

APPROVED

By decision of the “ACBA-CREDIT AGRICOLE BANK”
CJSC’s shareholders annual general meeting of
23/04/2006 (*Minutes N 2*)

AMENDED

By decision N 8 of the Bank’s Shareholders Annual
General Meeting of 14/04/2011.

By decision N 11 of the Bank’s Shareholders Annual
General Meeting of 23/04/2014.

By decision N 13 of the Bank’s Shareholders Annual
General Meeting of 28/04/2016.

By decision N 17-5 of the Bank’s Shareholders Annual
General Meeting of 25/04/2019.

By decision No 18-6 of the Bank’s Shareholders
Annual General Meeting of 26/05/2020.

By decision No 19-4 of the Bank’s Shareholders
Annual General Meeting of 30/04/2021.

By decision No 20-3 of the Bank’s Shareholders
Extraordinary General Meeting of 07/12/2021.

Board Chairman
Marat Harutyunyan */signature/*

REGISTERED

in the Central Bank
of the Republic of Armenia

Chairman
of the Central Bank of the Republic of Armenia
Martin Galstyan */e-signature/*
Registered on 29/12/2021

CHARTER

OF THE “ACBA BANK” OPEN JOINT STOCK COMPANY



(NEW EDITION)

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(Amended by decision N 13 of the Shareholders annual general meeting of 28/04/2016)

1. GENERAL PROVISIONS

- 1.1. The Cooperative Bank "Agricultural Cooperative Bank of Armenia" was founded on the basis of the decision of the General meeting of 28.08.1995 and a Founding Agreement of 01.12.1995. The Cooperative Bank "Agricultural Cooperative Bank of Armenia" was reorganized and renamed into "ACBA-CREDIT AGRICOLE BANK" CJSC, pursuant to the decision of the General meeting of 09.09.2006. "ACBA-CREDIT AGRICOLE BANK" closed joint-stock company has changed its legal form and has been renamed as "ACBA BANK" open joint-stock company (hereinafter referred to as "the Bank") according to the General meeting decision of 26.05.2020.
"ACBA BANK" OJSC is a universal bank.
- 1.2. "ACBA BANK" OJSC is a commercial organization and pursues an aim to gain profit by its activity.
- 1.3. The main goal of the Bank's activity is to promote the development and strengthening of the economy, small and medium business, and agriculture.
- 1.4. The founding document of the Bank is this Charter that is binding for Bank shareholders and managing bodies. The Bank is guided by the legislation of the Republic of Armenia, this Charter, and internal legal acts.
- 1.5. In its activity the Bank is independent from the state. The share capital of the Bank is divided among the shareholders into definite numbers of shares, approving their obligation right.
The Bank receives the status of a legal entity from the moment of the registration by the Central Bank of the Republic of Armenia (hereinafter referred to as "the Central Bank").
- 1.6. The Bank may join unions, founded for coordination of the Bank's activity, defense of interests, exchange of information, staff trainings and bank policy development.
- 1.7. The Bank has separate property in ownership and is liable for its obligations with that property, may, in its own name, acquire and exercise property and personal nonproperty rights and bear obligations, and be a plaintiff or respondent in court.
- 1.8. The Bank performs all banking operations on its behalf, within the framework of the banking license and in accordance with the legislation of the Republic of Armenia.
- 1.9. The legal address of the Bank is: **82-84, Aram Street, premises N 89, 99, 100, Yerevan, Republic of Armenia.**
- 1.10. The Bank has a round seal with an image of its trademark and its brief name in Armenian and English languages; as well the Bank has its trademarks, stamps and blanks.
- 1.11. The full name of the Bank is:
In Armenian: «ԱԿԲԱ- ԲԱՆԿ» բաց բաժնետիրական ընկերություն
In English: "ACBA BANK" OPEN JOINT STOCK COMPANY
Brief name of the Bank is
In Armenian: «ԱԿԲԱ ԲԱՆԿ»
In English: "ACBA BANK"
- 1.12. The Bank may have branches and representative offices registered in the Central Bank in the territory of the Republic of Armenia. The branches and representative offices of the Bank operate pursuant to the Charter of the Bank, internal legal acts and charters of branches and representative offices. The branches and representative offices of the Bank are not considered legal persons.
- 1.13. The creation of branches and representative offices is made by procedure stipulated by law. Termination of activity of branches and representative offices is made by procedure, stipulated by law.
- 1.14. The Bank bears responsibility for its obligations and the obligations of its branches and representative offices. The Bank does not bear responsibility for the obligations of the

State, and the State does not bear responsibility for the obligations of the Bank, except for the cases when the Bank or the State has undertaken such. The Bank does not bear responsibility for the obligations of its shareholders. The shareholders do not bear responsibility for the obligations of the Bank and bear the risk connected with Bank activity within the frames of share value belonging to them.

(1st Section was amended by decision N 13 of the Shareholders annual general meeting of 28/04/2016; Redrafted by decision N 17-5 of the General meeting of 25/04/2019, amended by decision N 18-7 of the General meeting of 26/05/2020)

2. SHARE CAPITAL AND RESERVE FUND OF THE BANK

- 2.1. The Bank has a share capital that is equal to the amount of nominal values of all distributed shares.
- 2.2. The share capital of the Bank amounts to 55,000,000,000 (fifty-five billion) AMD. The share capital of the Bank is divided into 5,500,000 (five million five hundred thousand) common ordinary shares, the nominal value of each share is 10,000 (ten thousand) AMD. The number of the Bank's declared ordinary shares subject to additional issuance is 3,000,000 (three million). These are the shares that the Bank may issue, in addition to the shares already issued.
- 2.3. No maximum amount of voting shares of the Bank belonging to a shareholder is determined in share capital of the Bank.
- 2.4. The Central Depository keeps the bank shareholders register.
- 2.5. The Bank is entitled to increase its share capital through an increase of the nominal value of shares or through issuance of additional shares, if previously issued shares were fully paid. The Bank is not entitled to increase nominal value of the shares more than the value of net assets, fixed by the results of the last balance sheet and last audit, approved by the General meeting of shareholders.
- 2.6. The decrease of factually paid share capital of the Bank as well as distribution of dividends from the paid share capital during its activity is forbidden, except for the cases stipulated by the law on "Banks and Banking Activity" of the Republic of Armenia.
- 2.7. In cases stipulated by the law the Bank may perform redemption of shares. The General meeting of the Bank's shareholders adopts a decision regarding the redemption of shares by the Bank and their future sales at $\frac{3}{4}$ of votes of the owners of voting shares but not less than $\frac{2}{3}$ of votes of the owners of voting shares. Moreover, the prior consent of the Board of the Central Bank is requested for redemption of shares. The Bank undertakes disposing the shares during 2-months period from the moment of obtaining the right of ownership on the shares.
- 2.8. The total capital of the Bank is formed from the amount of core and additional capitals that include the share capital, general reserve, undistributed profit, and other reserves and sources, not restricted by law.
- 2.9. A reserve fund (general reserve) is created in the Bank, in the equivalent of 15 percent of share capital. If the reserve fund is smaller than the size foreseen by the current clause, then allocations to this fund shall be made in the amount of at least 5 percent of profit, as well as from the proceeds of the difference between the emission value of new shares and their nominal value. The reserve fund shall be used for the purposes stipulated by law.

(2nd Section was amended by decision N 11 of the Shareholders annual general meeting of 23/04/2014; redrafted by decision N 13 of the General meeting of 28/04/2016; redrafted by decision N 17-5 of the General meeting of 25/04/2019, amended by decision N 18-7 of the General meeting of 26/05/2020,

amended by decision N 19-4 of the General meeting of 30/04/2021, amended by decision N 20-3 of the General meeting of 07/12/2021)

3. BANK SHARES

- 3.1. The Bank may issue common (ordinary) as well as preferred shares of one or several types. The bank makes open or closed subscriptions of its issued shares by the decision of the General meeting.
The bank's shares are non-documentary. In case of issuance of shares by open subscription, the Board of the Bank approves the prospectus, which is subject to approval by the Central Bank of Armenia.
The total nominal value of privileged shares issued by the Bank shall not exceed 25 percent of its share capital.
- 3.2. The Bank share is indivisible.
- 3.3. The discount and purchase of shares or acquisition by reimbursement, giving credit, or having taken the shares as a pawn is restricted, except for cases stipulated by law.
- 3.4. The shareholders have the right to alienate their shares without the consent of the other shareholders.

(3rd Section was amended by decision N 18-7 of the General meeting of 26/05/2020)

4. THE RIGHTS AND OBLIGATIONS OF THE BANK SHAREHOLDERS

- 4.1. Each share of the Bank provides the shareholder consideration as an owner with the same rights. Each shareholder is entitled to:
- participate in General meeting of the Bank shareholders with voting right on all the issues decided upon by the Meeting at the rate of shares belonging to him
 - participate in Bank management;
 - receive dividends from the profit of the Bank's activity;
 - have the priority right of acquiring the shares distributed by the Bank;
 - obtain any information on the activities of the Bank including the access to the balance sheet, reports (the information is provided to Bank shareholders free of charge on the basis of their written application within three working days period);
 - the Bank shareholders possessing not less than 5% of voting shares in the share capital of the Bank are entitled any time to demand an auditing firm to audit the financial activity of the Bank. In this case the requesting participants shall choose the auditing firm, sign a contract with him, and pay for the services. The requesting participants may claim a refund from the Bank if by the decision of the general meeting this audit has been defensive for the Bank;
 - authorize a third person to represent his rights in the general meeting of the shareholders;
 - make proposals in the General meeting of the shareholders;
 - vote at the rate of fully-paid voting shares belonging to him;
 - apply to the court by a claim with a purpose of appealing the decisions, made by the General meeting of the shareholders that contradict current laws and other legal acts;
 - receive the due part of the property in case of Bank liquidation and to enjoy other rights stipulated by law and this Charter.
- 4.2. The Bank shareholders undertake to:
- provide investment of the amounts at the rate of declared participation of shares in the authorized capital stock of the Bank;
 - not to publish information considered secret regarding the banking activity;

- bear other obligations, provided by the law.

(4th Section was amended by N 13 of the Shareholders annual general meeting of 28/04/2016; redrafted by decision N 17-5 of the Shareholders annual general meeting of 25/04/2019)

5. OPERATIONS OF THE BANK

- 5.1. The Bank may perform the following operations in procedure stipulated by the laws and other legal acts of the Republic of Armenia:
- accept demand and term deposits ;
 - provide credits, financing of the debt and commercial transactions, factoring;
 - provide bank guarantees and letters of credit;
 - open and hold accounts, including correspondent accounts of other banks;
 - render payment and accounting services and/or serve the clients' accounts in other way;
 - issue, purchase (discount), sell and serve securities, payment documents, travel checks, cards and other instruments, and perform other similar operations;
 - implement investment and subscription activities;
 - provide services of a financial agent (representative), manage the securities and investments owned by other parties (trust management);
 - purchase, sell off and manage bank gold and standardized bullions and commemorative coins;
 - purchase, sell off (exchange) foreign currency, including completion of dram to a foreign currency futures, options and other similar transactions;
 - perform financial lease;
 - take to safe custody precious metals, cards, jewelry, securities, documents, and other valuables;
 - provide financial and investment-related consulting;
 - establish and serve the information system of customers' creditworthiness and implement debt collection activities;
 - perform other operations not restricted by law.
- 5.2. The Bank may also perform activity or operations stipulated by law as well as those permitted by the Central Bank but not determined directly by Law. The process of outsourced the operations by the Bank is made in accordance with the legislation.
- 5.3. The Bank may conclude any civil and legal transactions necessary and expedient for performance of activity permitted by the Legislation of RA and the Charter.
- 5.4. The Bank performs its financial operations in Armenian drams (AMD) and foreign currency, except for cases stipulated by law.
- 5.5. The Bank cannot perform industrial, commercial and insurance activity unless otherwise specified by law.

(5th Section was redrafted by decision N 17-5 of the Shareholders annual general meeting of 25/04/2019)

6. MANAGEMENT OF THE BANK

- 6.1. The Managing bodies of the Bank are as follows:
- The General meeting of Bank shareholders (hereinafter referred to as "the General Meeting");
 - Board of the Bank (hereinafter referred to as "the Board");
 - Chief Executive Officer of the Bank (hereinafter referred to as "the Chief Executive Officer").

The Board and Chief Executive Officer manage the Bank's activity within the powers stipulated by this Charter.

The Bank has a chief accountant, a subdivision of internal audit, a person responsible for Risk Management function, a person responsible for Compliance function and a Corporate Secretary.

(6th Section was redrafted by decision N 17-5 of the Shareholders annual general meeting of 25/04/2019)

7. GENERAL MEETING OF BANK SHAREHOLDERS

- 7.1. The General meeting is the supreme body of Bank management.
- 7.2. The exclusive competency of the general meeting are as follows:
- a) approval of the charter of the bank, of making changes and amendments to it and approval of the charter's new editions;
 - b) reorganization of the Bank;
 - c) liquidation of the Bank;
 - d) approval of summary, intermediate and liquidation balance sheets, and appointment of liquidation committee;
 - e) approval of quantitative staff of the Board, election of members of the Board and premature termination of their powers except for the cases provided by law, when the General meeting does not have the rights to elect Board members or to terminate their powers. The issues of approval of quantitative staff of the Board and election of members of the Board are exclusively discussed in annual General meetings. The issue of the election of Board members may be discussed in an extraordinary general meeting if a decision was made about premature termination of powers of the Board and its separate members;
 - f) determination of maximum amount of declared shares volume;
 - g) approval of external auditor of the Bank by presentation of the Board;
 - h) decrease of authorized capital stock of the Bank through reduction of the nominal value of shares, acquisition of distributed shares in order to reduce the total number of shares, as well as through redemption of acquired or repurchased shares by the Bank;
 - i) making a decision about transactions considered major as stipulated by law, the value of property, being a subject of transaction amounts to 25-50% of balance value of Bank assets at the moment of making a decision about conclusion of transaction, however the decision about the conclusion of the transaction was not made by the Board and the Board made a decision about discussion of the issue by General meeting;
 - j) making a decision about transactions considered major as stipulated by law, the value of property, being a subject of transaction amounts to more than 50% of balance value of Bank assets at the moment of making a decision about the conclusion of a transaction;
 - k) approval of annual financial statements, profits and losses distribution, decisions on payment of annual dividends, approval of their size and terms of payment, which are discussed exclusively at annual General meetings;
 - l) approval of procedure of holding the General meeting;
 - m) pooling and splitting of shares;
 - n) making a decision about the non-application of priority right of the acquisition of shares in cases stipulated by law;
 - o) other issues considered as exclusive competence of General meeting within the scope of approved agenda and the law.
- 7.3. Making a decision of the issues indicated in clause 7.2 of the Charter is reserved to exclusive competence of General meeting and cannot be transferred to other managing

bodies of the Bank. The General meeting cannot discuss and make a decision regarding the issues not related to its competence.

- 7.4. The following persons are entitled to participate in General meeting:
- a) Shareholders of the Bank owning the common (ordinary) and preferred shares of the Bank by the number of votes they own, as well as the holders of those shares;
 - b) Members of the Board and Executive body not considered Bank shareholders (Chief Executive Officer, his deputies, chief accountant of the Bank) with a right of consultative voting;
 - c) members of subdivision of internal audit of the Bank as observers;
 - d) The person carrying out external audit of the Bank as an observer (if his conclusion is available in the agenda of the General meeting);
 - e) The representatives of Central Bank as observers;
 - f) Other invited persons, if necessary.
- 7.5. The list of Bank shareholders entitled to participate in General meeting is drawn up as of the year, month and the day set by the board on the ground of the data of the registry of Bank shareholders.

The year, month and the day of drawing up of the list of shareholders with the right to participate in the General meeting shall not precede the date of the decision to convene a general meeting, and the period between the day of drawing up the list and the date of holding the general meeting may not exceed 45 days.

If the general meeting is convened by correspondence, the year, month and the date of drawing up the list of the shareholders with the right to participate in it shall be set at least 35 days prior to the day of convening the General meeting.

The banks shall inform the Central Bank about the convening General meeting no later than 15 days before the meeting.

For the purpose of drawing up the list of Bank shareholders with the right to participate in the General meeting the nominee name shall present data about those parties in the interests of which he is disposing the shares.

The list of Bank participants entitled to participate in General meeting must contain data about the name, location of each participants of the Bank, and participation in share capital of the Bank by types shares.

The list of Bank participants entitled to take part in a General meeting shall be available for examination by the other participants of the Bank, registered in the registry of the participants of the Bank.

Upon request of the bank's participant bank shall give a reference about the involvement in the list of participants entitled to take part in General meeting.

The changes in the list of Bank participants entitled to take part in General meeting may be made only for correction of mistakes and restoration of violated rights and legal interests of the Bank participants not included in it.

- 7.6. The General meeting is convened at least once a year. The General meeting is eligible if at the moment of finishing the registration General meeting participants, the Bank shareholders who jointly possess more than 50% of distributed voting shares of the Bank have registered.
- 7.7. The shareholders are personally invited to General meeting. The agenda of a General meeting is approved by the Board.



- 7.8. The shareholders should be informed about convening the General meeting at least 15 days before the day of the General meeting is convened. The notice must at least contain information stipulated by law. The notices and voting ballots can be sent by ordered mail or personal handing or by means of electronic communications, including e-mail, software and application platforms (including mobile applications) that ensure that the recipient receives them. The announcement of the convening of the General Meeting is also published on the Bank's home webpage and in the press.
- 7.9. During the period of preparation of a General meeting the Board determines the:
- time and place of convening the General meeting;
 - agenda of the General meeting;
 - date of drawing up the list of shareholders attending the General meeting;
 - procedure of notifying the shareholders;
 - list of information provided to shareholders;
 - forms and contents of voting papers, as well as the procedure and deadlines for submitting the ballots, if the voting is made by them.
- 7.10. The General meeting may be convened by remote voting (poll), including by using voting ballots. In case the General meeting is convened by remote voting, the agenda of the General meeting is sent to the shareholders having the right to take part in the General meeting at least thirty days before by ordered mail or personal handing or by means of electronic communications, including e-mail, software and application platforms (including mobile applications), and their opinions are received regarding each point of agenda. In case of remote voting the ballots must be provided to shareholders at least 30 days before the day of accepting them by the Bank. In case of voting by electronic means, video or telephone, the ballots (including electronic ballots) must be provided to the shareholders at least 7 days before the meeting.
- 7.11. The General meeting may make decisions that all the members of General meeting can communicate with each other via telephone connection, video connection, or other means of electronic communications, including e-mail, software and application platforms (including mobile applications) in real-time mode. This General meeting is not considered held by remote voting (by poll). In such General meetings the decisions can be made only regarding the issues not prohibited by law. In case of convening a General meeting by voting through other means of communication, including e-mail, software and application platforms (including mobile applications) the voting process may take more than one day based on the decision of the Board. In that case, the results of the voting shall be summarized within five working days after the expiration of the term provided for it. Moreover, in case of providing a filled ballot more than once by the same participant, the ballot and/or the position submitted the latest shall be taken into consideration.
- 7.12. A Counting committee is established in the Bank, the composition of which, the members and the terms of their duties are defined by the decision of the General meeting, based on the suggestion of the Board. The composition of the Counting committee cannot be less than three members. The members of the Board, the members of the Internal Audit Department, the Chief Executive Officer and its deputies, including the interim directors and the candidates for those positions cannot be the members of Counting committee. The functions of the Counting committee may be assigned to the specialized registrar of the Bank. The Counting committee decides the quorum of the meeting, gives explanations

to the shareholders and to their representatives about the procedure of voting on topics included in the meeting agenda, ensures the appropriate process of voting and the right of shareholders to participate in the voting, counts the votes, summarizes the voting results and draws up Minutes on it, and archives the ballots.

- 7.13. The minutes of a General meeting are recorded. The minutes are drawn up after the end of General meeting within 5-days period in at least two copies. The minutes are signed by the chairman and secretary of the General meeting. The chairman bears responsibility for the accuracy of information available in the minutes of the General meeting.

The following information is mentioned in the Minutes:

- a) date, time and place of convening the General meeting;
- b) a summary of the tally of votes of Bank's distribution of voting shares;
- c) summary tally of votes belonging to the shareholders attending the General meeting;
- d) The names of the chairman, secretary and agenda of General meeting.

The minutes should contain the main provisions of speeches made during the General meeting, the issues put to the vote, voting results regarding the issues, and the decisions made. The Bank shareholders are entitled to access to the minutes of General meeting.

- 7.14. The minutes of a General meeting held in procedure mentioned in clause 7.10 of the Charter is drawn up on the basis of summarizing the opinions received regarding the issues of the agenda.
- 7.15. The decisions by the issues, pointed in clauses "a", "b", "d", "f", "i", "j" of this Charter are made by $\frac{3}{4}$ of votes of the owners of the voting shares attending the General meeting and by the issues indicated in clauses "c" and "h". The decisions are made by $\frac{3}{4}$ of votes of owners of voting shares, attending the General meeting but not less than $\frac{2}{3}$ of votes of owners of voting shares. The decisions of a General meeting regarding the remaining issues are made by a simple majority of votes of the members unless a great number of votes is determined by law.
- 7.16. The General meetings are presided by the chairman of the Board. If the chairman of the Board is absent, a chairman of the General meeting should be elected by the Board.
- 7.17. During the vote each shareholder has a voting right, depending on the number of shares in the authorized capital stock. Voting in the meeting is carried out on the principle of "one voting share = one voice". The shareholder of the Bank may exercise his right to participate in the meeting in person or through an authorized representative. The shareholder has the right to change his / her authorized representative or to attend the meeting in person at any time.
- 7.18. Other issues connected with General and extraordinary meeting of the Bank, submission of proposals on the meeting agenda by the shareholders, participation of the shareholder in the meeting and voting, including the procedure of preparation and holding the General meeting that were not determined by this Charter, are regulated by the provisions of the laws on "Banks and Banking Activity" and "Joint-Stock Companies" of the Republic of Armenia.

(7th Section was amended by N 13 of the Shareholders annual general meeting of 28/04/2016; redrafted by decision N 17-5 of the General meeting of 25/04/2019, amended by decision N 20-3 of the General meeting of 07/12/2021)

8. BOARD OF THE BANK

- 8.1. The Board of the Bank performs general management of Bank activity within the limits of issues reserved to the competence of the Board by law.
- 8.2. The Board of the Bank should consist of at least 5 members and a maximum of 15 members that are elected for a period of time fixed by the General meeting. The quantitative composition of the Board shall be determined by the decision of the Shareholders' General Meeting.
- 8.3. The Board of the Bank consists of the representatives of shareholders and may also have independent members. The shareholders of the Bank who possess 10 percent and more of the distributed voting shares of the Bank on the day of drawing up the list of members entitled to take part in a General meeting, may involve their representatives in the staff of the Board of the Bank without the election of General meeting.

The shareholders of the Bank who possess less than 10% of distributed voting shares of the Bank on the day of drawing up the list of members entitled to take part in General meeting may join and if distributed voting shares of the Bank make 10 and more percent, they can have their representative in the staff of the Board of the Bank without the right of election by General meeting. Involvement of the representative of joint shareholders is made in the case of availability of appropriate agreement about the creation of a Bank shareholders group and information about a General meeting regarding the agreement. The requirements to the agreement are stipulated by law.

All the shareholders of the Bank who possess less than 10 % of distributed voting shares of the Bank on the day of drawing up the list of members entitled to take part in General meeting and did not join in procedure stipulated in the second paragraph of this clause, in order to involve their representative in the staff of Board, may elect their united representative and involve him in the Board without the election of General meeting. Only the minority shareholders determined by this paragraph or their representatives can take part in election of the representative, even though their number is one and the united representative is elected by simple majority of the votes of electors. In case the members determined by this paragraph elect their united representative in the mentioned procedure, should inform in writing all the members of General meeting at least 30 days before the day the General meeting is held. The information required by law on the representative nominated by the minority shareholders shall be submitted by the Board to all participants of the General Meeting at least 30 days before the deadline for acceptance of the filled ballots by the Bank.
- 8.4. The members of the Board who are not elected, pursuant to the clause 8.3 of this Charter, are elected by the present members of the Bank in the annual General meeting of the Bank, and in case of premature termination of the powers of Board member by the present members of the Bank in an extraordinary General meeting by simple majority of the votes of voters.
- 8.5. The independent Board member does not represent the interests of any shareholder or stakeholder; acts on the basis of impartiality, shall provide professional services to the Bank. An independent Board member shall be elected by the Shareholders' General Meeting by a majority vote.
- 8.6. The Bank members and the Board (except for the first formation of the Board) may present proposals regarding the candidates of members of the Board of the Bank in a General meeting.
- 8.7. The members of the Board shall not be related parties. The members of the board and the members of the executive body shall not be related parties.



- 8.8. In case of premature termination of the powers of the Board member of the Bank, a new member is appointed, pursuant to procedure stipulated in clause 8.3 of this Charter.
- 8.9. The Board members of the Bank are remunerated for attending the meetings of the Board. The procedure of remuneration is stipulated by the Board.
- 8.10. The chairman of Board of the Bank is elected by the Board from the staff of Board members.

The chairman of the Board of the Bank:

- a) organizes the work of the Board;
 - b) convenes and presides at the sittings of the Board;
 - c) organizes the keeping of the minutes of the Board meetings;
 - d) presides at General meetings;
 - e) organizes the work of committees at the Board, if such are available.
- 8.11. The competencies of the Board are as follows:
 - 1) determination of core directions of the Bank's activity, including approval of strategic development plan of the Bank;
 - 2) convening the annual and extraordinary meetings of the General meeting, approval of the agenda, ensuring the implementation of organizational works for convening and holding the meetings;
 - 3) appointment of Chief Executive Officer and members of executive body of the Bank, premature termination of their powers and approval of their remuneration terms;
 - 4) determination of internal control standards of the Bank, formation of internal audit subdivision of the Bank, approval of annual working program, premature termination of powers of the employees of internal audit subdivision and approval of their remuneration terms;
 - 5) approval of annual estimate and execution of annual expenses of the Bank;
 - 6) approval of administrative-organizational structure of the Bank;
 - 7) submitting the proposals to General meeting regarding the payment of dividends, the size, the terms and conditions of payment, including drawing up the list of the bank participants with the right to receive dividends; the list shall comprise those participants, that are included in the bank registry as of the day of drawing up the list of the participants having the right to participate in the annual general meeting of the bank;
 - 8) preliminary approval of annual financial reports of the Bank and their submission to General meeting;
 - 9) presentation of the external auditor of the Bank to the approval of General meeting;
 - 10) determination of the size of remuneration of the person performing external audit of the Bank;
 - 11) undertaking and implementation of the measures aimed at elimination of the shortcomings detected as a result of audit or other examinations carried out in the bank;
 - 12) adoption of internal legal acts determining the procedure of carrying out financial operations of the Bank;
 - 13) approval of Charters of territorial and independent structural subdivisions of the Bank, distribution of operational obligations between the independent structural subdivisions of the Bank;
 - 14) decision-making about distribution of bonds and other securities of the Bank;
 - 15) use of the reserve and other funds of the Bank;
 - 16) establishment of branches, representations and offices of the Bank;

- 17) determination of bank's accounting policy, i.e. determination of the principles, grounds, means, rules, forms and procedures of bookkeeping and financial reporting;
 - 18) establishment of subsidiaries or dependent companies;
 - 19) participation of subsidiaries or dependent companies;
 - 20) establishment of unions of commercial organizations, banking unions and associations;
 - 21) participation in the unions of commercial organizations, banking unions and associations;
 - 22) increase of share capital through increase of nominal value of the shares and distribution of additional shares;
 - 23) giving consent for conclusion of transactions of the Bank considered major, stipulated by law, the value of which at the moment of making a decision about conclusion of a deal amounts to 25-50% of balance value of the Bank's assets;
 - 24) giving consent for any other investment of the Bank that is not determined by clauses 18, 19, 20, 21 and the amount is up to at least 25% and more of Bank's own capital;
 - 25) Approval of the Bank Employee Share Ownership Plans, as well as making decisions related to Employee Share Ownership Plans or arisen from Employee Share Ownership Plans;
 - 26) making other decisions determined by the law.
- 8.12. The Board of the Bank can establish committees to make work of board effective which can include the Board members, other managers or employees of the Bank. The decisions of committees have a consultative character.
 - 8.13. At least once a year the Board discusses the report of external auditor in its sitting (management letter) and also discusses, and, if necessary, revises the directions, strategy, procedures and other internal legal acts of Bank activity.
 - 8.14. At least quarterly the Board must discuss the reports of internal audit subdivision of the Bank, Chief Executive Officer and Chief accountant in fixed procedure and forms.
 - 8.15. The meetings of the Board are held at least once in two months.
 - 8.16. The members must be informed about convening the Board meetings at least three days before the day of convening. The notice should at least contain information stipulated by the law. The notice can be sent by ordered mail or personal handing or by means of electronic communications, including e-mail, software and application platforms (including mobile applications) that ensure that the recipient receives them.
 - 8.17. The Board meetings are called by the Chairman of the Board with a written demand of Chairman, Board member, Chief Executive Officer, head of Internal Audit Department, external auditor of the Bank, Board of the Central Bank, as well as the participant(s) possessing 5 % or more of the voting shares of the Bank.
 - 8.18. The quorum of Board meetings cannot be less than the half of Board members. The decisions of the Board are adopted by a simple majority of the votes of Board members present at the sitting, except for the cases stipulated by article 8.19 of the Charter.
 - 8.19. The decisions mentioned in sub-clauses 3, 18, 19, 20, 21, 22, 23 and 24 of the article 8.11 of this Charter should be adopted unanimously by the Board and the decision mentioned in sub-clause 25 by 3/4 of the votes.
 - 8.20. At voting each member each Board member has only one vote. The devolution of the vote or of the voting right to another party (including to another member of the board) is prohibited. In case of equality of votes the vote of the chairman of the board is decisive.
 - 8.21. The Board meetings can be called in absentia. In case of holding the Board meetings in absentia, the agenda of the meeting is sent to each member of the Board at least a day before and their opinions are received regarding each point of agenda.



- 8.22. The Board may make decisions in such meetings where all the members of Board can communicate with each other via telephone connection, video connection, or other means of electronic communications, including e-mail, software and application platforms (including mobile applications) in real-time. Such a meeting is not considered held in absentia. In such meetings the decisions can be adopted only regarding the issues not prohibited by law. In case of convening a Board meeting by voting through other means of communication, including e-mail, software and application platforms (including mobile applications) the voting process may take more than one day. In that case, the results of the voting shall be summarized within five working days after the expiration of the term provided for it. Moreover, in case of providing a filled ballot more than once by the same person, the ballot and/or the position submitted the latest shall be taken into consideration.
- 8.23. Discussion of all issues of the Board meetings may be made only by obligatory attendance of Chief Executive Officer, except for the issues of premature termination of powers of Chief Executive Officer and approval of his remuneration conditions. The Chief Executive Officer participates in Board meetings with the consultative vote right.
- 8.24. The meetings of the Board are recorded. The minutes are drawn up after the end of the meetings within 10-days period.
The following information is mentioned in the Minutes:
- a) date, time and place of calling the meeting;
 - b) persons who attended the meeting;
 - c) agenda of meeting;
 - d) the issues put to a vote as well as the voting results for each member of the Board, attended the meeting;
 - e) opinions of Board members and the persons attending the Board meeting regarding the issues put to vote;
 - f) decisions made at the meeting.
- 8.25. The minutes of Board meetings are signed by all the members attended the meetings who bear responsibility for trustworthiness and correction of information available in the minutes.
- 8.26. The minutes of Board meeting, held in mentioned procedure and pointed in article 8.21 of this Charter, are drawn up on the summarizing the received opinions regarding the points of agenda.
- 8.27. The Board meetings are held by the chairman of the Board, who signs the decisions of the meetings. The chairman of the Board bears responsibility for trustworthiness of information available in the decision.
- 8.28. All the issues connected with the Board, including the issues of election or nomination of Board members or early termination of their liabilities, calling and holding the Board meetings that were not determined by the Charter, are regulated by the laws on "Banks and Banking Activity" and "Joint-Stock Companies Law" of the Republic of Armenia.

(8th Section was redrafted by decision N 17-5 of the Shareholders annual general meeting of 25/04/2019, amended by decision N 20-3 of the General meeting of 07/12/2021)

9. CHIEF EXECUTIVE OFFICER OF THE BANK

- 9.1. The Chief Executive Officer performs the management of the current activity of the Bank. The Chief Executive Officer may have deputies. The Chief Executive Officer is appointed by the Board, the deputies of Chief Executive Officer are appointed by the Board by presentation of Chief Executive Officer. The CEO and Deputies CEO of the Bank have the

right to issue a Power of Attorney on execution of court procedural proceedings and on representing the Bank in the courts.

- 9.2. The Chief Executive Officer, as his exclusive competence presents the Bank in the Republic of Armenia and foreign states, concludes transactions on behalf of the Bank, and acts on behalf of the Bank without Power of Attorney, grants Power of Attorneys. The facsimile reproduction of signature of the Chief Executive Officer and his electronic signature may be used while concluding contracts and transactions or issuing Powers of Attorney.
- 9.3. The Chief Executive Officer:
- a) presents to the Board's approval the internal legal acts to be approved by the Board, regulations of separated subdivisions, Bank's administrative-organizational structure;
 - b) preliminarily discusses all the issues to be discussed by General meeting and the Board for that necessary documents are prepared, and organizes execution of decisions by the General meeting of the shareholders and the Board;
 - c) concludes transactions on behalf of the Bank that are not reserved to exclusive competence of the Board and General meeting, pursuant to the law and the present Charter;
 - d) manages the Bank's property, including the funds, gives orders, and instructions within his competence, gives binding directions for execution, and oversees their execution;
 - e) approves the workplaces, admits and dismisses the Bank employees, and solves the issues regarding the choice, distribution, training and retraining of staff;
 - f) applies the means of encouragement and disciplinary responsibility to Bank employees;
 - g) performs distribution of obligations between the deputies of Chief Executive Officer;
 - h) performs other actions, determined within the frames of legal acts stipulated by the Bank Charter and the Board and connected with management of current activity of the Bank.
- 9.4. Decisions of the Chief Executive Officer, as a rule, are realized on the basis of his orders and instructions.
- 9.5. The Chief Executive Officer periodically but not less than quarterly presents reports regarding his activity in procedure stipulated by the Board.
- 9.6. The power to make decisions on the issues within the competence of Chief Executive Officer cannot be transferred to other bodies of Bank management, internal audit of the Bank, chief accountant of the Bank, or other person, except for the case when the powers of Chief Executive Officer were duly temporarily transferred to a person acting for him. The powers of Chief Executive Officer can be duly temporarily transferred to a person acting for him, if the latter corresponds to the qualification and specialization standards, stipulated by the Central Bank.
- 9.7. The powers of Chief Executive Officer are prematurely terminated by the Board, according to personal applications, or if
- a) he was acknowledged incapable or limited capable by the court decision entered into legal force;
 - b) some circumstances were revealed during the period of holding his office by virtue of those he is restricted to hold the position of Chief Executive Officer (head of the Bank);
 - c) in procedure, stipulated by law, he was discredited or deprived of the right to hold a position.
- 9.8 The powers of Chief Executive Officer can be prematurely terminated for the rest period, and if the period is more than a year, it is performed on condition of reimbursement of salary, stipulated for a year.

The Bank is entitled to demand reimbursed salary, pursuant to the first paragraph of this section, from a person dismissed from the position of Chief Executive Officer, having approved the fact of official duties performance failure in the court by Chief Executive Officer.

(9th Section was redrafted by decision N 17-5 of the Shareholders annual general meeting of 25/04/2019, amended by decision N 20-3 of the General meeting of 07/12/2021)

10. CHIEF ACCOUNTANT OF THE BANK

- 10.1. The Chief accountant of the Bank performs the rights and obligations, stipulated for the chief accountant, pursuant to the law on "Accounting" of the Republic of Armenia.
- 10.2. The Chief accountant of the Bank is appointed by the Board by presentation of the Chief Executive Officer.
- 10.3. The rights and obligations of Chief accountant of the Bank cannot be transferred to General meeting, Board, members of executive body, subdivision of internal audit or another person.
- 10.4. The Chief accountant of the Bank presents a financial report to the Board and Chief Executive Officer at least quarterly in form and contents approved by the Board.
- 10.5. The Chief accountant of the Bank bears responsibility for keeping the accounting of the Bank, its contents and trustworthiness, submission of annual reports, financial and statistical reports to state managing bodies in time as well as for trustworthiness of financial information provided by the Bank to members of the Bank, creditors, press and other mass media pursuant to the law, other legal acts, and the present Charter.

11. SUBDIVISION OF INTERNAL AUDIT

- 11.1. The Head and members of subdivision of internal audit are appointed by the Board. The members of managing authorities of the Bank, other chiefs and employees as well as the persons correlated with the executive body cannot be members of internal audit. The head and members of internal audit undertake to keep working discipline stipulated for Bank employees.
- 11.2. The Internal auditor of the Bank, pursuant to the regulations, approved by the Board of the Bank:
 - a) performs control over current activity of the Bank and operational risks;
 - b) performs control over the execution of laws, other legal acts, internal legal acts of the Bank by Chief Executive Officer, territorial and structural subdivisions, as well as execution of instructions made to Chief Executive Officer;
 - c) gives conclusions and proposals regarding the issues presented by the Board as well as the issues proposed by personal initiative.
 The issues regarding the competence of internal auditor cannot be handed over for solution by managing bodies of the Bank and other persons.
- 11.3. The Head of internal auditing presents the following reports to the Board and Chief Executive Officer:
 - a) ordinary reports about the results of checkups stipulated by the annual program;
 - b) extraordinary reports, if considerable violations grounded by an opinion of internal audit were revealed. Moreover, if the actions or inactivity of Chief Executive Officer or the Board caused violations, the report is presented immediately to the Chairman of the Board.
 In cases stipulated by this paragraph the reports are presented within a maximum of two working days after being revealed.



- 11.4. In case of revealing violations of laws and other legal acts, the internal auditor undertakes to present them to the Board in writing, at the same time proposing the arrangements for elimination of the violations and not repeating in future.

(11th Section was amended by N 11 of the Shareholders annual general meeting of 23/04/2014; redrafted by decision N 17-5 of the General meeting of 25/04/2019)

12. REGISTRATION AND STATEMENTS

- 12.1. Organization of accounting in the Bank and presenting financial statements, assets, liabilities, own fund, income and expenses acknowledgement and measuring standards are made, pursuant to the requirements of the law on "Accounting" of the Republic of Armenia, Accounting Standards, Tax Legislation, Regulations developed by the Central Bank and other normative acts regulating the accounting.
- 12.2. The results of Bank activity are expressed in the statements submitted by the latter one in procedure stipulated by the Central Bank.
- 12.3. The Bank draws up and publishes in press within the terms, stipulated by the legislation of the Republic of Armenia, then presents annual and quarterly financial statements to the Central Bank in procedure approved by the Central Bank.

(12th Section redrafted by decision N 17-5 of the Shareholders annual general meeting of 25/04/2019)

13. DISTRIBUTION OF BANK PROFIT

- 13.1. The Bank profit is formed from the income received during its activity after subtracting operational, labor remuneration, and other expenses.
- 13.2. After execution of the obligations to budget pursuant to the legislation of the Republic of Armenia and after making deductions from the reserves, the profit can be left as undistributed profit with a purpose of bank development or directed to realization of constituent purposes of the Bank. The Bank may pay dividends exclusively by annual results.
- 13.3. Payment of dividends to Bank shareholders is restricted if the loss (damage) suffered by the Bank is equal to the amount of undistributed net profit of the Bank available at that moment or exceeds that.

(13th Section was amended by N 13 of the Shareholders annual general meeting of 28/04/2016; redrafted by decision N 17-5 of the General meeting of 25/04/2019)

14. BANK SECRECY

- 14.1. The Bank guarantees its clients and correspondent banks that it will keep confidentiality of transactions, state of their accounts, investments, as well as technical and other information provided to the Bank.
- 14.2. All the employees, shareholders of the Bank and their representatives undertake to keep bank secrecy.

15. THE AMENDMENTS AND MODIFICATIONS TO THE CHARTER OF THE BANK

- 15.1. Making amendments and modifications to the Charter of Bank, as well as approval of the new edition of the Charter is made by the decisions of the General meeting that is made by $\frac{3}{4}$ of total votes taken part in it.

16. REORGANIZATION OF THE BANK

- 16.1. The Bank may be reorganized in the form of a merger of the bank with another bank or through restructuring.
- 16.2. Restructuring of the bank (change in the organizational-legal form) shall be implemented as provided for by the Civil Code of the Republic of Armenia or in the form provided for by other laws.
- 16.3. The merger of the bank is made in accordance with procedure stipulated by law.

17. TERMINATION OF BANK ACTIVITY

- 17.1. The Bank activity is terminated pursuant to the Legislation of the Republic of Armenia, in accordance with procedure stipulated by the Central Bank and this Charter.
- 17.2. In case of liquidation of the Bank all the funds, including the income from the sales of its property, after calculation regarding the budget, Bank employees for labor remuneration, depositor citizens, banks and other creditors, are distributed among the shareholders, according to their shares.
- 17.3. Declaration about termination of bank activity is published in press.