation of the Bank's shares to third parties shall be made in the manner prescribed by the legislation.

5.16. A person or affiliated person may acquire another share in the Bank's authorized capital as a result of one or more transactions (the acquisition of a significant shareholder of the Bank as a result of which the significant shareholder of the Bank declines) may obtain only with the prior consent of the Central Bank. At the same time, the prior consent of the Central Bank is required in case of any transaction or transaction as a result of which the share of a significant person in the Bank will be reduced by 75, 50, 25 or 10 per cent in the authorized capital of the Bank.

5.17. Without the prior consent of the Central Bank, the contract for acquiring other participation is void.

5.18. A person or affiliated person may not acquire another (significant) participation if one of the following grounds is provided for in paragraph 5.13 of the Charter:

a) the Bank's principal prudential standards will be violated;

b) The Central Bank of Armenia believes that there are grounds to suspect that the transaction may result in the deterioration of the Bank's financial standing, discrediting reputation or business reputation, which is justified by the Central Bank Board's guidance.

6. SHAREHOLDERS OF THE BANK

6.1. Shareholders can be natural and legal persons.

6.2. Each ordinary share of the Bank gives the same rights to its owner to the same rights.

6.3. The shareholder who holds the common shares of the Bank has the right:

a) participate in the General Shareholders' Meeting of the Bank with the right to vote on all issues related to its jurisdiction;

b) participate in the Bank's management in the manner prescribed by the Charter;

(c) receive dividends from net income generated by the Bank;

d) firstly acquire shares placed by the Bank in the manner prescribed by the legislation;

e) receive information provided by the legislation on the Bank's activities;

f) authorize the third parties to submit their interests at the General Shareholders' Meeting in the manner prescribed by law;

g) to make proposals at the General Meeting of Shareholders of the Bank;

- h) the number of votes corresponding to its shares at the General Meeting of Shareholders, guided by the principle "one share per one vote", except for the election of board members and other cases prescribed by law, when the principle of cumulative voting is applied,
- i) apply to the court with a view to appealing decisions against the laws and other legal acts adopted by the General Meeting of Shareholders of the Bank;
- j) to receive the part of the Bank's property in case of liquidation of the Bank;
- k) In case of increase of the authorized capital of the Bank at the expense of the Bank, receive free common shares in proportion to the share;
- l) to alienate or otherwise transfer to other persons the share which is its property in the manner prescribed by the legislation;
- m) use other rights provided for by the legislation.

6.4. The shareholder of the Bank shall:

- Not to disclose information constituting a confidentiality of the Bank's activities;
- fulfill the requirements stipulated by the Bank's Charter, decisions of the General Meeting of the Shareholders and the Board,
- perform its obligations to the Bank;
- refrain from any actions that may cause damage to the Bank's interests;
- perform other obligations under the Charter and legislation.

7. DELIVERY OF PROFIT OF BANK

7.1. The profits earned as a result of the Bank's operations are subject to taxation in accordance with the applicable law.

7.2. After completing the taxes, other mandatory payments and replenishment of the funds provided by the legislation, the remainder of the profit shall be distributed between the Bank's shareholders in accordance with the part of their share in the authorized capital, unless the General Meeting of the Bank has made any other decision.

7.3. The Bank has no right to declare and pay dividends if the net asset value of the Bank is less than its authorized capital or its dividends will be reduced from its size.

Dividends on Bank Shareholders are prohibited if losses (damages) incurred by the Bank at the moment of their distribution are equal to the amount of retained earnings in the Bank at that moment or exceed it, as well as in other cases prescribed by law.

7.4. Central Bank can define delivery of dividends by Bank, including privileged shares or payment to other participants of the Bank in any other way, if

a) delivery of dividends will lead or can lead to worsening of financial condition of Bank, and (or)

b) in the result of delivery of dividends Bank violates or can violate at least one economic norm, and (or)

c) Bank has violated or in the result of delivery of dividends will violate boarder defined above the limit of main economic norms.

7.5. The General Meeting of Shareholders of the Bank has the right to make a decision on the payment of annual dividends or non-payment of dividends.

7.6. The decision on the payment of annual dividends, the size of the dividend and its payment shall be taken by the General Meeting of Shareholders at the recommendation of the Board.

7.7. The annual dividend payment term is defined by the decision of the General Meeting of Shareholders to pay dividends.

7.8. For each dividend payment, the Council shall make a list of shareholders entitled to receive dividends, which shall include the Bank's shareholders who have been included in the Bank's Shareholder Register as of the date of compiling the list of shareholders entitled to participate in the Annual General Meeting of Shareholders.

7.9. Bank shall notify on delivery of dividends to the Central bank of Armenia in order defined by law.

8. MANAGEMENT BODIES OF THE BANK

Management bodies of the Bank are:

- Shareholders General Meeting (hereinafter referred to as the General Meeting);
- The Board of the Bank,
- the Bank's collegial executive body, the Board or the Management Board;
- The sole executive body of the Bank - Executive Director - Chairman of the Board

8.1. General Meeting of the Bank

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

8.1.2. The Bank shall annually convene an Annual General Meeting.

The Annual General Meeting shall be convened within six months after the end of the Bank's regular financial year.

8.1.3. General Meetings may be convened regular or extraordinary.

Meetings convened besides the annual General Meeting are deemed extraordinary.

8.1.4. Extraordinary General Meetings are convened by the decision of the Board of the Bank on its own initiative for consideration of the urgent issues at the request of the shareholder (s), who owns at least 10% of the voting rights of the Bank, at the request of the Executive Director - the Chairman of the Management Board, the Bank Auditor.

8.1.5. The date, month, date and procedure of the General Meeting, as well as the notice of the holding of the meeting, the list of the materials provided to shareholders shall be determined by the Council in accordance with the requirements of the legislation.

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

8.1.6. All decisions of the General Meeting of the Bank shall be made by open or closed voting by the principle "1 share - 1 vote", except for the election of board members and other cases prescribed by law, when the principle of cumulative voting is applied.

8.1.7. Shareholders may issue a power of attorney to another person.

8.1.8. The General Meeting is competent (has quorum) to make decisions in case the Shareholders or their authorized representatives have more than half (50% + 1 vote) of voting shares participating in the Meeting.

8.1.9. In the absence of the quorum, a new General Meeting shall be convened within 15 days after the General Meeting shall be convened if the General Meeting shall have more than 30% (30% +1 votes) of the Bank voting shares or their authorized representatives.

8.1.10. To exclusive jurisdiction of the General Meeting belongs the following issues:

- a) approval of the Charter of the Bank, making amendments and additions thereto (three quarters of the votes cast at the Shareholders' Meeting);
- b) Decision on reorganization of the Bank (adopted by three-quarters of the votes cast at the Shareholders' Meeting);
- c) Liquidation of the Bank, appointment of liquidation commission,
- c) liquidation of the bank, appointment of Liquidation Committee, approval of summary, intermediate and liquidation balance sheets (adopted by three-fourths of the votes cast at the Shareholders' Meeting, but not less than two-thirds of the votes cast).
- d) approval of the quantitative composition of the Board of the Bank, election of its members and early termination of their powers. The approval of the quantitative composition of the Board and selection of its members are discussed exclusively at the Annual General Meetings of the Bank. The issue of electing members of the Bank's Board of Directors may be discussed at the Extraordinary General Meeting of the Bank, if the Extraordinary General Meeting has decided on early termination of the powers of the Board or of its separate members.
- e) determination of the maximum size of declared shares as well as the increase of the authorized capital of the Bank (adopted by three-quarters of the votes cast at the Shareholders' Meeting);
- f) approval by the Board of Directors of the Bank's external auditor;
- g) approval of annual financial statements, profit and loss distribution of the Bank; Decision-making on Annual Dividend Payments and Approval of Annual Dividends
- h) approval of the procedure for conducting the General Meeting;

- i) in the cases prescribed by law, the conclusion of transactions involving interest
- j) conclusion of major transactions related to the alienation and acquisition of the Bank's assets (more than 50 percent of the Bank's assets 'value) (in three quarters of the votes cast at the Shareholders' Meeting);
- k) Increasing the Bank's authorized capital by increasing nominal value of shares or by placing additional shares
- l) consolidation and division of shares;
- (m) other issues prescribed by law within the framework of the approved agenda.

8.1.11. Decisions at the General Meeting are adopted by a simple majority of the shareholders present at the meeting, unless otherwise stipulated by the Statute, internal rules and regulations of the Bank.

8.1.12. Decisions of the General Meeting may also be made through a distance voting (inquiry), with the exception of the cases provided by the legislation. During voting, ballot papers should be provided to shareholders at least 30 days before the completion of the completed ballots by the Bank. The annual general meeting can not be held through absentee voting.

8.1.13. The decisions of the General Meeting may be adopted by the Shareholders at which the Shareholders may communicate with each other via a telephone, remote or other communication in real-time mode. Such a case shall not be deemed to be absorbed in a remote form.

8.1.14. The announcement of convening the General Meeting shall be made not later than 15 days prior to the date of the meeting on the Bank's web site and the announcement on convening a general meeting no later than 35 days in advance. Bank Shareholders may also be notified of the General Meeting by ordered letters, fax or electronic versions.

8.1.15. Shareholders (shareholders) holding at least 2 per cent of voting shares have the right to submit in writing within 30 days of the end of the fiscal year no more than two proposals on the annual general meeting agenda. The shareholder (s) who own at least ten percent of the voting shares in the same term shall have the right (s) to request (s) the question (s) interested in him / her.

8.1.16. The general meeting is recorded. At the request of shareholders, they are issued a copy of the minutes of the General Meeting or an extract from the minutes.

8.2. Board of the Bank

8.2.1. The Board of the Bank carries out general management of the Bank's activities within the limits of the law and the competence of the Board under the Charter.

8.2.2. The Board of the Bank shall consist of at least 5 members and a maximum of 10 members elected by the Annual General Meeting of the Bank and in case of early termination of the powers of the member of the Board of the Bank, at the Extraordinary General Meeting of Shareholders, for a term of at least one year in the manner prescribed by law and Charter. Members of the Board may be both shareholders of the Bank and physical persons who are not shareholders.

8.2.3. Elections of the members of the Board may be carried out by means of a general vote.

8.2.4. Shareholders of the Bank who hold 10% or more of the Bank's voting shares at the date of compiling the list of shareholders eligible to participate in the General Meeting of Shareholders have the right to be included in the Board of the Bank or appoint their representative in the Board.

8.2.5. The Bank's shareholders who hold up to ten percent of the Bank's voting shares at the date of compiling the list of shareholders eligible to participate in the General Meeting may jointly and in case of replenishing 10% or more of the outstanding voting shares of the Bank without inclusion by the General Meeting in the manner prescribed by the election law the representative of the Bank Board.

Inclusion of the representative in the said form is possible only in the presence of the relevant agreement on the establishment of the group of participants of the Bank and the notification of the General Meeting on that agreement.

The contract must contain the following terms and conditions:

- a) Information on the Bank's consolidated participants, including the number of voting shares of the Bank owned by them;

(b) the following information on the candidate for the board member proposed by the merger participants:

- surname, name, date of birth;
- profession and education;
- positions held over the last 10 years;
- date of being appointed to the position (election);
- date of dismissal.
- the number of re-election in that position;
- the number of voting shares of the Bank belonging to the member of the Board, the Executive Director, the Chief Accountant or the candidate of the Board member and affiliated persons of the Bank;
- information about legal entities in which the person is holding senior positions;
- The nature of the relationships with the Bank and the Bank's related parties;
- Other information, if necessary.

(c) the condition that the contract is concluded for a period of at least one year and is not subject to amendment or settlement by the end of that period;

d) other terms, at the discretion of the merger participants.

Copies of the contract shall be provided to all members of the General Meeting at least 30 days prior to the deadline set by the Bank for the approval of the General Meeting and in case of absentee voting.

8.2.6. Shareholders holding small shareholdings stipulated by the legislation in the authorized capital of the Bank shall have the right to represent the interests of the representative representing their interests in the composition of the Board of the Bank without the General Meeting in the manner prescribed by the election law.

8.2.7. Board members should not be interdependent.

Board members and members of the Executive Board (Executive Board) of the Bank may not be affiliates.

8.2.8. The Chairman of the Board or a member of the Board may not be a member of the Bank's executive body or another employee, as well as a member of the Board or another member of the Board or another member of the Bank, except for the Bank, affiliated persons.

8.2.9. The competence of the Board of the Bank is:

- a) determination of the Bank's key areas of activity, including the approval of the Bank's prospective development program;
- b) convocation of the annual and extraordinary sessions of the General Meeting, the approval of the agenda, as well as the provision of preparatory works related to the organization and conduction of their convening;
- c) Formation of the Management Board (Executive Board) of the Executive Body of the Bank, early termination of its members' powers and approval of remuneration conditions;
- d) determination of internal control standards in the Bank, formation of the internal audit division of the Bank, approval of its annual work plan, early termination of the internal audit engagement and approval of remuneration conditions;
- e) approve the annual estimate and performance of the Bank;
- f) approval of the internal organizational structure of the Bank;
- g) increase of the authorized capital of the Bank if it is given such authority by the decision of the General Meeting;
- h) submission of proposals to the General Meeting on payment of dividends, including the list of Bank participants entitled to receive dividends for each payment of dividends in which the participants of the Bank, included in the register of Bank participants, have the list of participants eligible to participate in the Annual General Meeting of the Bank as of the date of compilation.
- i) preliminary approval of the Bank's annual financial statements and submission to the General Meeting;
- j) Presentation of the Bank External Auditor for the approval of the General Meeting;
- k) Establishment of the amount of payment to the Bank External Auditor.

- l) initiating and monitoring the implementation of measures to eliminate identified deficiencies as a result of audits or other inspections carried out by the Bank;
 - m) adoption of internal legal acts defining the procedure for conducting financial operations defined by the Law of the Republic of Armenia "On Banks and Banking";
 - n) approval of charters of territorial and independent structural subdivisions of the Bank, distribution of functional responsibilities between the Bank's own structural subdivisions;
 - o) Establishment of subsidiary or affiliated companies;
 - p) participation in subsidiary or affiliated companies;
 - q) establishment of trade unions associations;
 - j) Participation in trade unions, associations;
 - s) Determination of the remuneration of Board members;
 - g) Adoption of the decision on placement of bonds and other securities of the Bank;
 - u) use of the Bank's reserve and other funds;
 - (b) Establishment of branches, representative offices and institutions of the Bank;
- Accounting Policy of the Bank: Accounting;
the definition of the principles, principles, modes, rules, forms and procedures used for accounting and financial reporting;
- g) conclusion of major transactions related to the alienation and acquisition of the Bank's assets (25-50% of the Bank's carrying amount);
 - i) in the cases prescribed by law, the conclusion of transactions in which there is interest; the adoption of other decisions envisaged by the law and other legal acts, the exercise of jurisdiction.

8.2.10. Meetings of the Board of the Bank shall be convened at least every two months. Board meetings of the Bank shall be convened by the Chairman of the Board of Directors of the Board, a member of the Board of Directors, the Executive Director - Chairman of the Management Board, the Chief Executive Officer, the Internal Auditor, the External Auditor of the Bank, the Central Bank Board, as well as the Participant of five or more percent of the Bank ' participants) on a written request.

8.2.11. The Board of the Bank shall, at least annually, review the external auditor's report (letter to the management), as well as discuss and, if necessary, review the main directions, strategies, procedures and other internal legal acts of the Bank.

8.2.12. The Board of the Bank shall, at least once in three months, consider the reports of the Bank's Internal Audit, the Management Board and the Chief Accountant in the manner and manner prescribed by it.

8.2.13. The procedure for convocation and holding of the Board meetings shall be defined by the Charter of the Board of Directors approved by the General Meeting.

8.2.14. Members of the Board shall have equal rights to one vote at the Board meetings. At the board meeting, voting and voting rights are not permitted from one board member to another.

8.2.15. The Board of the Bank may also receive invitations in absentia, with the exception of cases stipulated by the legislation. In case of absentee voting, the ballots must be provided to the members of the board at least 15 days before the completion of the completed ballot papers.

8.2.16. The board may make decisions in which all board members can communicate with each other through a telephone connection, remote access or other means of communication in real-time mode. Such a case shall not be deemed to be absorbed in a remote form.

8.2.17. Decisions of the Board of the Bank shall be taken by a simple majority of the members present at the meeting, unless the legislation provides for a larger number of votes. In the case of equality of votes, the president's voice is decisive. Meetings of the Board of the Bank shall be deemed valid if attended by not less than half of the members of the Board.

8.2.18. The Board of the Bank may establish commissions for effective organization of its work. Members of the Bank's Board and other Bank managers or employees may be included in commissions attached to the Board of the Bank. The decisions of the committees attached to the Board of the Bank are consultative.

8.2.19. Chairman of the Board of the Bank:

a) the Chairman of the Board of the Bank shall be elected by the members of the Board of the Bank from among the members of the Board by a majority vote of the total number of members of the Board. In the absence of the Chairman of the Board, his / her duties shall be performed by a senior member of the Board or other member of the Board decision.

b) Board Chairman:

- organizes the work of the Board;
- convenes and presides over the sessions of the Board,
- organizes the minutes of the session of the Council;
- Presides at the General Meeting of the Bank;
- exercises other powers envisaged by laws and other legal acts (including the internal legal acts of the Bank).

8.3. Management of the Bank (Direction)

8.3.1. Management of the Bank's current activities shall be carried out by the Executive Body of the Bank, the Management Board (Directorate). In the structure of the Board of Directors of the Bank the Executive Director - Chairman, Deputy Chairman (Deputy), Chief Accountant of the Bank shall be obliged.

8.3.2. The Executive Director of the Bank shall be appointed by the Board of the Bank, and the Deputy Chairmen, the Chief Accountant and other members of the Management Board shall be appointed by the Board of Directors upon presentation of the Executive Director - Chairman of the Management Board.

8.3.3. Chief Executive Director – Chairman of Management, Executive director-deputy Chairman of Management, Chief accountant, members of Management (directorate) can not at the same time be executive director, deputy executive director, chief accountant, member of directorate, head or members of subdivisions of internal audit of another bank.

8.3.4. Members of the Management (Directorate) of the Bank may, except for scientific, pedagogical and creative activities, perform other paid work only upon the approval of the General meeting or the Board of the Bank.

8.3.5. The Management (Directorate) of the Bank shall have all matters relating to the Bank's activities, with the exception of those relating to the General Meeting or the Board's competence.

8.3.6. Authorities of the Management (Directorate) of the Bank are:

- a) submission of the internal legal acts approved by the Board of the Bank, regulations of separated subdivisions, the administrative structure of the Bank for the approval of the Board;
- b) ensuring the implementation of the decisions of the General Meeting and the Board;
- c) submit annual cost estimates to the approval of the Board;
- d) approval of the Bank's staff, including territorial subdivisions, within the framework of the cost estimates approved by the Board;
- e) exercise other powers related to the management of the Bank's current activities as defined by the legislation and other legal acts.

8.3.7. The Executive director of Bank-Chairman of Management shall organize and administrate the sessions of Management (Directorate) of the Bank, which shall sign the decisions of the Management (Directorate) of the Bank.

8.3.8. The Management (Directorate) of the Bank is eligible to make decisions if more than half of members of the Management (Directorate) of the Bank are present at the session. Decisions are made by a simple majority of votes. In case of equality of votes, the vote of the Executive Director-Chairman of the Management is decisive.

8.4. Bank Executive Director - Chairman of the Management

8.4.1. The Executive Director of the Bank manages the Bank's current activities.

8.4.2. To competence of Bank's Executive Director-Chairman of Management belong the following issues:

- a) management of the Bank's property, including financial resources;
- b) conclusion of transactions on behalf of the Bank;
- c) presentation of the Bank in the territory of the Republic of Armenia and abroad;
- d) issue of power of attorney;
- e) acting without a power of attorney;

- f) conclusion of contracts, including labor in the prescribed manner
- g) determination of wage rates within the approved staff list, with the exception of members of the Management of Bank, Internal Audit and other employees of the Board
- h) the issuance of mandatory instructions for orders, directives, execution, and supervision of their implementation within their jurisdiction;
- i) hiring and dismissing employees of the Bank in the manner prescribed by the legislation;
- j) applying incentives and disciplinary sanctions to the employees of the Bank;
- k) Execution of other powers defined by legislation and other legal acts.

9. CHIEF ACCOUNTANT OF THE BANK

- 9.1. The chief accountant of the bank or the person performing such duties (hereinafter referred to as the Chief Accountant) shall exercise the rights and obligations of the Chief Accountant on the Law of the Republic of Armenia "On Accounting".
- 9.2. The Chief Accountant of the Bank shall be appointed by the Board of the Bank upon presenting to the Executive director-Chairman of Management of the Bank (Management (Directorate)).
- 9.3. The rights and obligations of the Chief Accountant of the Bank can not be transferred to the General Meeting of the Bank, the Board of the Bank, members of the Executive Body of the Bank, internal audit of the Bank or another person.
- 9.4. Performance of requirements of the Chief Accountant in connection with the submission of data and documents required for accounting shall be mandatory for all employees of the Bank.
- 9.5. In case of disagreements between the Executive director and the Chief Accountant in connection with the implementation of separate economic transactions, the Chief Accountant shall accept the documents with written order (instruction) of the Bank's Executive Director - Chairman of the Management and responsibility for the consequences of such operations shall be undertaken by Bank's Executive Director - Chairman of the Management.
- 9.6. The Chief Accountant of the Bank shall submit a financial report at least once a quarter to the Board of the Bank and the Bank's Executive Director - Chairman of the Management (Management (Directorate)) in form and content approved by the Board of the Bank.
- 9.7. The Chief Accountant of the Bank shall be responsible for timely submission of the Bank's accounting records, its status and reliability, annual report, financial and statistical reports to public administration bodies as provided for by law and other legal acts, as well as to the Bank's shareholders, creditors and media and mass media for the reliability of the financial information provided, in conformity with the law, other legal acts and the Charter.

10. INTERNAL AUDIT

- 10.1. The head and the members of internal audit are appointed by the Bank board. Members of bank management, other managers and employees, as well as affiliated entities with the members of Bank Administration (Directorate) cannot be a member of Internal Audit.
- 10.2. The head and members of internal audit are obligated to keep defined business discipline for the Employees of the Bank.
- 10.3. According to the regulatory approved by bank Board internal audit of the Bank
- a) controls on current activity and operational risks of the Bank,
 - b) controls the execution of laws, other legal acts and Bank legal acts by Executive Director-President of Administration of the Bank, Administration (Directorate), Territorial and constructive subdivisions of the Bank and assignments made by Executive Director-President of Administration of the Bank, Administration (Directorate),
 - c) gives conclusions and summaries on the issues submitted by Bank Board, as well as own initiative.
- 10.4. The issues related to internal audit cannot be transferred to Bank managing bodies and other entities to be solved.

10.5. The following reports are submitted to the Bank Board and Administration (Directorate) by the head of internal audit:

- a) ordinary, on the results of inspections defined by annual program,
- b) extraordinary, in case significant violations are disclosed under justified opinion of internal audit, including, in case violations are the result of activity or inactivity of Executive Director-President of Administration of the Bank, Administration (Directorate) or the Board the report is submitted directly to the head of bank Board.

In the events under this paragraph, the reports are submitted maximum within two business days after the observation of the violence.

10.6. In case the internal audit discloses violations of laws, other legal acts, the internal audit is obligated to submit them to the Bank Board, at the same time offering events for their elimination and not repeat in the future.

11. THE PERSON RESPONSIBLE FOR PERFORMANCE OF BANK RISK MANAGEMENT FUNCTIONS

11.1. The person responsible for performance of bank risk management functions

- a) discloses, evaluates the risks inherent in the Bank's operations and gives a general description of the Bank's risk;
- b) controls and monitors the identified risks, ensures their effective management;
- c) submit the Bank's risk management strategy, acceptable risk limits and separate risk management policies to the Board of Directors on the Bank's Risk Management and Risk Management processes.
- d) Carry out other functions related to risk management, defined by the Central Bank normative, internal legal acts of the Bank.

12. THE PERSON RESPONSIBLE FOR THE PERFORMANCE OF THE BANK'S COMPLIANCE FUNCTION

12.1 The person responsible for the performance of the Bank's compliance function,

- a) Provides for the Bank and its employees; compliance with the requirements of laws, other legal acts, including the internal legal acts of the Bank;
- b) ensures the formation and maintenance of responsible behavior in the Bank;
- c) evaluates the impact of possible changes in laws and other legal acts on the Bank's activities and possible risks associated with them;
- d) Carry out other functions related to ensuring compliance with the Central Bank normative requirements, as defined by the internal regulations of the Bank.

13. REGISTRATION, ACCOUNTABILITY AND SUPERVISION IN THE BANK

13.1. Bank composes, publishes and submits annual, semester financial and other reports to the Central Bank of Armenia in the manner defined by Central Bank of Armenia.

13.2. The bank maintains the accountancy by the order agreed with Central Bank of Armenia and Government Authorized body in compliance with international standards.

13.3. The Financial year of the Bank is started on January 01 and is ended on December 31 of the same year.

13.4. Supervision over the Bank is executed by Central Bank of Armenia in the manner defined by law.

13.5. Every year Financial and economic activity of the Bank is inspected by external audit, an entity executing independent audit having the right to provide elected auditory services in the manner defined by law.

14. TERMINATION OF BANK ACTIVITY

- 14.1. The Bank activity is terminated in the events and by the order defined by law.
- 14.2. The Bank activity is terminated in case of association with other bank and liquidation.
- 14.3. The association of the Bank is executed by the decision of the highest management body of the Bank, and in the events defined by RA Law and other legal acts, by the consent of RA Central Bank,
- 14.4. In case of liquidation of the Bank the claims of creditors are satisfied by the order defined by law.
- 14.5. The Bank is considered to be liquidated after verification of the Report submitted to Central Bank of Armenia on the result of its activity by Liquidation commission and making a record in Bank Registry on removal of the Bank from the registration of Bank by Central Bank.

15. FINAL PROVISIONS

- 15.1. The Charter with a new edition is confirmed, as well as any additions and amendments in the Charter are done in General Meeting of Bank based on decision adopted by three fourth of the votes.
- 15.2. The charter enters into legal force since the registration in Central Bank of Armenia.

