

APPROVED
by the decision of “Ardshininvestbank” CJSC
Shareholders’ General Meeting
dated November 19, 2010

Minutes № 2
Chairman of the Meeting

(Signature, Round Seal) K.Safaryan

REGISTERED
at the Central Bank of the Republic of Armenia

March 10, 2011
Registration № 83
Chairman of the RA Central Bank

(Signature, Official Seal) A.Javadyan

“ARDSHININVESTBANK”
Closed Joint-Stock Company

CHARTER

(as amended)

Yerevan
2011

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SECTION I. GENERAL PROVISIONS

Chapter 1. General Provisions

1.1. “Ardshininvestbank” Closed Joint-Stock Company (hereinafter referred to as “the Bank”) was established by the Resolution of the Founding Meeting dated December 28, 2002.

The Bank is a commercial organization incorporated under the legislation of the Republic of Armenia and pursues the aim of profit making and its distribution among its shareholders.

Organizational-legal status of the Bank: Closed Joint-Stock Company.

The founding document of the Bank is the present Charter (hereinafter “the Charter”), the requirements whereof are mandatory for the Bank shareholders and management bodies.

1.2. The Bank is a part of the banking system of the Republic of Armenia and is governed in its activities by the RA Constitution, RA Civil Code, the laws of the Republic of Armenia “On Banks and Banking” (hereinafter “the Law”), “On the Central Bank of the Republic of Armenia”, “On Joint-Stock Companies”, “On Banking Secrecy”, “On Bankruptcy of Banks, Investment Companies, Credit Institutions and Insurance Companies”, other normative-legal acts of the Republic of Armenia, normative acts of the RA Central Bank (hereinafter “the RA legislation”), as well as the Charter.

1.3. Business name of the Bank is:

in Armenian:

full: “Արդյունաբերության և շինարարության ինվեստիցիոն բանկ” փակ բաժնետիրական ընկերություն

abbreviated: “Արդշինինվեստբանկ” ՓԲԸ

in Russian:

full: Закрытое акционерное общество “Промышленно-строительный инвестиционный банк”

abbreviated: ЗАО “Ардшининвестбанк”

in English:

full: “Bank for Industry, Construction and Investment” Closed Joint-Stock Company

abbreviated: “Ardshininvestbank” CJSC



1.4. Logotype of the Bank.

1.5. The business name and logotype (service mark, trademark) of the Bank are protected by the legislation of the Republic of Armenia and other legal acts. The Bank has exclusive right to use its business name and logotype. The business name and logotype of the Bank are registered at the Intellectual Property Agency of the Republic of Armenia (Decision on business name registration № 127042 dated 25.02.03 and Decision on trademark registration № 20030436 dated 14.07.03).

1.6. Location (postal address) of the Bank is the one of its permanently acting body (the Head Office): Grigor Lusavorich St., Bldg. 13 and 13/1, Yerevan 0015, Republic of Armenia.

1.7. The Bank is considered established and acquires the status of legal entity from the moment of its registration with the Central Bank of the Republic of Armenia (hereinafter “the CBA”), and obtains the right to conduct banking activities and financial operations defined by the RA legislation since the moment of receiving the CBA license for conducting banking activity.

1.8. The Bank has a round seal containing its full business name in Armenian and other languages, stamps and letterheads with its name, numbered seals for its territorial subdivisions, as well as other visual identification means.

Chapter 2. Responsibility and Rights of the Bank. Property of the Bank

2.1. The Bank is liable for its obligations with all of its property.

2.2. The Bank is not liable for the obligations of its shareholders. The Bank shareholders (hereinafter “the shareholders”) are not liable for the obligations of the Bank and bear the risk of losses related to its activities within the limits of value paid by them against their shares.

The Bank is not liable for the obligations of the government and the government bodies, or for the obligations of communities and their bodies. The government and its bodies, communities and their bodies are not liable for the obligations of the Bank.

The Bank is not liable for the obligations of the CBA. The CBA is not liable for the obligations of the Bank.

2.3. The Bank has a right to:

- a) acquire property in any form not prohibited by the RA legislation, including securities, possess, use and dispose of such property as well as the income and/or other useful outcomes derived from it;
- b) independently structure its financial resources, obtain bank and commercial loans in the Republic of Armenia and other states, in the manner prescribed by the legislation issue and allocate securities;

- c) alienate, let out on financial lease (leasing), exchange or otherwise not prohibited by the RA legislation transfer property rights, act as a pledger or pledgee;
- d) in the manner established by the RA legislation render paid services and perform works for resident and non-resident legal entities, individual entrepreneurs and citizens, use the works and services performed by them;
- e) make investments in other states in compliance with their legislation;
- f) establish legal entities or participate in associations of legal entities, conforming to the requirements of the applicable legislation;
- g) enjoy other rights envisaged by the RA legislation and the Charter.

2.4. The Bank is obliged to:

- a) conduct accounting and submit statements to the RA competent government authorities in accordance with the procedure established by the RA legislation;
- b) conclude employment contracts (agreements) with the Bank employees;
- c) bear responsibility and indemnify for damages caused by third persons due to non-performance or inadequate performance of obligations, as well as for infringement of other persons' rights;
- d) ensure the safekeeping of the Bank documents (the Bank Charter, documents certifying property rights, daily, weekly, monthly, quarterly, semi-annual and annual statements of the Bank, accounting documents, minutes of the Bank management bodies' meetings, other documents envisaged by the law and other legal acts of the Republic of Armenia);
- e) perform other duties as stipulated by the legislation and the Charter.

2.5. The Bank is the owner of:

- monetary funds contributed by the Founders at the time of the Bank establishment and paid by the shareholders for purchase of the Bank's additionally issued shares;
- income received in the course of the Bank activities;
- property acquired in such forms that are not prohibited by the RA legislation.

2.6. The property of the Bank is separated from the property of its shareholders and is accounted for on its independent balance sheet.

The Bank may acquire and exercise on its own behalf property and personal non-property rights, bear liabilities, conduct transactions, act as a claimant and respondent at the court.

The Bank may have in its possession any property, with the exception of certain types of property that may not belong to the Bank as stipulated by the legislation.

2.7. The Bank independently effects the possession, use and disposal of its fixed assets, including revaluation of property.

2.8. In the manner prescribed by the RA Law "On Banking Secrecy" the Bank guarantees the confidentiality of data concerning its customers and constituting bank secrecy.

2.9. Customers' bank deposits, monetary funds or other property deposited in the Bank for safekeeping may be attached (banned) and seized or confiscated only by competent state bodies, in cases and according to the procedure stipulated by the RA legislation. The Bank is not liable for damages sustained by the customer as a result of confiscation, seizure, attachment of his property or accounts, performed by competent state bodies in the manner prescribed by the RA legislation.

Chapter 3. Goals and Objectives of the Bank

3.1. The basic objective of the Bank activities is to derive profit through the use of own and attracted funds with an aim of ensuring the payment of a part of profit to the Bank shareholders and the development of the Bank. In pursuing the aim of deriving profit the Bank strives to combine it with the achievement of the following goals and objectives of public significance:

- accumulate and efficiently use financial resources with an aim to contribute to the development of entrepreneurship in Armenia;
- facilitate the development of market relations by means of rendering to the Bank customers the full range of banking services permitted by the CBA;
- contribute through lending activities to the development of economic potential and the implementation of achievements of scientific and technological progress in various sectors of the economy of Armenia;
- promote the development of social sphere through financing of projects in the field of culture, science, ecology, etc.;
- facilitate the integration of the Armenian capital into the world commodity and financial markets;
- promote the development of international financial and commercial-economic relations with participation of Armenia;
- attract foreign investments into the Armenian economy.

Chapter 4. Activities of the Bank. Financial Operations and Other Transactions

- 4.1. In compliance with the procedure established by the RA legislation, the Bank and/or its branch may:
- a) accept demand and term deposits;
 - b) extend commercial and consumer loans, including mortgage loans, carry out financing of debt and commercial operations, factoring;
 - c) issue bank guarantees and letters of credit;
 - d) open and operate accounts, including correspondent accounts of other banks;
 - e) render other payment and settlement services and/or otherwise service customer accounts;
 - f) issue, acquire (discount), sell and otherwise service securities, and perform other similar operations;
 - g) conduct investment and subscription activities;
 - h) render services of financial agent (representative), manage securities and investments of other persons (trust management);
 - i) acquire, sell and manage bank gold, standard ingots and memorial coins;
 - j) buy and sell (exchange) foreign currency, including the conclusion of AMD and FX futures, options and other similar transactions;
 - k) carry out financial leasing;
 - l) accept for safe custody precious metals, stones, jewelry, securities, documents and other values;
 - m) render financial and investment consulting;
 - n) create and maintain customer creditworthiness information database, conduct debt recovery activity;
 - o) sell insurance policies and/or agreements, carry out transactions of insurance agent according to the procedure prescribed by the law.
- 4.2. With the permission of CBA the Bank may conduct other activities or transactions not directly envisaged by the Law, if they derive from or are closely related to the banking activities or transactions provided for by the Law, and if the permission of such activities do not conflict with purposes of the Law and do not pose material threat to the Bank depositors' and creditors' interests.
- 4.3. The Bank may enter into any civil transactions that are necessary or expedient for conducting its activities permitted by the Law.
- 4.4. Unless otherwise provided for by the RA legislation, the Bank may not engage in production, commercial and insurance activities.
- 4.5. The Bank independently sets the interest rates for attracted deposits, extended loans and own securities, as well as the size of commissions against the Bank services.
- 4.6. Relations between the Bank and its customers have contractual character and are regulated by the RA legislation, as well as by contracts signed between the Bank and customers.

Chapter 5. Branches, Representative Offices and Institutions of the Bank

- 5.1. The Bank may establish branches and representative offices without legal personality in the Republic of Armenia and abroad. The Bank may create institutions according to the procedure defined by the RA legislation.
- 5.2. Bank branch is a separated subdivision without legal personality and located out of the Bank premises, which acts within the limits of authorities granted by the Bank and conducts on its behalf banking activities and/or financial operations envisaged by the Law.
- 5.3. Bank representative office is a separated subdivision without legal personality and located out of the Bank premises, which represents the Bank, studies the financial market, concludes contracts on behalf of the Bank, and carries out other similar activities.
- 5.4. Bank institution is an organization without legal personality, created by the Bank for conducting management, social and cultural, educational or other non-commercial activities.
- 5.5. The Bank branches, representative offices and institutions act on behalf of the Bank. The Bank bears responsibility for the activities of its branches, representative offices and institutions.
- 5.6. The Bank branches, representative offices and institutions act on the grounds of charters approved by the Bank Board (hereinafter "the Board").
- 5.7. Decisions on establishment of the Bank branches, representative offices and institutions are passed at the Bank Board session by a simple majority of the participants' votes. The Bank branches and representative offices are considered established from the moment of their registration at the Central Bank, and the Bank institutions are considered created from the moment of passing the decision on their creation.
- 5.8. The creation, registration of the Bank's separated subdivision and termination of their activities, including temporary suspension, are effected according to the procedure stipulated by the RA legislation, and in case of creation of separated subdivisions in foreign countries – under the legislation of the country of their location, with the agreement of the Central Bank.
- 5.9. The Bank allocates property to its branches, representative offices and institutions which is accounted for both on separate balance sheets of such subdivisions as well as on the Bank's balance sheet. The Bank

institutions possess, use and dispose of such property within the limits stipulated by the Law, in compliance with their activity purposes, assignments given by the Bank and the designation of property.

5.10. Heads of the Bank branches and representative offices are managing officials of the Bank, who are appointed by the Bank Management Board Chairman (hereinafter “the Management Board Chairman”) in accordance with the procedure defined by the Board, and act on the grounds of powers of attorney issued by Management Board Chairman. Heads of the Bank institutions are managing officials of the Bank, who are appointed by the Management Board Chairman in accordance with the procedure defined by the Board, and act on the grounds of their charters.

SECTION II. STATUTORY FUND OF THE BANK. SHARES AND OTHER SECURITIES OF THE BANK. DISTRIBUTION OF PROFIT

Chapter 6. Statutory Fund of the Bank

6.1. Statutory fund of the Bank represents the minimum size of the Bank property that guarantees the interests of its creditors. Statutory fund of the Bank makes up 13 802 404 000 (thirteen billion eight hundred and two million four hundred and four thousand) AMD and is divided into 179 252 (one hundred seventy-nine thousand two hundred fifty-two) common shares, each with face value of 77 000 (seventy-seven thousand) AMD.

6.2. The Bank may additionally issue 2 583 659 (two million five hundred eighty-three thousand six hundred fifty-nine) additional common shares (declared shares), each with face value of 77 000 (seventy-seven thousand) AMD.

Chapter 7. Increase of the Bank Statutory Fund

7.1. The Bank has a right to increase the size of its Statutory fund by means of raising the face value of allocated shares, or allocating additional shares within the limits of the quantity of declared shares, introducing respective changes in the Charter.

7.2. Increase of the Statutory fund through attraction of financial resources (including allocation of additional shares) is allowed only in case the value of the Bank’s previously allocated shares is fully paid up. The Bank may not issue additional shares for covering the losses resulting from its activities.

7.3. After summing up financial results of its activities the Bank may increase the Statutory fund by raising the face value of allocated shares, investing a part of its profit into the Statutory fund.

7.4. The Bank may not increase the size of Statutory fund through raising the face value of allocated shares to an extent that exceeds the Bank’s net assets value, as reflected in its most recent balance sheet approved by the Bank Shareholders’ General Meeting (hereinafter “the General Meeting”), or in the last audit results.

7.5. The Bank may not issue shares for covering the damage originated as a result of its economic activity.

Chapter 8. Reduction of the Bank Statutory fund. Buyback of Shares.

8.1. Reduction of the Bank’s Statutory fund is not allowed, except for the following cases:

- a) buyback of shares by the Bank from owners of the Bank’s common shares who are entitled to demand from the Bank to determine the buyback price and to repurchase all or a part of shares owned by them, as stipulated in clause 10.3 of the Charter;
- b) adoption of a decision by the Bank’s Temporary Administration, appointed by the RA Central Bank pursuant to the procedure stipulated by the RA Law “On Bankruptcy of Banks, Investment Companies, Credit Institutions and Insurance Companies”, on reduction of the Bank’s Statutory fund by means of decreasing the face value of allocated shares.

8.2. The buyback of shares pursuant to clause 8.1 “a” hereof will be effected only upon the CBA approval. Such approval may be withheld by CBA, if:

- a) in case of buyback of shares the Bank will be unable to fully satisfy its creditors’ claims;
- b) the Bank will be in violation of prudential standards;
- c) buyback of shares will cause destabilization of Armenia’s banking system.

8.3. The decision on reduction of the Statutory fund or on realization of shares repurchased by the Bank is passed at the General Meeting. In case of passing a decision on realization of repurchased shares, the Bank will be obliged to realize them within 2 (two) months from the date of their buyback. The Central Bank, in consideration of the situation on the securities market as well as the financial condition of the Bank, may extend the term of repurchased shares’ realization for another six months, with the purpose of ensuring the alienation of above-mentioned shares on more favorable conditions.

Chapter 9. Shares and Other Securities of the Bank. Register of Owners of the Bank’s Nominal Securities

9.1. Shares of the Bank are nominal shares and are issued in non-documentary form. The Bank allocates common shares.

- 9.2. Each common share gives its owner the same volume of rights. The Bank does not guarantee payment of dividends to the owners of common shares.
- 9.3. Face value of all common shares is identical.
- 9.4. A share is indivisible. If one and the same share of the Bank is owned by two or more persons, they are considered as one shareholder.
- 9.5. The allocation of additional common shares is carried out through closed subscription; the payment against shares shall be made in monetary means, in RA currency, or by conversion of previously allocated bonds and/or other securities convertible to the Bank's common shares.
- 9.6. Conversion of common shares into bonds or other securities is not allowed.
- 9.7. Shareholders may not be released from their obligation to pay for the Bank shares, including through offset of claims towards the Bank.
- 9.8. Payment against additional shares of the Bank allocated through subscription shall be effected in the manner and at a price determined in accordance with the RA Law "On Joint-Stock Companies".
- 9.9. The Bank has a right to consolidate or split its outstanding common shares pursuant to the procedure stipulated by the RA legislation.
- 9.10. The Bank has a right to issue bonds and other securities envisaged by the law.
- 9.11. The Bank may issue convertible bonds, as well as securities entitling to conversion of bonds into other securities, or giving priority right of share acquisition. In such case, however, the Bank may not allocate convertible bonds or other securities, if the number of declared shares is less than the number of shares necessary for ensuring the conversion of convertible bonds and other securities into shares.
- 9.12. The decision on allocation of bonds and other securities is made by the Bank Board. Issuance and allocation of bonds and other securities is performed in accordance with the procedure stipulated by the RA Law "On Securities Market".
- 9.13. The decision on issuance of bonds shall also set the form, terms and conditions of their redemption. The decision on issuance of bonds which may be prematurely redeemed at the discretion of their owners shall also set the size of redeemable amount and the term starting from which the bond may be presented for early redemption.
- 9.14. Bonds shall have face value. The total face value of all secured bonds issued by the Bank shall not exceed the size of Statutory fund or the amount of security provided for issuance of bonds to third persons.
- 9.15. Issuance of unsecured bonds is allowed not earlier than after three years from the date of the Bank's state registration, provided that at least two annual balance sheets of the Bank shall have been approved according to the prescribed procedure.
- 9.16. The Register of owners of the Bank's nominal securities shall be maintained by the Central Depository of Armenia in accordance with the Law. The Bank is exempted from the responsibility for the Register maintenance.

At the request of any shareholder (nominal owner) the Central Depository shall issue an excerpt from the Bank Shareholders' Register, evidencing the rights of such shareholder. The procedure for issuing excerpts from the Shareholders' Register is established by the RA legislation.

Chapter 10. Shareholders of the Bank. Rights and Obligations of Shareholders

- 10.1. Pursuant to the RA legislation, any resident and non-resident legal and physical person may become a shareholder of the Bank. Restrictions on the right of acquisition of the Bank shares with respect to certain categories of persons are set by the RA legislation.
- 10.2. The number of the Bank shareholders may not exceed the number established by the RA legislation.
- 10.3. Shareholders – owners of common shares have a right to:
- a) personally, or through their representatives or nominal holders of their shares participate in the General Meeting with the right to vote on all matters falling within the competence of the Meeting;
 - b) vote at the General Meetings with a number of votes corresponding to their fully paid up shares;
 - c) personally, or through their representatives or nominal holders of their shares, participate in the Bank management;
 - d) receive dividends according to the procedure defined by this Charter;
 - e) receive the part of the Bank property due to them after its liquidation;
 - f) by preemptive right acquire the shares allocated by the Bank, in proportion to the number of shares owned by them;
 - g) by preemptive right acquire the shares sold by other shareholders of the Bank, in proportion to the number of shares owned by them;
 - h) receive information regarding the Bank activities, other than documents containing banking, commercial or other secret, in the manner prescribed by the Charter have access accounting balance sheets, statements, production and economic activities of the Bank, as well as to familiarize themselves with the information specified in clause 20.9 of the Charter;

- i) receive copies of the Bank's last annual statement and external audit conclusion, familiarize themselves with protocols of the counting board;
- j) file an appeal with the court against decisions of the General Meeting that conflict with the RA legislation;
- k) alienate or otherwise transfer the shares owned by them to other persons;
- l) upon non-exercise by other shareholders of their preemptive right in accordance with clauses 11.1 – 11.6 of the Charter, sell or otherwise alienate against compensation the shares owned by them;
- m) demand the buyback of shares by the Bank in cases and pursuant to the procedure established by the RA legislation and the Charter;
- n) have access to the list of shareholders eligible to participate in the General Meeting;
- o) exercise other rights envisaged by this Charter, RA legislation, as well as decisions of the General Meeting adopted within the limits of its authority.

10.4. At shareholder's request the Bank shall issue him a reference about including him in the list of shareholders eligible to participate in the General Meeting.

10.5. A shareholder possessing 1(one) percent or more of the Bank's outstanding shares is entitled to bring an action to the court against the Bank managers, claiming compensation for damages caused to the Bank.

10.6. A shareholder possessing 2 (two) percent or more of the Bank's outstanding shares may propose issues to be included in the General Meeting agenda, nominate candidates for the Board.

10.7. At the request of a shareholder possessing 2 (two) percent or more of the Bank's outstanding shares the Bank shall provide him, without compensation, the following information (even if it contains banking, commercial or other secret):

- a) regarding the Chairman and members of the Board, the Management Board Chairman and the Chief Accountant – data specified in clause 20.10 of the Charter;
- b) information on all sums paid during the previous year to the Board members, Management Board Chairman and Chief Accountant, including bonuses, payments for certain works performed for the Bank, other income equated to salary, as well as information on loans and other borrowings (amounts, interest rates and maturities) obtained by them and their related persons in the Bank (including those already repaid);
- c) information on significant shareholders of the Bank: names, sizes of their participation in the Bank Statutory fund (with the exception of indirect participants who are not owners of the Bank shares), as well as information on loans and other borrowings, including amounts, interest rates and maturities, obtained by them and their related persons in the Bank (including those already repaid);
- d) information on major transactions concluded between the Bank and its related persons, including those concluded during two years preceding the request on provision of such information and associated with performance of any of the following operations:
 - acceptance of demand and term deposits;
 - granting of commercial and consumer loans, including mortgage loans, financing of debt and commercial operations, factoring;
 - issuance of bank guarantees and letters of credit;
 - acquisition, sale and management of bank gold, standard ingots and memorial coins;
 - purchase and sale (exchange) of foreign currency, conclusion of AMD and FX futures, options and other similar transactions;
 - financial leasing;
- e) information on the Bank's liabilities towards its related persons;
- f) information on existence of a contract on creation of shareholder groups exercising uniform policy, as well as names of the Bank shareholders who are parties to such contract;
- g) list of legal entities in whose statutory capital the Bank managers or their related persons have 20 (twenty) percent or more participation, or have possibility to influence on their decisions;
- h) copies of the following documents:
 - documents certifying the Bank's title to the property reflected in its balance sheet;
 - internal acts, charters of the Bank's independent subdivisions and institutions, approved by the General Meeting and other management bodies;
 - financial and statistical statements submitted by the Bank to government authorities;
 - minutes of the General Meeting, Board and Management Board sessions, minutes of the counting commission;
 - conclusions of examinations conducted by the CBA, decisions of the CBA on penalties imposed on the Bank and/or its managers, conclusions of the Head of Internal Audit submitted to the Board and the Management Board Chairman.

Shareholders having received the information specified in clause 10.7 hereof may not disclose it to other persons, nor can they use such information for discrediting the Bank's business reputation, infringement of the

rights of other shareholders or customers, or for other similar purposes. The shareholder having violated the requirement set herein may be held liable in the manner prescribed by the RA legislation.

10.8. A shareholder possessing 5 (five) percent or more of the Bank's outstanding shares may demand convocation of a Board session for consideration of issues indicated in the request on calling a session.

10.9. A shareholder possessing 5 (five) percent or more of the Bank's outstanding shares may demand inspection of the Bank's financial and economic activities by an independent auditor, in which case the auditor's services shall be paid by the shareholder-initiator of the inspection.

10.10. A shareholder possessing 10 (ten) percent or more of the Bank's outstanding common shares may be included in the Board without election, or may appoint his representative in the Board.

10.11. A shareholder possessing 10 (ten) percent or more of the Bank's outstanding common shares may demand convocation of extraordinary General Meeting, and in the case envisaged by clause 26.13 of this Charter - independently call the extraordinary Meeting.

10.12. Rights of shareholders indicated in clauses 10.5 -10.11 hereof may be exercised either by a single shareholder or by several shareholders jointly possessing the required number of shares.

10.13. A shareholder is entitled to demand from the Bank determination of the buyback price of shares owned by him, and to sell all or a part of his shares to the Bank, if:

- a) the General Meeting has passed a decision on reorganization of the Bank, termination of the preemptive right to acquire new shares of the Bank, or conclusion of a major transaction, and the given shareholder has voted against adoption of such a decision or has not participated in the voting;
- b) amendments and supplements have been introduced to the Bank Charter, or the Charter has been approved in new wording, as a result of which the rights of the given shareholder have been restricted, and the shareholder has voted against such a decision or has not participated in the voting.

The list of the shareholders entitled to demand buyback of shares shall be compiled on the basis of data contained in the Bank register as of the date of preparing the list of shareholders who are eligible to participate in the General Meeting, the agenda whereof comprises such issues which, if approved, may result in origination of the shareholders' right to demand buyback of shares.

Share buyback price shall be determined by the Board in accordance with the procedure set in clauses 18.3 – 18.6 of the Charter, without consideration of consequences of the Bank actions directed at execution of the buyback. The Bank shall buy back the shares at their market value, to be determined without consideration of such changes that may arise as a result of the Bank actions giving the right to demand evaluation and buyback of shares.

10.14. The shareholders are liable:

- a) to pay the value of shares owned by them in due time and full volume, adhering to the procedure established by the decision on share allocation;
- b) not to disclose any information on the Bank activities that constitutes banking, commercial or other secret;
- c) to deliver to the Bank, its managements bodies, the Central Bank and other government bodies full and accurate information, statements and other data in the manner and format stipulated by the RA legislation and this Charter;
- d) timely inform the Bank shareholders' Registrar of any changes in their data, namely:
 - business name (name – for physical persons);
 - for legal entities - information on state registration, location (postal address); for physical persons – passport data and place of residence;
 - other information stipulated by the RA legislation.
- e) comply with the requirements of the RA legislation and this Charter.

If the shareholder fails to submit the information listed in sub-clause "d" of this clause, the Bank and the Registrar do not bear responsibility for resulting damages incurred by the shareholder.

Chapter 11. Share Transfer Transactions

11.1. Share transfer transactions may be executed both among the Bank shareholders, as well as between the Bank shareholders and third persons, in conformity with the requirements of the RA legislation.

11.2. The Bank shareholders have a right to alienate or otherwise, not prohibited by the RA legislation, transfer their shares to third persons or other shareholders of the Bank in the manner stipulated under this Chapter.

11.3. In case of alienation of shares by one shareholder to third persons or another shareholder, the remaining shareholders of the Bank, in proportion to the number of shares owned by them, shall have preemptive right to acquire the offered shares within 30 (thirty) days from the moment of the notice on intention to sell the shares, at the same price and on the same conditions as offered by the selling shareholder to the buyer.

11.4. The sale of shares and exercise of the preemptive right shall be effected as follows:

- a) The selling shareholder shall address a written notice to the Bank, namely to the Board Chairman, on his intention to sell all or a part of his shares, necessarily indicating conditions of the transaction (quantity of offered shares, their value, form of payment and other conditions);
- b) Within 3 (three) days from the moment of receiving the offer the Bank shall notify about it in writing the other shareholders of the Bank, delivering the copies of the selling shareholder's letter with all enclosed documents, stating the procedure and terms of exercising their preemptive right of acquisition, as well as the consequences of their actions in response to the notice. A copy of the document package, as well as documents evidencing the fact of delivery of all enclosed documents to the shareholders having preemptive right of share acquisition, shall be directed by the Bank to the selling shareholder as a confirmation of discharge of its obligations.
- c) In order to exercise their preemptive right, the shareholders shall perform the actions specified in the notice within the terms and in the manner indicated therein.

11.5. If the exercise of the preemptive right of acquisition is contingent on preliminary or other approval by the Central Bank or other competent government authority, then the duration of the term referred to in clause 11.3. hereof shall be suspended until the receipt of such an approval (refusal), however for no longer than the term established by the legislation for receiving the latter. The duration of the term referred to in clause 11.3. shall be recovered since the date of receiving the approval (refusal).

11.6. Should one or several shareholders waive the exercise of their preemptive right, the selling shareholder may sell his shares in general order.

11.7. Based on the General Meeting decision, the Bank shares may, by the order of succession, pass to the heirs of shareholders-physical persons and the successors of shareholders-legal entities.

11.8. The Bank shares are pledged in compliance with the procedure prescribed by the RA legislation. Realization of the Bank's pledged shares is effected in the manner envisaged by this Charter for alienation of shares.

11.9. The Bank shares may be pledged only with the approval of the General Meeting. Votes of owners of shares being pledged shall not be considered in the voting, and the decision shall be taken by simple majority of the remaining shareholders' votes. In the event of pledging of the Bank shares without the General Meeting approval, financial sanctions (fines, penalties) may be applied with respect to the pledgor-shareholder in the amount established by the General Meeting.

Chapter 12. Distribution of the Bank Profit. Dividends

12.1. The Bank enjoys full economic independence in issues related to net profit distribution. Balance sheet profit and net profit of the Bank are determined according to the procedure envisaged by the RA legislation. Taxes, other mandatory payments to the budget and off-budget funds, as well as expenditures to be made under the legislation before taxing are paid out of the balance sheet profit. Net profit (after payment of taxes) remains at the disposal of the Bank, and based on the decision of the Shareholders' General Meeting, is directed to the formation of reserves or other Bank funds, is distributed between the shareholders as dividends, as well as is used for other purposes in accordance with the RA legislation, this Charter, General Meeting decisions and internal legal acts of the Bank.

12.2. The Bank forms a reserve fund (General Reserve) at 15 (fifteen) percent of actually paid-up Statutory fund. The reserve fund is used for covering the Bank losses, as well as for redemption and buyback of the Bank shares if other assets of the Bank are insufficient for that purpose. The reserve fund may not be used for other purposes.

12.3. The reserve fund is formed by means of deductions from the Bank profit. If the reserve fund is less than the size specified in clause 12.2, the deductions to the fund are made at least at 5 (five) percent out of the net profit of the Bank.

12.4. According to the procedure stipulated by the RA legal acts, the Bank forms reserves for revaluation of fixed assets, for securities and foreign exchange, for bad loan losses and debts receivable, etc.

12.5. The Law and the Charter may provide for other funds aimed at promotion of the Bank development and satisfaction of the Bank employees' social and economic needs, the manner of formation and use of which, as well as their sizes and the procedure of making deduction thereto shall be determined by the General Meeting decision.

12.6. The decision on use of the Bank's reserve and other funds shall be made by the Bank Board.

12.7. The Bank has a right to take decision (declare) on payment of quarterly, semi-annual and annual dividends to its shareholders. The General Meeting has a right to take a decision on non-payment of dividends.

12.8. The decision on payment (non-payment) of annual dividends, their size and form of payment is passed by the General Meeting at the suggestion of the Board. The decision on payment of interim (quarterly and semi-annual) dividends, their size and form of payment is passed by the Board.

The size of interim dividends may not be over the 50 (fifty) percent of dividends paid on the basis of the previous financial year results. The size of annual dividends may not be less than the size of already paid

interim dividends; in such case no annual dividends shall be paid. If by the General Meeting decision the size of annual dividends is set higher than the one of already paid interim dividends, the annual dividends shall be paid at an amount equal to the difference between the set size of annual dividends and interim dividends already paid in the given year

12.9. The date of annual dividend payment is defined by the General Meeting decision on payment of annual dividends. The date of interim dividend payment is defined by the Board decision on payment of interim dividends, which date, however, may not be earlier than after 30 (thirty) days from the date of passing the given decision.

12.10. For each payment of dividends the Board shall prepare the list of shareholders entitled to dividends, which shall comprise the following information:

- a) in case of annual dividends – names of the Bank shareholders included in the Bank Shareholders' Register as of the date of compiling the list of shareholders entitled to participate in the Shareholders' General Meeting;
- b) in case of interim dividends – names of the Bank shareholders included in the Bank Shareholders' Register not later than 10 (ten) days prior to passing the decision on payment of interim dividends by the Board.

12.11. No dividends shall be paid to the Bank shareholders if at the moment of payment the damages (losses) sustained by the Bank are equal to or exceed the sum of the Bank's net retained earnings.

12.12. In the event of non-payment of dividends within the timeframes defined by the General Meeting decision on dividend payment, the dividends shall be accumulated and, at the request of shareholders, be paid in the future.

12.13. Dividends are paid in money.

Chapter 13. Securing Interests of Customers

13.1. The Bank ensures the safe custody of monetary funds and other values entrusted to it by customers and correspondents. The safety of such means is guaranteed by all movable and immovable property of the Bank, its monetary funds and reserves created in compliance with the RA legislation and the Charter, as well as by measures towards ensuring the stability of the Bank's financial position and its liquidity, implemented by the Bank pursuant to the procedure established by the CBA.

13.2. The Bank constantly maintains readiness to perform its assumed obligations in due time and full volume by means of regulating the structure of its balance sheet in conformity with the CBA mandatory standards (normatives), as envisaged by the RA legislation for banking organizations.

13.3. Being a participant of the system that guarantees the return of bank deposits to physical persons, the Bank pays guarantee fees to the Deposit Guarantee Fund in the manner prescribed by the RA legislation.

13.4. Monetary funds or other values of physical and legal persons kept by the Bank on accounts, in deposits or in safe custody, may be attached (banned) or seized only in cases and under the procedure stipulated by the RA legislation.

13.5. The Bank guarantees and ensures the secrecy of transactions, accounts and deposits of its customers and correspondents.

13.6. The Bank has a right to attribute the information regarding its activities to the type of information constituting commercial secrecy, determine the list and content of such information, adhering to the RA legislation requirements. The list of information constituting commercial secret shall be approved by the Board.

SECTION III. TRANSACTIONS. ORDER OF CONDUCTING TRANSACTIONS. MARKET VALUE OF PROPERTY

Chapter 14. Transactions with the Bank Related Persons

14.1. A person is deemed to be related to the Bank if he meets the criteria set by the Law and the CBA normative acts.

14.2. The Bank establishes an internal procedure for conducting transactions with the Bank related persons. The conclusion of transactions between the Bank and its related persons, as stipulated in clause 4.1 of this Charter (with the exception of sub-clauses "d", "e", "h" and "i"), shall be approved by the Board upon representation by the Management Board. Transactions executed in violation of this provision shall be null.

Chapter 15. Major Transactions. Conclusion of Major Transactions

15.1. Major transactions include:

- a) one or several related transaction (other than those concluded in the regular course of economic activity), which are directly or indirectly associated with acquisition, alienation, or the possibility of acquisition or alienation of property by the Bank, and the value of which at the moment of taking the decision on the transaction conclusion is equal to or over 25% of the Bank assets' book value;

- b) one or several related transaction, the subject of which is the allocation of common shares with total value equal to or over 25% of the Bank assets' book value.

15.2. The value of property and shares being the subject of major transaction are determined in the manner prescribed by the RA legislation and clauses 18.1 – 18.6 of the Charter.

15.3. The decision on conclusion of a major transaction regarding such property, the value of which at the moment of taking the decision on the transaction conclusion is over 50% of the Bank assets' book value, is passed at the General Meeting. The decision on conclusion of a major transaction regarding such property, the value of which at the moment of taking the decision on the transaction conclusion ranges from 25 to 50% of the Bank assets' book value, may be passed at the General Meeting if so resolved by the Board.

15.4. The decision on conclusion of a major transaction regarding such property, the value of which at the moment of taking the decision on the transaction conclusion ranges from 25 to 50% of the Bank assets' book value, shall be passed by the Bank Board.

15.5. The conclusion of a major transaction through violation of the requirements set in clauses. 15.3 – 15.4 of the Charter shall entail invalidation of the transaction, other than in cases when the party having entered into major transaction with the Bank has acted in good faith, i.e. was not aware or could not be aware of violation of the foregoing requirements by the Bank.

Chapter 16. Interest in the Bank Transactions. Conclusion of Transactions Involving Interest

16.1. Persons having interest in the Bank transactions are considered the Board members, the Chairman and members of the Management Board, or such shareholders of the Bank who own, either alone or jointly with their affiliates, 10 percent or more of the Bank shares, provided that such shareholders or their affiliates:

- a) are a party to the transaction or are involved therein as an intermediary of representative;
- b) own 20 percent or more of voting shares (equity, stock) of the legal person who participates in the transaction either as a party, intermediary or representative;
- c) hold offices in management bodies of the legal person who participates in the transaction either as a party, intermediary or representative;

16.2. Persons referred to in clause 16.1 of the Charter shall furnish to the Board, the Internal Audit and the person conducting the external audit of the Bank information concerning:

- a) legal persons in which they own, either alone or jointly with their affiliates, 20 percent or more of voting shares (equity, stock);
- b) legal persons in whose management bodies they hold certain offices;
- c) concluded or intended transactions of the Bank known to them, in which they might be considered interested persons.

16.3. The decision on conclusion of a transaction involving interest is passed by majority vote of the Board members who are not considered interested persons in the given transaction.

16.4. For passing the decision on conclusion of a transaction involving interest the Board shall arrive at a conclusion that:

- the amount receivable by the Bank as a result of the transaction conclusion is not below the market value of the property, service or work, being transferred, rendered to or performed for the other party to the transaction, calculated in the manner defined by the RA legislation and Chapter 18 of the Charter, or
- the amount paid against the property acquired by the Bank as a result of the transaction conclusion, or against service rendered to or work performed for the Bank, does not exceed the market value of the said property, service or work, calculated in the manner defined by the RA legislation and Chapter 18 of the Charter.

16.5. If all members of the Board are recognized as interested persons or if one or several related transactions are concluded for the purpose of allocating the Bank shares, or other securities convertible to the Bank shares, in the amount of more than 2 percent of the Bank's outstanding shares, the decision on conclusion of such transaction shall be adopted at the General Meeting by majority vote of the shareholders not having interest in the given transaction.

The transaction may be concluded without the General Meeting decision if:

- a) it involves a loan extended to the Bank by interested person;
- b) the transaction is a result of regular economic activity conducted between the Bank and the adverse party, which was concluded before recognition of the fact of interest in the transaction (the General Meeting decision shall not be required until the convocation of the next General Meeting).

16.6. If the transaction involving interest simultaneously constitutes a major transaction, in the conclusion of such a transaction the provisions of the Charter pertaining to the conclusion of major transactions shall also be adhered to.

16.7. The person who is recognized as interested party in the transaction, shall be liable for damages resulting from the transaction execution, in proportion to the caused damage. Where the responsibility rests with several persons, they bear joint and several liability. The person is exempted from the liability provided for in

this clause if he has acted in good faith, i.e. was not aware or could not be aware that the Bank would sustain damages as a result of the transaction.

16.8. Requirements established under this Chapter to the execution of transactions involving interest shall not apply if:

- a) the preemptive right of acquiring shares is exercised by all shareholders;
- b) other securities of the Bank are converted into shares.

16.9. Non-compliance with the requirements of this Chapter shall entail invalidation of the transaction.

Chapter 17. Conclusion of Other Transactions by the Bank

17.1. The decision on conclusion of transactions not reserved to the competence of the General Meeting or the Board under Chapters 15 and 16 of the Charter shall be adopted by the Management Board Chairman or the Management Board within the limits of their respective powers defined by the Charter and internal legal acts of the Bank.

Chapter 18. Determination of Market Value of the Bank Property

18.1. Market value of the Bank property (including shares and other securities) shall be determined by the Bank Board decision, except for cases stipulated by the RA legislation, when the market price is fixed by the court, or other body or person.

18.2. If a Board member is the person who has interest in one or several transactions, for which the market value of property needs to be determined, the decision related to determination of the property's market value shall be adopted by those Board members who are not considered interested persons in the given transaction.

18.3. Based on the Board decision the Bank may use services of an independent assessor for fixing the market value of property.

18.4. The determination of market value of property by independent assessor is obligatory during the buyback of shares owned by the Bank shareholders, under the procedure and in cases envisaged by clause 10.14 of this Charter.

18.5. Where the market value needs to be determined for the Bank shares or other securities, data concerning acquisition of shares, supply and demand prices, as well as data periodically published in mass media are taken into account.

18.6. Upon determination of market value of the Bank's common shares the following information should be considered: the value of the Bank's net assets (core capital); the price which the buyer, who disposes of all the information on the Bank property, is ready to pay for all allocated common (ordinary) shares of the Bank; such other factors that may be deemed essential by the body (person) who determines the market price of the Bank property.

Market value of the Bank's common shares may not be less than the price calculated on the basis of the Bank's net assets (core capital) value.

SECTION IV. REPORTING. INFORMATION DISCLOSURE. SUPERVISION

Chapter 19. Financial Statements

19.1. The Bank shall prepare, publish and submit to the Central Bank annual and quarterly financial and other statements. The Central Bank may establish another periodicity for submission of statements.

19.2. The Bank shall be obliged to publish its quarterly financial statements in the press, as well as publish them in the form of separate brochures, or otherwise make them publicly available (at the Head Office, branches or representative offices) within the terms stipulated by the Law and other legal acts.

19.3. Operational (financial) year of the Bank starts on January 1 and ends on December 31 of the same year.

Chapter 20. Information Disclosure

20.1. The Bank shall submit to the Central Bank, in the forms, cases, order and terms (however at least once a year), the following:

- a) financial statements of legal entities having significant participation in the Bank's Statutory fund, information on such legal entities' managers, and persons having significant participation in their statutory capitals;
- b) financial statements of legal entities affiliated with the persons having significant participation in the Bank's Statutory fund, information on managers of those affiliated legal entities, and persons having significant participation in their statutory capitals;
- c) acknowledgements of persons having significant participation in the Bank's Statutory fund, stating that through their participation no other persons have acquired the status of indirect significant participant in the Bank. If another person has acquired indirect significant participation in the Bank, then in order to obtain the CBA approval the Bank shall within 10 days since the date of acquisition of

indirect significant participation by the said person submit to the Central Bank documents concerning the person having acquired indirect significant participation in the Bank (as stipulated by the CBA), as well as documents concerning such legal entities (including names, locations, financial statements, information on managers and persons having significant participation in their statutory capitals), in which the person who has acquired indirect significant participation in the Bank, has significant share.

Responsibility for submission of statements and information to the Bank, as stipulated in this clause, rests with persons having significant participation in the Bank's Statutory fund.

20.2. Statements and information to be submitted by the Bank to the CBA shall be complete and accurate.

20.3. The Bank shall maintain accounting and submit financial, tax and statistical reports pursuant to the procedure prescribed by the Law and other legal acts.

20.4. The Bank shall regularly place on its Internet home page the following:

- a) financial statements of the Bank (at least, the last annual and quarterly statements) and external auditor's conclusion;
- b) announcement on convocation of annual General Meeting – within the timeframes established by the Law;
- c) decisions on payment of dividends, as well as acts defining the dividend policy of the Bank (if any);
- d) information concerning significant shareholders– names, number of the Bank shares owned by them, information on loans and other borrowings (amounts, interest rates and maturities) obtained by them and their affiliated persons in the Bank (including those already repaid);
- e) list of the members of the Bank Board and Executive Body and their personal data – first name, last name, DOB, biography, all sums paid to the Board, the Chairman and members of the Management Board and the Chief Accountant of the Bank during the previous year (including bonuses, payments for certain works performed for the Bank, other income equated to salary), information on loans and other borrowings (amounts, interest rates and maturities) obtained by them and their affiliated persons in the Bank (including those already repaid).

20.5. Along with the information specified in clause 20.4 hereinabove, the CBA may require the Bank to place other information (except for information containing commercial, banking or other secrecy) on its Internet home page, or to publish it in the press or other mass media, in such periodicity and order as determined by the Central Bank. The foregoing restriction does not apply to cases when the Bank publishes information on facts of violation by the Bank and/or Bank managers of the requirements of laws and other legal acts, as well as of the CBA decision on applying confiscation measures with respect to the Bank and/or Bank managers. Such actions shall not be construed as unlawful disclosure of banking secrecy

20.6. The Bank shall publish all changes introduced to the information specified in clause 20.4 hereof within 10 business days from the date of making such changes.

20.7. The Bank shall place an announcement on convocation of the annual General Meeting in the press.

20.8. At the request of any person the Bank shall:

- a) within five days make available the Charter, as well as amendments and supplements introduced thereto, for familiarization;
- b) provide copies of the certificate of state registration of the Bank and its Charter;
- c) in the event of public placement of bonds and other securities issued by the Bank – provide information in the volume and manner stipulated by the RA Law “On Securities Market Regulation”, as well as by other normative acts based thereon;
- d) provide information or documents referred to in clause 20.4. of this Charter.

The fee charged for provision of information specified in clause 20.8 hereof may not exceed the actual expenses made for their preparation and/or postal delivery.

20.9. The Bank is obliged to post in its Head Office, branches and representative offices, in visible places, announcements on possibility, procedure, place an terms of receiving the information specified in clause 20.8 of the Charter.

20.10. The Chairman and members of the Board, the Management Board Chairman, the Chief Accountant, as well as candidates for those positions shall submit to the Bank the following data:

- surname, name, date of birth;
- profession and education;
- positions held during the last 10 years;
- dates of appointment (election) to and removal from the given position;
- number of reelections in the given position (if applicable);
- number of shares held by the given person and/or his affiliates;
- information about legal entities where the given person holds managing position;
- nature of the relationship between the given person and the Bank, or the given person and the Bank related persons;

- other data envisaged by the Charter and internal acts of the Bank.

Persons specified in this clause shall be obliged to notify the Bank of all changes in the data listed hereinabove. The procedure for submission of data and/or their changes is set by internal acts of the Bank.

Chapter 21. Supervision

21.1. The Central Bank has the exclusive right of supervision over the Bank activities. The Central Bank implements supervision pursuant to the procedure established by Chapter 51 of the RA Law “On the Central Bank of the Republic of Armenia.

21.2. The Bank and its branches shall ensure the CBA employees’ unimpeded access and shall render to them all necessary support. During implementation of supervision and examinations any impediment or interference in legal actions of the CBA employees is prohibited.

SECTION V. MANAGEMENT OF THE BANK

Chapter 22. Management Bodies of the Bank

22.1. Management bodies of the Bank include:

- the Shareholders’ General Meeting;
- the Board;
- the Management Board – the collegial executive body;
- the Management Board Chairman – the sole executive body.

22.2. The Shareholders’ General Meeting is the supreme management body of the Bank. The powers of the General Meeting are defined by the Charter, in conformity with the RA legislation.

22.3. The Board exercises general management of the Bank activities, with the exception of matters attributed by this Charter to the competence of the General Meeting. In cases and under procedure established by the RA legislation the General Meeting may pass a decision on assigning a part of its powers to the Board.

22.4. Management of the Bank’s day-to-day activities is exercised by the Bank’s collegial executive body – the Management Board, and the sole executive body – the Management Board Chairman. All issues that are not reserved by this Charter to the competence of the General Meeting or the Board, fall within the authority of the executive body. In cases and under procedure established by the RA legislation the Board may pass a decision on assigning a part of its powers to the Management Board and/or the Management Board Chairman. Segregation of powers between the Management Board and the Management Board Chairman is carried out in accordance with this Charter.

Chapter 23. Control in the Bank

23.1. Internal control is an activity implemented by the Bank (management bodies, subdivisions and employees), directed at the achievement of the following objectives:

- securing the efficiency and effectiveness of financial and economic activities in conducting banking operations and other transactions, the efficiency of asset and liability management, including safekeeping of assets and management of banking risks;
- ensuring the submission of reliable, complete, objective and timely financial, accounting, statistical and other statements, as well as ensuring the information safety;
- securing the compliance with the requirements of the RA legislation, normative legal acts, founding and internal documents of the Bank;
- ensuring the exclusion of involvement of the Bank and participation of the Bank employees in illegal activities, including legalization of illegally received proceeds (money laundering) and terrorism financing, as well as ensuring the timely submission of relevant information to government authorities and the Central Bank, as stipulated by the RA legislation.

23.2. The Internal control system of the Bank comprises the following:

- management bodies of the Bank (the Bank Shareholders’ General Meeting, the Board, the Management Board Chairman and the Management Board, including the Chief Accountant and his deputies);
- heads (their deputies) and chief accountants (their deputies) of the Bank branches;
- heads and employees of the Bank’s Internal Audit subdivision;
- external auditor of the Bank.

Chapter 24. Managers of the Bank and Their Responsibility

24.1. Managers of the Bank include the Board Chairman, his deputies and Board members, the Management Board Chairman, his deputy (deputies) and Management Board members, the Chief Accountant and his deputy, the Head and employees of Internal Audit, heads of the Bank’s territorial subdivisions (branches), heads of structural subdivisions, i.e. departments, divisions and units, as well as such employees of the Bank who, based on the criteria established by the Central Bank Board and in its opinion, are in one way or another connected with the basic activity of the Bank, or work under direct supervision of the Management

Board Chairman, or have any influence on decision making by the Bank management bodies.

24.2. A person may not be a manager of the Bank, if:

- a) the person has criminal records for intentional crime;
- b) the person has been deprived by the court of the right to hold certain positions in financial, banking, tax, customs, commercial, economic or legal fields;
- c) the person has been declared bankrupt and has outstanding (unforgiven) debts;
- d) the person whose qualification or professional knowledge does not meet the criteria of qualification and professional adequacy established by the Central Bank;
- e) the person who has previously committed such an action, which, in the opinion of the Central Bank based on the guidelines approved by the latter, provides reasonable grounds to assume that the given person, as a manager of the Bank, will not be able to adequately administer the relevant sphere of the Bank activities, or his actions may lead to the bankruptcy of the Bank or deterioration of its financial position, or may compromise its business image and reputation;
- f) the person is involved in a criminal case as a suspect, accused or defendant.

24.3. The Central Bank is entitled to define the criteria and procedure of assessing the qualification and professional adequacy of the Bank managers.

24.4. In the course of performing their duties the Bank managers shall act in the best interests of the Bank, and shall discharge their obligations towards the Bank reasonably and in good faith.

24.5. The Bank managers, pursuant to the RA legislation and employment contracts signed with them, bear responsibility for actual damages caused to the Bank by their intentional actions (inaction). Those managers of the Bank who have voted against the decision having led to origination of damages for the Bank, or have not attended the session at which the given decision was adopted, shall be exempted from the liability for damages caused to the Bank. The responsibility of the Bank managers includes, but is not limited to the following possible cases:

- a) The Management Board Chairman bears responsibility for actual damages caused to the Bank due to extension of credits, borrowings, or conclusion of other transactions with a single borrower, major borrowers or Bank related persons in violation of established normatives, and if for conclusion of the given transaction the Board decision is required by the Law or this Charter, the responsibility rests with the Board members and the Management Board Chairman.
- b) The Chairman and members of the Management Board are liable for indemnification of actual damages inflicted on the Bank due to conclusion of transactions in violation of internal legal acts adopted by the Board;
- c) If the reports submitted to the Board contained detected violations of laws, other normative acts and internal legal acts of the Bank, and later the Bank sustained damages conditioned by those violations, the Board members shall bear joint liability for indemnification of actual damages, with the exception of cases when the Board member has undertaken, within the limits of his authority, sufficient and reasonable actions towards prevention of such violations;
- d) If the transaction with the Bank related person has been concluded on the basis of a positive conclusion submitted to the Board with violation of the Bank's internal procedures, the liability for indemnification of actual damages caused to the Bank shall rest with the Management Board Chairman.
- e) Managers responsible for values, including cash funds, kept in the Bank vault, who have been recognized as such under the Bank internal legal acts and have signed contracts on full material responsibility, shall bear joint liability for carrying out the custody of cash funds and other values available in the Bank vault with violation of the Bank's internal legal acts, and shall be obliged to jointly indemnify for actual damages sustained by the Bank;
- f) The liability for indemnification of damages caused to the Bank due to conclusion of an invalidated transaction by the Bank rests with the Bank manager having concluded the transaction;
- g) If competent government authorities have imposed penalties on the Bank, the Management Board Chairman or the Chief Accountant for violation of the legislation in the course of the Bank activities, which violations result from non-performance or inadequate performance of duties by other managers of the Bank, the given managers shall bear joint liability for actual damages inflicted on the Bank as a result of such violations.

24.6. A person who is (was) a manager of the Bank shall be released from liability for damages caused to the Bank, if he has acted in good faith and with confidence that his actions derive from the Bank's interests. In particular, if:

- a) the relevant decision regarding the transaction was adopted based on reasonable business logic, and notwithstanding further losses incurred by the Bank as a consequence of that decision, the origination of such losses was explicitly and clearly considered as business risk at the time of passing the decision;

- b) the adoption of erroneous decision by the Bank manager was a consequence of bona fide ignorance, without intention to inflict a loss on the Bank, and the adoption of such decision did not result in the infringement of the RA legislation.

24.7. Removal or resignation of the Bank managers does not release them from the responsibility for losses caused to the Bank through their fault.

24.8. The Bank, or a shareholder of the Bank possessing 1 percent or more of the Bank's outstanding shares, have a right to bring an action to the court claiming compensation for damages sustained by the Bank.

SECTION VI. THE GENERAL MEETING

Chapter 25. Competence of the General Meeting

25.1. Within the competence of the General Meeting fall the following issues:

- a) alterations and supplements to the Charter, approval of the Charter in new wording;
- b) reorganization of the Bank;
- c) liquidation of the Bank;
- d) preparation of the summary, interim and liquidation balances, creation of liquidation commission;
- e) approval of the Board composition, election of its members and early termination of their powers.
- f) determination of the maximum volume of declared shares;
- g) increase of the size of Statutory fund by raising the face value of shares or by allocation of additional shares, approval of additional shares' allocation results;
- h) redemption of shares bought back by the Bank (reduction of the Statutory fund), or allocation of shares bought back by the Bank;
- i) approval of the person who will conduct the Bank's audit;
- j) approval of the Bank's annual financial statements, profit and loss distribution, adoption of the decision on payment of annual dividends and approval of the size and terms of annual dividends payment;
- k) in cases envisaged by the law, adoption of the decision on non-exercise of the preemptive right of share acquisition;
- l) approval of the procedure of holding the General Meeting;
- m) creation of the counting board;
- n) determination of the mode of communicating information and materials to shareholders, including the selection of relevant mass media if the information should also be communicated in the form of public announcement;
- o) consolidation and splitting of shares;
- p) adoption of decisions on conclusion of transactions envisaged by clause 16.5 of the Charter (transactions involving interest);
- q) adoption of decisions on conclusion of transactions envisaged by clause 15.3 of the Charter (major transactions);
- r) in cases envisaged by the Charter, acquisition and buyback of allocated shares;
- s) determination of the size of remuneration for the Board members;
- t) adoption of decisions on approval of transactions related to creation of subsidiary and dependent companies, or participation in subsidiary and dependent companies, if in the current financial year the value of such transactions exceeds 10 (ten) percent of the Bank's total capital;
- u) approval of internal documents regulating the Bank Board activities;
- v) redistribution of assets across the funds formed out of the net profit;
- w) adoption of decisions envisaged by the RA Law "On Securities Market"
- x) adoption of other decisions envisaged by the RA legislation and the Charter.

Above listed issues are reserved to the exclusive competence of the General Meeting and may not be transferred to the Board, other than matters referred to in sub-clause "t", the resolution of which may be transferred to the Board based on the General Meeting decision or an internal document approved by the General Meeting.

Chapter 26. Annual and Extraordinary General Meeting

26.1. Each year the Bank holds an annual General Meeting. The Bank Shareholders' annual General Meeting shall be held not later than in 6 months after the end of the Bank's financial year.

26.2. The annual General Meeting is conducted only in the form of shareholders' joint participation. Decisions of the annual General Meeting may be passed at such a session during which the Meeting participants may communicate with one another through telephone, visual or other means of communication in real time. Such session shall not be deemed to be conducted in absentia (by inquiry).

26.3. Decisions on issues specified in sub-clauses "e" and "j" of clause 25.1. of this Charter are passed exclusively at annual General Meetings, except for the following cases:

- the matter on election of the Board members may be considered at the extraordinary General Meeting only if the latter has passed a decision on early termination of the Boards' or its separate members' powers, or if the General Meeting has not been held within the specified term and powers of the former composition of the Board have been terminated as per clause 32.2 of the Charter;
- matters related to approval of annual financial statements, profit and loss distribution, and payment of annual dividends may be considered at the extraordinary General Meeting only if the annual General Meeting has not been held within the specified term. Such extraordinary Meeting may not pass decisions on any other matter.

26.4. Decisions on issues referred to in sub-clauses "b", "c" and "j" of clause 25.1 of this Charter may not be passed through voting in absentia.

26.5. Meetings convoked in addition to the annual General Meeting shall be extraordinary.

26.6. Extraordinary Meetings are called by the Board decision – at its own initiative, or at the request of the Management Board or the Management Board Chairman, the person conducting the Bank's external audit or the shareholder (shareholders) possessing at least 10 per cent of the Bank shares at the time of making the request.

26.7. The extraordinary General Meeting may be held both through joint participation of shareholders as well as in absentia (by inquiry). Decisions of the extraordinary General Meeting may be passed at such a session during which the Meeting participants may communicate with one another through telephone, visual or other means of communication in real time. Such session shall not be deemed to be conducted in absentia (by inquiry).

The extraordinary General Meeting held in absentia (by inquiry) may pass decisions on issues specified in sub-clauses "e" and "j" of clause 25.1. of this Charter in according to clause 26.3 of this Charter.

The extraordinary General Meeting held in absentia (by inquiry) may not pass decisions on issues specified in sub-clauses "b" (reorganization of the Bank) and "c" (liquidation of the Bank) of clause 25.1. of this Charter.

26.8. The request on convocation of an extraordinary General Meeting shall also contain the formulations of issues proposed to be included in the Meeting agenda, as well as substantiations of urgency of their consideration.

26.9. The Board is not entitled to make changes to the proposed agenda or to alter the formulations of proposed issues without consent of the party having made the request on the Meeting convocation. With the consent of the party having made the request on convocation of the extraordinary Meeting the Board may include in the agenda other items as well.

26.10. The request on convocation of an extraordinary General Meeting may be signed by the person (persons) having submitted the request.

26.11. The decision of the Board on convocation, or refusal to convoke, an extraordinary General Meeting shall be taken within 10 (ten) days from the date of the request submission. The decision of the Board on convocation, or refusal to convoke, an extraordinary General Meeting shall be directed to the person having submitted the request within 3 (three) days from the moment of its receipt. If the Board takes a decision on convocation of an extraordinary Meeting, it shall be held during 45 (forty-five) days from the date when the request was submitted.

26.12. The Board may withhold the approval of calling an extraordinary General Meeting only in the following cases:

- a) the request is submitted with violation of the procedure established under this Charter;
- b) the request is submitted by a party not vested with a respective right.

26.13. If within 10 (ten) days since the moment of receiving the request the Board fails to call a General Meeting, or takes a decision to refuse the convocation thereof, the Meeting may be called by the person having submitted the request on convocation of the Meeting. In such case the extraordinary Meeting may resolve on compensating out of the Bank funds the expenses related to convocation of the extraordinary Meeting, incurred by the person having independently called the Meeting.

Chapter 27. Right to Participate in the General Meeting. List of Shareholders

27.1. The following persons may attend the Bank Shareholders' General Meeting:

- a) the Bank shareholders, as well as nominal holders of the Bank shares;
- b) members of the Board, the Chairman and members of the Management Board, who are not shareholders of the Bank (with the right of consultative vote);
- c) the Head and employees of the Bank's Internal Audit (with the right of consultative vote);
- d) the person who conducts the Bank's external audit (if his audit conclusion is included in the General Meeting agenda);
- e) the Central Bank representatives (as observers);
- f) managers and employees of the Bank (as reporters on issues included in the General Meeting agenda);
- g) other persons envisaged by the Charter or the Board decision.

27.2. The list of shareholders entitled to participate in the General Meeting is compiled on the basis of data

contained in the Bank Shareholders' Register as of the date determined by the Board..

27.3. The date of compiling the list of shareholders entitled to participate in the General Meeting may not be earlier than the date when the decision on the General Meeting convocation is taken, and later than 45 (forty-five) days prior to the date of the General Meeting.

27.4. If the General Meeting is held by way of voting in absentia, the year, month and date of compiling the list of Bank shareholders entitled to participate therein shall be determined at least 35 (thirty-five) days prior to the date of the Meeting.

27.5. The list of shareholders entitled to participate in the General Meeting shall contain data on the name, location (place of residence) of each shareholder and the Bank shares owned by him.

27.6. Any shareholder may exercise his right to participate in the General Meeting either in person or through his authorized representative.

The shareholder may replace his authorized representative at any time, or participate in the Meeting personally.

The shareholder's representative acts on the grounds of power of attorney prepared in writing. The power of attorney shall contain information on the shareholder and his representative (name, location or place of residence, passport data or state registration data). The power of attorney shall be executed pursuant to the procedure defined by the RA legislation. The shareholder's representative may participate in the Meeting only upon availability of the power of attorney.

In the event of existence of two powers of attorney issued by the same shareholder, the power of attorney issued on the latest date shall be deemed valid.

27.7. The managers of legal entities – shareholders of the Bank may participate in the General Meeting without power of attorney.

Chapter 28. Procedure of Notification on the General Meeting. Materials concerning the issues to be discussed at the Meeting

28.1. The notice on convocation of the General Meeting shall be delivered to all persons entitled to participate in the Meeting at least 30 (thirty) days prior to the date of the Meeting, either by registered letter or in person.

28.2. The notice of holding of the Meeting shall contain the following information:

- a) the business name and the place of location of the Bank;
- b) date, time and place of the Meeting;
- c) date of compiling the list of shareholders eligible to participate in the Meeting;
- d) issued included in the Meeting agenda;
- e) the procedure for familiarization by the shareholders with information and materials concerning the issues to be discussed at the Meeting;
- f) other issues as may be determined by the Board.

28.3. The information and materials to be provided to the shareholders during the preparation of the annual Meeting shall include:

- a) the annual financial statement of the Bank (in case of annual General Meeting);
- b) the conclusion of the person who conducts the Bank's audit on annual results of its financial and economic activity;
- c) information on candidates nominated for the Board;
- d) decisions drafts on issues to be discussed at the Meeting;
- e) other information as may be determined by the Board.

Internal normative acts of the Bank may define an additional list of information to be provided to shareholders in the course of preparation of the General Meeting.

28.4. The information and materials shall be sent (provided) to shareholders in paper or electronic form no later than 20 days before the date of the Meeting.

28.5. By the General Meeting decision or an internal document approved by the General Meeting decision, may be established other form, terms and procedure for notification of shareholders and giving them the information and materials, as well as an additional list of information to be submitted to shareholders in preparation for the General Meeting

28.6. In case of holding the Meeting in absentia, all shareholders eligible to participate in the Meeting shall be provided, along with voting ballots and the Meeting agenda, with information and materials specified in clause 28.3. of the Charter.

28.7. If the person registered in the Bank Shareholders' register is a nominal holder of shares, the notice on convocation of the Meeting shall be delivered to the given person.

Chapter 29. Preparation of the General Meeting

29.1. In the course of the General Meeting preparation the Board, and in cases envisaged by clause 26.13 of

the Charter – the person calling the General Meeting, shall define the following:

- a) date, time and place of holding the Meeting;
- b) agenda of the Meeting;
- c) date of compiling the list of shareholders eligible to participate in the Meeting;
- d) list of information and materials to be provided to shareholders in the course of preparation of the Meeting, terms and procedure of familiarization with such information and materials;
- e) the form and content of voting ballots, if the voting will be conducted by ballots.

Chapter 30. Procedure of Conducting the General Meeting. Decisions of the General Meeting. Minutes of the General Meeting

30.1. The General Meeting is eligible (quorum is present), if it is attended by shareholders owning in aggregate more than 50 percent of the Bank's outstanding shares.

The quorum is determined before the beginning of the Meeting, during registration of the Meeting participants. If the General Meeting lasts for more than one day, the registration of participants is performed on each of those days.

30.2. Decisions adopted by voting in absentia shall be valid if more than a half of owners of the Bank's outstanding shares have participated in the voting.

30.3. The General Meeting is chaired by the Bank Board Chairman, if no other person has been elected by the person presiding at the General Meeting.

30.4. The voting at the General Meeting is conducted on the principle "One share of the Bank – one vote".

30.5. The voting at the General Meeting may be conducted with the use of ballots, which are delivered to the shareholders after completion of the registration and upon presence of quorum. In case of holding the Meeting by way of voting in absentia, the ballots shall be delivered to the shareholders at least 30 days prior to the completion of acceptance of filled-in ballots by the Bank. The last day of acceptance of ballots in case of holding the Meeting in absentia shall be deemed the last business day preceding the date of the Meeting.

30.6. Decisions on matters referred to sub-clauses "b", "h", "m" and "r" of clause 25.1 of this Charter shall be passed by the General Meeting only upon proposal by the Bank Board.

30.7. Decisions of the Bank Shareholders' General Meeting on matters put to vote shall be passed by a simple majority of votes of shareholders participating in the Meeting, with the exception of cases provided for in this Charter.

30.8. Decisions on matters referred to in sub-clauses "a", "b", "d", "f" and "q" of clause 25.1 of this Charter shall be passed by $\frac{3}{4}$ vote of shareholders participating in the General Meeting.

30.9. Decisions on matters referred to in sub-clauses "c" and "h" of clause 25.1 of this Charter shall be passed by $\frac{3}{4}$ votes of shareholders participating in the General Meeting, but not less than $\frac{2}{3}$ votes of the total number of shareholders.

30.10. Decisions adopted at the General Meeting as well as voting results shall be announced at the General Meeting during which the voting was conducted.

If the announcement of decisions passed by the General Meeting as well as of voting results is impossible at the given General Meeting, they shall be provided to the shareholders no later than within 45 (forty-five) days after closing of the General Meeting, in accordance with the procedure established by the Charter for delivery of information and materials to shareholders.

30.11. Based on voting results, the counting board of the General Meeting, or the person performing the functions of the counting board, shall draw up a protocol of voting results to be signed by the counting board members or the person performing the functions of the counting board.

Immediately after drawing up and signing the protocol the counting board, or the person performing the functions of the counting board, shall seal the ballots and hand them over to the Bank archive for safe custody.

30.12. Minutes of the General Meeting shall be prepared within 5 days after the closing of the General Meeting, in 2 (two) copies, which shall be signed by the Chairman and Secretary of the Meeting. The General Meeting Chairman is responsible for reliability of information contained in the minutes.

30.13. The Bank shareholders are entitled to judicially appeal the decisions of the General Meeting passed in violation of the requirements of the RA legislation and this Charter. The court may uphold the validity of the Meeting decision, if it determines that the participation of the given shareholder in the voting could not have influenced on its outcomes, and the violations are not material.

30.14. If the General Meeting decisions are passed unanimously by all shareholders (or nominal holders of the Bank shares), then the non-compliance with the requirements stipulated by clause 2 of Article 58, clause 10 of Article 68, clause 4 of Article 69, clauses 2-6 of Article 70, Article 71, Article 73, parts 2-4 of clause 1, clause 2 and part 1 of clause 4 of Article 74, Article 75 and Articles 79-81 of the RA Law "On Joint-Stock Companies", may not serve as a basis for invalidation of such decisions.

SECTION VII. THE BOARD

Chapter 31. Powers of the Board

31.1. The following issues are reserved to the competence of the Board:

- a) determination of the main trends of the Bank activities, including approval of the Bank's perspective development plan;
- b) convocation of annual and extraordinary General Meetings, approval of their agendas and adoption of other decisions related to preparation and conducting of the General Meetings under the procedure and within the terms stipulated by the RA legislation and the Bank's internal legal acts;
- c) appointment of the Bank's Management Board Chairman, his deputies, Management Board members and the Chief Accountant, early termination of their authorities and determination of the order and conditions of their remuneration;
- d) establishment of internal control standards in the Bank, appointment of the Head and employees of the Internal Audit subdivision, early termination of the authorities of the Head and/or employees of the Internal Audit subdivision and determination of their remuneration conditions, approval of annual work plan for the Internal Audit subdivision;
- e) approval of the Bank's annual budget and its performance results;
- f) approval of the Bank's administrative-organizational structure;
- g) distribution of functional duties between independent structural subdivisions of the Bank;
- h) compilation of the list of shareholders entitled to dividends;
- i) submission of proposals to the General Meeting on payment of annual dividends; taking decision on payment of interim dividends;
- j) preliminary approval of the Bank's annual financial statements and submission to the General Meeting for approval;
- k) representation of the person who will conduct the Bank's external audit to the General Meeting for approval;
- l) determination of the size of compensation for services of the person conducting the Bank's external audit;
- m) taking measures, where appropriate, directed at correction of violations revealed as a result of audits or other inspections conducted at the Bank;
- n) adoption of internal legal acts that establish the procedure for conducting financial operations by the Bank as envisaged by the Law, as well as internal legal acts regulating the activities of the Bank's management and control bodies;
- o) adoption of decisions on creation of the Bank branches, representative offices, institutions or other independent structural subdivisions, or on termination of their activities;
- p) approval of charters of the Bank branches, representative offices and institutions, making alterations or supplements thereto, or approval of charters in new wording;
- q) submission of issues referred to in sub-clauses b), i), s) and t) of clause 25.1. hereof to the General Meeting for consideration;
- r) taking decisions on allocation of the Bank bonds and other securities;
- s) use of the Bank's reserve and other funds;
- t) determination of the Bank's accounting policy principles, fundamentals, methods, rules, forms and procedures applied for conducting accounting and preparation of financial statements;
- u) adoption of decisions on creation of subsidiary and dependent companies, or participation in subsidiary and dependent companies, if the value of such transaction, or the aggregate value of similar transactions executed during the current financial year, does not exceed 10 (ten) percent of the Bank's total capital;
- v) adoption of decisions on establishment of associations of commercial organizations, or participation in associations of commercial organizations;
- w) creation of temporary and standing committees of the Board, approval of their composition, approval of internal documents regulating the formation and activities of committees;
- x) conclusion of contracts with the Central Bank on elimination of violations of the banking legislation, prudential economic standards;
- y) taking decisions on implementation of the Central Bank's recommendations issued to the Bank;
- z) determination of the market value of the Bank property, including shares and other securities, in the manner and cases envisaged by the Charter;
- aa) determination of the order of taking decisions on suspending the accrual of interests, fines and penalties charged for violation of contractual commitments assumed by third parties with respect to the Bank;

- bb) in cases envisaged by the Charter, approval of transactions, upon representation by the Management Board Chairman, being concluded between the Bank and its related persons as envisaged in clause 14.2 of the Charter;
- cc) adoption of decisions on conclusion of transactions envisaged by clause 16.3 of the Charter (transactions involving interest);
- dd) adoption of decisions on conclusion of transactions envisaged by clause 15.4 of the Charter (major transactions);
- ee) determination of the list of documents and information constituting commercial secrecy;
- ff) election of the Board Chairman;
- gg) adoption of other decisions envisaged by the RA legislation, this Charter, the Regulation on the Board and other internal legal acts of the Bank.

31.2. If the statements submitted to the Board contain detected violations of the Law and internal legal acts of the Bank, the Board shall be obliged to undertake respective measures towards elimination of such violations and prevention of their further recurrence.

31.3. At least once a year the Bank Board shall consider the report of the person carrying out the Bank's external audit (Management Letter), as well as review, where appropriate, basic directions of the Bank activities and internal legal acts of the Bank.

31.4. At least once in a quarter the Bank shall consider the reports of the Bank's Internal Audit, the Management Board Chairman (the Management Board) and the Chief Accountant, prepared in the manner and form defined by the Board.

Chapter 32. Composition and Procedure of Formation of the Board. Termination of the Board Members' Powers

32.1. The composition of the Board is approved by the General Meeting; the number of the Board members may not be less than 5 and more than 15.

32.2. Unless any other term is defined by the General Meeting, the Board members shall be elected at the annual General Meeting for a term until the next annual General Meeting. If the General Meeting was not held within the timeframes specified by the Charter, the powers of the Board shall be terminated, other than those related to preparation and holding of the extraordinary General Meeting, the agenda of which shall include only the issues referred to in clause 26.3 of the Charter.

32.3. The shareholders, who as of the date of compiling the list of shareholders entitled to participate in the General Meeting possess 10 percent or more of the Bank shares, may be included in the Bank Board without election or appoint their representative therein. The procedure of exercising this right is established by the Regulation on the Board.

32.4. The shareholders, who as of the date of compiling the list of Shareholders entitled to participate in the General Meeting possess less than 10 percent of the Bank shares, may join in a group to achieve 10 percent and more ownership of the Bank shares, in which case they may appoint their representative in the Bank Board at the General Meeting. The inclusion of a representative in the Board under the specified procedure will be possible only upon existence of a contract on creation of a shareholders' group and submission of the contract to the General Meeting.

The contract specified in this clause shall contain the following conditions and information:

- a) data concerning the joining shareholders, including the number of the Bank's outstanding shares owned by them;
- b) information stipulated by clause 20.10 of the Charter, concerning the representative nominated by joining shareholders to be included in the Board;
- c) a provision specifying that the contract is concluded for a term of at least one year and may not be amended or cancelled prior to its expiry;
- d) other conditions at the discretion of the joining shareholders.

Copies of the contract shall be delivered to all participants of the Meeting at least 30 days prior to the date of the General Meeting or, in case of voting in absentia, prior to the last date fixed for acceptance of completed ballots by the Bank.

32.5. The shareholders possessing less than 10 percent of the Bank's outstanding shares, who are not parties to the contract on creation of shareholders' group as specified in clause 32.4 of this Charter (hereinafter referred to as "minority shareholders"), have a right to independently elect (include) their representative in the Board as per the procedure established under clause 32.6. hereof.

32.6. Nomination, election and inclusion of minority shareholders' representative in the Board shall be carried out as follows:

- When nominating candidates for the representative's position the minority shareholders shall necessarily enclose the information required by clause 20.10 of the Charter concerning the candidate, attested by his signature. Each minority shareholders has a right to nominate no more than 1 (one) candidate. Nominated

candidates shall meet all the requirements defined for a bank manager by the RA legislation and this Charter;

- The election is carried out at the General Meeting through open voting by minority shareholders, conducted on the principle “one minority shareholder – one vote”. Only minority shareholders may participate in the election of the representative, even if their number equals one;
- The candidate having received most of the votes of minority shareholders will be deemed to be elected as their representative in the Board.
- Where only 1 (one) candidate is nominated, he shall be deemed to be elected if more than a half of minority shareholders participating in the Meeting have voted in his favor.
- Based on the results of voting by minority shareholders, the Secretary of the Meeting shall draw up the minutes, which shall be signed by the General Meeting Secretary, as well as by minority shareholders at their discretion.
- The representative of minority shareholders elected (appointed) on the basis of voting results shall be included in the composition of the Board without additional elections.

If the number of minority shareholders is one, who has nominated a candidate according to the procedure stipulated in this clause, then the candidate of the sole minority shareholder shall be included in the Board without election.

Election of minority shareholders’ representative shall be conducted before the election of other Board members, but only upon submission of the contract on creation of shareholders’ group referred to in clause 32.4 of this Charter.

32.7. Candidates for the Board members may be nominated at the General Meeting both by the shareholders and the members of the Board. The person having nominated a candidate, or the nominated candidate himself, shall submit the information specified in clause 20.10 of the Charter.

32.8. Based on the General Meeting decision the authorities of a Board member may be prematurely terminated without compensation:

- a) based on the Board member’s personal application, or if;
- b) by a court decision having taken legal effect he has been recognized incompetent or partially competent;
- c) during his tenure such circumstances have arisen, by virtue of which he is forbidden to hold the office of the Bank Board member (Bank manager);
- d) during one year he has been absent from at least $\frac{1}{4}$ of the Board sessions without reasonable cause or from at least a half of the Board sessions in total (including with or without reasonable cause). Participation in the Board sessions in real time or in absentia shall be deemed as full participation;
- e) under the procedure established by the RA legislation he has been deprived of qualification or of the right to hold certain offices;
- f) on other grounds provided for by contract with a member of the Board.

32.9. Authorities of the Board member may also be terminated at any time on the initiative of the General Meeting, provided that the member will be compensated in the amount of his remuneration for the period remaining until the expiry of his tenure.

32.10. The Bank may judicially claim the return of compensation received by the Board member, if it proves to the court the fact of bad faith performance of official duties by the Board member.

Chapter 33. Members of the Board. Restrictions on the Board Membership

33.1. Any competent physical person, a citizen of the Republic of Armenia or a foreign state, who meets the requirements established by the RA legislation and the Central Bank for a bank manager, may become a member of the Bank Board.

33.2. Each shareholder of the Bank may hold only one position in the Board.

33.3. The Board member may not simultaneously be the Chairman or a member of the Bank Management Board, or another employee of the Bank, or be a member of another bank’s or credit organization’s executive body or another employee, with the exception of cases when the Bank and the other bank or credit organization are affiliated persons.

33.4. The Bank maintains a Register of Board Members which is accessible for the Bank shareholders. The list of data to be included in the Register is defined by the legislation and internal documents of the Bank.

33.5. The members of the Board shall demonstrate loyalty towards the Bank and shall not use the opportunities and information made available to them for such purposes which conflict with the Bank’s property and/or non-property interests.

33.6. The size and order of payment of remuneration and/or compensation to the Board members shall be defined by the decision of the General Meeting and/or by internal legal acts as approved by the General Meeting.

Chapter 34. Chairman of the Board

34.1. The Board Chairman is elected by the Board from among its members.

34.2. The Board Chairman shall:

- organize proceedings of the Bank Board;
- call and preside at the Bank Board sessions;
- organize the keeping of minutes of the General Meeting and the Bank Board sessions;
- preside at the Bank's General Meetings, if no other person is elected by the Meeting Chairman;
- organize works of the Board committees;
- sign the decisions passed by the General Meeting and the Board, and documents approved by such decisions (charters, regulations, procedures, etc.);
- sign employment contracts with the Board members, Management Board Chairman and members, as well as with other Bank managers appointed by the Board;
- on behalf of the Bank sign service contracts with external auditors.

34.3. The Board Chairman may have a deputy who is elected from among the Board members. The Deputy Chairman performs duties of the Board Chairman during the period of his absence.

34.4. The employment contract (services contract) with the Bank Board Chairman shall be signed on behalf of the Bank by the Deputy Chairman of the Board, and if there is no deputy – by another member so authorized by the Board decision.

Chapter 35. Board Sessions

35.1. The Bank Board sessions are called by the Board Chairman – at own initiative, or at the request of:

- a Board member;
- the Head of Internal Audit;
- the Management Board Chairman or the Management Board;
- the Central Bank;
- a Bank shareholder possessing 5 (five) percent or more of the bank shares.

35.2. The Board sessions may be conducted both by way of joint participation of the Board members, including in real time with the use of communication means, as well as through voting in absentia (by inquiry). Decisions on matters specified in sub-clauses “a”, “c”, “d”, “g”, “k”, “p” and “ff” of clause 31.1 of the Charter, as well as on approval of the Bank's perspective development plan may not be passed by voting in absentia.

35.3. The Board sessions held by way of joint participation shall be called and conducted as follows:

- The Board Chairman shall notify on convocation of Board session all members of the Board and the Management Board Chairman, as well as the persons having submitted a request on convocation of a Board session (if any), indicating in the notice the date (year, month, day), time and place of holding the session, and the session agenda. The procedure and timeframes of submission of materials and documents to the session participants are defined by the Regulation on the Board;
- Before the beginning of the session the Board members shall pass registration, on the basis of which the quorum will be determined;
- The Board Chairman shall familiarize the attending Board members, the Management Board Chairman (hereinafter “Board session participants”) and other attendants with the session agenda and procedure of voting on matters included therein;
- Board session participants are entitled to express their views on each matter included in the Board session agenda.

Based on the results of discussions and voting the Board shall pass a decision on the given matter.

The Board Chairman shall inform the session participants about the procedure of signing the Board session minutes.

35.4. The Board sessions held in real time shall be conducted via telephone, visual or other means of communication (hereinafter “communication means”) enabling all participants of the session to contact with one another. Participants of the Board session held in real time are considered the Board members present in the venue of the session, as well as those Board members who, while not being present in the venue of the session, have a possibility to contact with the rest of the session participants. The order and technical procedure of conducting the Board session in real time are defined by internal legal acts of the Bank. Speeches made and views expressed by the session participants may be audio- and/or video recorded.

35.5. The Board session held in absentia shall be conducted through the method of inquiry as follows:

- The Board Chairman shall send to all members of the Board and the Management Board Chairman, as well as the persons having submitted a request on convocation of a Board session (if any), the agenda of the session, materials pertaining to the items included in the agenda and the questionnaires, specifying the date (year, month, day) of returning completed questionnaires and the required information to be filled in therein. Documents and materials specified in this clause are delivered via e-mail or facsimile communication.

- The Board members shall complete the questionnaires within 1 (one) business days, sign them and deliver via e-mail or facsimile communication (in a format allowing to introduce changes) to the Board Chairman. Questionnaires shall be deemed valid if completed and returned in the manner and terms indicated therein;
- On the basis of completed questionnaires the minutes of the Board session held in absentia shall be prepared, with which the completed questionnaires shall be enclosed.

35.6. The Board session is eligible (quorum is present), if it is attended by more than a half of the total number of Board members, and in case of absentee voting – if questionnaires completed by more than a half of the total number of Board members are received and recognized valid.

Chapter 36. Decisions of the Board. Minutes of the Board Session

36.1. Decisions at the Board sessions are passed by a simple majority of votes of the Board members participating in the session, unless a larger number of votes is stipulated by the Charter and the Regulation on the Board.

36.2. Decisions on the issue provided in clause 15.4 of the Charter is passed.

36.3. Transfer of the voting right by one Board member to another is prohibited.

36.4. In case of equal votes in taking a decision by the Board, the Chairman of the Board shall have the casting vote.

36.5. The Board sessions are protocolled. Minutes of the Board session shall be prepared within 10 days' period after its closing. The procedure of preparation, signing, maintenance and archiving of the Board session minutes are defined by the Regulation on the Board.

36.6. Minutes of the Board session shall be signed by all participants attending the session, who will bear responsibility for accuracy and reliability of information contained in the minutes.

36.7. Decisions passed by the Board shall be signed by the Board Chairman, who will bear responsibility for accuracy and reliability of information contained in the minutes.

Chapter 37. Committees and Other Bodies Functioning under the Board

37.1. The Board has a right to create temporary or standing committees for preliminary study and consideration of most important issues reserved to the competence of the Board.

37.2. The committee is a permanently acting consultative collegial body functioning under the Board, which coordinates the issues in a certain sphere, regulates the works on development, adoption, introduction of internal legal acts pertaining to the given sphere and implementation of control over their performance.

37.3. The Board may have its Administration (Office) with respective workplaces. Remuneration of the Board Administration (Office) employees is paid out of the Bank funds.

SECTION VIII. THE EXECUTIVE BODY OF THE BANK

Chapter 38. The Executive Body of the Bank. Formation of the Executive Body

38.1. Management of the Bank's day-to-day activities is carried out by the Bank Management Board and the Management Board Chairman. The Management Board Chairman may have deputies. The Management Board Chairman, his deputies, as well as Management Board members are appointed by the Bank Board. Deputies of the Management Board Chairman, Management Board members and the Chief Accountant are appointed by the Board upon representation by the Management Board Chairman.

38.2. The composition of the Management Board is determined by the Board. The Management Board Chairman, his deputy (deputies) and the Chief Accountant are included in the composition of the Management Board ex officio.

38.3. The Bank Management Board shall act in compliance with this Charter, the Regulation on the Bank Management Board and other internal acts of the Bank as approved by the Board. The Regulation on the Bank Management Board also defines the terms and procedure for convocation and holding the Management Board sessions, decision making, as well as the procedure and conditions of adoption of the Bank's internal legal acts (regulations, procedures and other documents) by the Management Board within the limits of its authority.

38.4. Rights and duties of the Management Board Chairman and members are defined in accordance with the RA legislation, the Charter, the Regulation on the Bank Management Board, and the contracts signed by the Bank with each of them. The contract shall be signed on behalf of the Bank by the Board Chairman or the person authorized by the Board.

38.5. The Management Board Chairman, his deputies and the Management Board members may not simultaneously hold the position of executive director, deputy executive director, chief accountant, member of directorate, or head or member of internal audit in another bank.

38.6. The members of the Management Board may perform other paid jobs, except for scientific, pedagogical and creative activity.

38.7. The Board may resolve on early termination of authorities of any Management Board member (all

members).

38.8. Authorities of the Management Board Chairman may be prematurely terminated:

- based on the Board member's personal application, or if:
- by a court decision having taken legal effect he has been recognized incompetent or partially competent;
- during his tenure such circumstances have arisen, by virtue of which he is forbidden to hold the office of the Bank Board member (Bank manager);
- under the procedure established by the RA legislation he has been deprived of qualification or of the right to hold certain offices
- on other grounds provided for by contract with the Management Board Chairman.

38.9. Authorities of the Management Board Chairman may also be terminated at any time on the initiative of the Board, provided that he will be compensated in the amount of his remuneration for the period remaining until the expiry of his tenure, and if that period is over one year - in the amount of his annual remuneration.

The Bank may judicially claim the return of compensation received by former Management Board member, if it proves to the court the fact of bad faith performance of official duties by the given member.

Chapter 39. Powers of the Management Board

39.1. The Management Board shall:

- submit for the Board's approval internal legal acts of the Bank, charters of the Bank branches, representative offices, institutions and independent structural subdivisions, as well as administrative-organizational structure of the Bank;
- manage the Bank property, including financial resources, within the limits of its competence issue orders, instructions and check their performance;
- resolve on matters reserved to its competence by the Bank's legal acts;
- establish rates of commissions for services rendered by the Bank, with the exception of individual services, interest rates on the Bank loans and deposits, as well as other interest rates;
- initially review the issues delegated to the competence of the General Meeting and the Board;
- within the limits of its competence form permanent work groups, advisory and other bodies;
- consider issues of granting Bank loans in accordance with the Bank's internal legal acts;
- consider matters relating to appropriateness of creating branches, representative offices and institutions, or of terminating their activities;
- within the framework of the Bank's annual expenditure budget approve quarterly and annual budgets for branches, representative offices and institutions, and their actual performance;
- approve policies, regulations, instructions, procedures, methodological instructions and other official documents regulating the Bank's current activities, other than those which, according to the law and this Charter, are subject to approval by the General Meeting or the Board;
- ensure the implementation of decisions passed by the General Meeting and the Board;
- resolve on other matters envisaged by the Law, this Charter, the Regulation on the Bank Management Board and other internal legal acts of the Bank.

39.2. The Management Board shall periodically, but not less than once in a quarter, submit reports concerning its activity to the Board.

Chapter 40. Powers of the Management Board Chairman

40.1. The Management Board Chairman shall:

- a) within the limits of his powers issue orders, instructions and mandatory directions, and exercise control over their fulfillment;
- b) sign employment contracts with the Bank employees, with the exception of managers appointed by the Bank Board, or authorize the signing of a part of such contracts to other Bank managers, as well as act as employer's representative within the meaning defined by the RA Labour Code;
- c) dissolve employment contracts signed with the Bank employees, with the exception of contracts signed with managers appointed by the Bank Board, or authorize the dissolution of a part of such contracts to other Bank managers;
- d) present to the Bank Board for approval the candidates for Deputy Chairman and members of the Management Board, as well as for the Chief Accountant;
- e) open with banks correspondent and other accounts in AMD and foreign currency;
- f) sign and submit to competent bodies financial, statistical, tax and other statements of the Bank, as well as documents having legal significance;
- g) sign minutes of the Management Board sessions;
- h) organize and control the implementation of decisions adopted by the Bank Management Board;
- i) submit for the Board approval the transactions between the Bank and its related persons as stipulated in clause 14.2 of the Charter;

- j) submit for the Board approval remuneration conditions for the heads of the Bank's independent structural subdivisions;
- k) apply incentives and disciplinary sanctions with respect to the Bank employees, with the exception of managers appointed by the Bank Board;
- l) based on the approval of a respective Board committee appoint branch managers, heads of representative offices, institutions, independent structural subdivisions of the Bank, and managers working directly under the authority of the Management Board Chairman, as well as prematurely terminate their powers;
- m) within the limits of his competence form temporary committees, work groups, advisory or other bodies;
- n) based on substantiated proposal by the Bank's relevant subdivision or collegial body establish individual tariffs for services and interest rates of contractual nature;
- o) in an order established by internal legal documents, approve the staff list within the limits of the Bank's annual expenditure budget as approved by the Bank Board;
- p) extend loans in accordance with the Bank's internal legal acts;
- q) temporarily prohibit the managers appointed by the Bank Board and other employees to perform their business duties, promptly informing the Bank Board about it;
- r) exercise other powers related to the management of the Bank's current activities, envisaged by the Bank Charter and legal acts approved by the Board.

40.2. The Management Board Chairman is vested with the exclusive power to represent the Bank both in the Republic of Armenia and foreign states, within the limits of his competence conclude transactions, act without a proxy on behalf of the Bank, issue powers of attorney.

40.3. The Management Board Chairman reports to the General Meeting and the Board.

40.4. Matters reserved to the competence of the Management Board Chairman may not be transferred for resolution to other managements bodies of the Bank, the Internal Audit, the Chief Accountant or another person, except when the powers of the Management Board Chairman have been duly transferred to his substitute on temporary basis.

40.5. The Management Board Chairman's powers may be temporarily transferred to his substitute, if the latter meets the qualification and professional adequacy criteria established by the Central Bank.

Chapter 41. Management Board Sessions. Decisions of the Management Board

41.1. Sessions of the Management Board are organized and conducted by the Management Board Chairman.

41.2. The Management Board sessions shall be protocolled. Minutes of the Management Board sessions shall be submitted, upon request, to the Board Chairman, the Internal Audit, and the person conducting the Bank's external audit. Minutes of the Management Board session shall be prepared within 10 days' period after its closing. The procedure of preparation, signing, maintenance and archiving of the Board session minutes are defined by the Regulation on the Management Board.

41.3. Minutes of the Management Board session shall be signed by all its members attending the session, who will bear responsibility for accuracy and reliability of information set forth in the minutes.

41.4. Decisions passed by the Management Board shall be signed by the Management Board Chairman, who will bear responsibility for accuracy and reliability of information set forth in the minutes.

Chapter 42. The Chief Accountant of the Bank

42.1. The Chief Accountant of the Bank is appointed by the Board upon representation by the Management Board Chairman.

42.2. The Chief Accountant exercises the rights and performs the duties defined for chief accountants by the Law of the Republic of Armenia "On Accounting".

42.3. Rights and obligations of the Chief Accountant may not be transferred to the General Meeting, the Board, the Management Board Chairman and members, the Internal audit or another person.

42.4. The Chief Accountant of the Bank shall meet the qualification and professional adequacy criteria established by the Central Bank.

42.5. The Chief Accountant shall present to the Board for approval the candidates for the office of his deputy (deputies), as well as for chief accountants of the Bank branches and their deputies.

42.6. The Chief Accountant shall at least once in a quarter submit to the Board and the Management Board Chairman a financial statement prepared according to the form and content defined by the Board.

42.7. The Chief Accountant shall be responsible for conducting accounting, its state and reliability, timely submission to government authorities of annual statements, financial and statistical reports defined by the laws, other legal acts and by the Bank management bodies, as well as for reliability of financial information furnished to the Bank shareholders, creditors, the press and other mass media, in conformity with the requirements of the

RA legislation and this Charter.

42.8. The deputies of the Chief Accountant shall meet the qualification and professional adequacy criteria established by the Central Bank. In case of the Chief Accountant's absence, his duties shall be performed by one of his deputies.

42.9. The Chief Accountant of the Bank may not simultaneously serve as executive director, deputy executive director, chief accountant, member of the board or directorate, head or member of internal audit in another bank.

Chapter 43. The Internal Audit

43.1. The Internal Audit subdivisions (hereinafter referred to as "Internal Audit") is a structural subdivision of the Bank created for implementing internal control and rendering support to the Bank management bodies in ensuring the effective functioning of the Bank.

43.2. The Internal Audit is a permanently functioning body which acts on the grounds of the Charter, the Regulation on the Internal Audit of the Bank and other internal acts adopted on the basis thereon, as approved by the Board.

43.3. The Head and employees of the Internal Audit are appointed and removed from office by the decision of the Board.

43.4. Members of the Bank managements bodies, other managers and employees, as well as persons affiliated with the Chairman and members of the Management Board may not be members of the Internal Audit. The Head of Internal Audit shall meet the qualification and professional adequacy criteria established by the Central Bank. The Head and employees of the Internal Audit may not simultaneously serve as executive director, deputy executive director, chief accountant, member of the board, head or member of internal audit in another bank.

43.5. The Internal Audit reports to the Board.

43.6. The procedure for approval of work plans, submission of reports, the tasks, rights and duties of the Head and employees of Internal Audit are defined by the Regulation on the Internal Audit Subdivision and other internal acts.

43.7. The Internal Audit is subject to inspection as per the procedure stipulated by the Regulation on the Internal Audit Subdivision.

43.8. In compliance with the Regulation approved by the Board, the Bank's Internal Audit shall:

- a) effect control over the Bank's current activities and risks;
- b) exercise control over compliance of the Management Board Chairman, the Management Board, and regional and structural subdivisions of the Bank with the requirements of laws, other legal acts and internal acts of the Bank, as well as over fulfillment of recommendations issued to the Management Board Chairman and/or the Management Board;
- c) prepare conclusions and proposals on issues addressed by the Bank Board or raised at its own initiative;
- d) perform other functions envisaged by the Regulation on the Internal Audit Subdivision.

43.9. Matters reserved to the competence of the Internal Audit may not be transferred to the Bank management bodies or other persons.

43.10. The Head of Internal Audit shall submit to the Board and the Management Board Chairman (the Management Board) the following reports:

- a) ordinary, i.e. reflecting the results of inspections envisaged by the annual work plan;
- b) extraordinary, if the Internal Audit has reasonable grounds to believe that it has detected material violations, and where such violations have resulted from actions or inaction of the Management Board Chairman (the Management Board) or the Board, the report shall be submitted directly to the Board Chairman. The reports shall be submitted no later than within two business days after detection of the violation.

43.11. In case of detecting violations of the RA legislation the Internal Audit shall be obliged to report the Bank Board about such violations, simultaneously recommending measures targeted at their elimination and prevention of their further recurrence.

43.12. With the purpose of implementation of internal control in the Bank branches, the Bank may create territorial subdivisions of Internal Audit, directly subordinated to the Head of the Bank's Internal Audit. The performance of Internal Audit functions in those branches where the creation of such subdivisions is not envisaged, rests upon the Internal Audit of the Bank.

Chapter 44. The External Audit of the Bank

44.1. With the purpose of inspection and approval of reliability of the Bank's financial statements the Bank shall each year invite a professional audit company, not related with the Bank and its shareholders with property interests ("hereinafter "External Audit") and having a license for carrying out such audits.

44.2. The External Audit shall be approved by the General Meeting. The External Audit shall be selected pursuant to the procedure established by the CBA. The size of compensation for services of the external auditor shall be defined by the Board.

44.3. The External Audit may also be invited at any time by the Bank Board – at the expense of the Bank funds.

44.4. Inspection of the Bank's financial activities may also be carried out at the request of the shareholder(s) possessing 5 (five) percent or more of the Bank shares. In such case the shareholders having demanded the audit shall select the external auditor, sign a relevant contract with it, and pay for its services. Such shareholders may claim from the Bank compensation of their expenses, if the General Meeting determines that the audit was justified for the Bank.

44.5. The audit of the Bank shall be conducted in compliance with the RA legislation, based on the contract signed with the audit company. The conclusion of the audit company on the results of the Bank's financial-economic activity shall reflect information concerning the following:

- reliability of the Bank's financial statements;
- compliance of the Bank with mandatory normatives established by the CBA;
- management quality in the Bank;
- state of the internal control;
- facts of violations of the accounting and reporting procedure defined by the RA legal acts, as well as facts of violations of the RA legal acts regulating the implementation of financial-economic activity;
- other provisions stipulated by the RA legislation, this Charter and the contract on rendering audit services.

The contract signed with the external auditor of the Bank shall, along with preparation of auditor's conclusion, also provide for preparation of audit report (Management Letter).

44.6. The external auditor shall promptly inform the Central Bank of the facts detected during the Bank audit, which, in the opinion of the auditor, demonstrate substantial deterioration of the Bank's financial condition, as well as of revealed deficiencies in the operation of the Bank's internal systems (including internal controls).

44.7. The Central Bank may urge the Bank to conduct external audit within 4 (four) months and publish the audit results (conclusion).

44.8. The Central Bank may demand from the Bank to replace the external auditor and to appoint another person for conducting the external audit.

44.9. The External Audit conclusion shall be submitted to the Central Bank and published in mass media by May 1 of the year following the Bank's financial year.

44.10. If the information on violations of laws and other legal acts detected in the course of external audit were not submitted to the Bank Board or another authorized body, the Head of External Audit shall compensate the Bank for incurred actual damages.

SECTION IX. REORGANIZATION AND LIQUIDATION OF THE BANK

Chapter 45. Reorganization of the Bank

45.1. The Bank may be reorganized through merger with another Bank or restructuring (change of organizational-legal form).

45.2. The merger of the Bank with another bank shall be effected under the procedure established by the Law. The restructuring of the Bank shall be carried out pursuant to the procedure stipulated by the RA Civil Code and other RA laws.

45.3. Upon reorganization all rights and obligations of the Bank shall pass to its successor.

45.4. In case of merger with another bank (other banks), the joining banks shall conclude a merger agreement after receiving the preliminary consent of the Central Bank.

45.5. The merging banks shall implement measures envisaged by the merger agreement within the terms specified therein, shall approve the deed of transfer and shall submit, together with the charter, or amendments and supplements to the charter of the surviving bank, to the Central Bank for registration.

Chapter 46. Liquidation of the Bank

46.1. The Bank shall be liquidated:

- in case of invalidation of license;
- in case of revocation of license;
- in cases envisaged by the RA Law "On Bankruptcy of Banks, Investment Companies, Credit Institutions and Insurance Companies";
- by the decision of the General Meeting;
- on other grounds stipulated by the law.

46.2. The liquidation of the Bank shall be effected pursuant to the procedure stipulated by the RA Civil Code and other RA laws, and in the case referred to in sub-clause "c)" of clause 46.1. hereof - pursuant to the

procedure stipulated by the RA Law “On Bankruptcy of Banks, Investment Companies, Credit Institutions and Insurance Companies”.

46.3. The General Meeting is entitled to pass a decision on the Bank liquidation, if the Bank has no liabilities towards depositors, holders of bank accounts, as well as persons who are creditors in money transfer transactions.

46.4. Based on the decision on applying to the Central Bank for preliminary approval of the Bank liquidation, the Bank shall file a request with the Central Bank on preliminary approval of the Bank liquidation, enclosing therewith the documents substantiating the liquidation of the Bank, as stipulated by the CBA.

46.5. In the event of receiving the CBA preliminary approval of the Bank liquidation, the Bank may undertake measures directed at the discharge of the Bank liabilities towards depositors, holders of bank accounts, as well as persons who are creditors in money transfer transactions.

46.6. Only after the discharge of the Bank liabilities referred to in clause 46.3 of the Charter the General Meeting may pass a decision on liquidation of the Bank. Immediately after passing the given decision the Bank shall file a request with the Central Bank on approval of the Bank liquidation, enclosing therewith the documents substantiating the liquidation of the Bank, as stipulated by the CBA.

46.7. The CBA may conduct an examination in the Bank in order to check the absence of grounds for rejection of the Bank’s request.

46.8. Should the General Meeting pass a decision on liquidation of the Bank, the Central Bank will establish the procedure of operating and closing of the Bank’s correspondent accounts.

46.9. The liquidation commission of the Bank shall be created within 5 (five) days’ period since the date of relevant decision of the court or the CBA entailing the liquidation of the Bank, for the purpose of selling the Bank property (assets) and satisfying its creditors’ legal claims in the manner established by the Charter. Liquidation commission shall consist of at least three members. If no liquidation commission is created within the specified period, the CBA Board may pass a decision on creation of the liquidation commission. Only those persons who have received relevant qualification by the Central Bank may act as chairman and members of the liquidation commission. Before the formation of the liquidation commission its authorities shall be exercised by the Bank Management Board Chairman.

46.10. Since the moment of its creation the liquidation commission shall assume all powers related to the Bank management, except when the Bank is an issuer under the RA Law “On Covered Mortgage Bonds”, in which case the CBA will appoint a mortgage administrator, who will assume the right of disposing of such property and assets of the Bank, which cover the mortgage bond related liabilities. Such property shall not be included in the Bank’s liquidation balance.

46.11. The list of actions directed at the Bank liquidation, and the procedure and terms of their performance are established by the RA legislation.

46.12. The Bank management bodies shall within 3 (three) days from the moment of passing the decision on creation of the liquidation commission hand over to the latter the Bank seal, stamps, documents, material and other values.

46.13. The claims of creditors shall be satisfied in the sequence defined by the Law, in accordance with the interim liquidation balance.

46.14. For exercising control over the liquidation process the Central Bank may conduct inspections.

46.15. Following the completion of settlements with creditors the liquidation commission shall draw up the liquidation balance, which shall be submitted to the Central Bank within 3 (three) days after approval by the General Meeting.

46.16. The members of the liquidation commission shall bear responsibility pursuant to the RA legislation for damage caused by their actions and violations committed in the course of their activities.

46.17. Action of the liquidation commission may be appealed at the court by the Bank creditors and/or borrowers, by the Central Bank and the Bank shareholders.

SECTION X. FINAL PROVISIONS

Chapter 47. Amendments and supplements to the Charter

47.1. All amendments and supplements introduced to this Charter by the General Meeting are subject to registration at the Central Bank.

47.2. Amendments and supplements introduced to the Charter, or the Bank Charter in new wording, take effect for third persons since the moment of their registration at the Central Bank.

Chapter 48. The Charter and the RA Legislation

48.1. The provisions of the Charter may not conflict with the RA legislation.

48.2. If upon introduction of amendments or supplements to the RA legislation the provisions of this Charter appear to be conflicting with the legislation, the provisions of the Charter shall apply only to such an extent as not to conflict with the legislation applicable at the given moment. If the legislation does not stipulate

any timeframes for bringing the Charter into compliance with amended RA legislation, such amendments will be introduced during the next annual General Meeting.

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Head of Licensing and Registration Department of
Finance-Credit Division
Hasmik Khachatryan (Signature)
(Round Seal)

Inspector Irina Abovyan (Signature)