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Translated from Armenian

APPROVED

By the resolution of the General Meeting of the Shareholders of "North- Armenian" joint-stock bank (Minutes of the Meeting number 1) of 01/11/1993

Amended by Decision N9 of the General Meeting of Shareholders of "CONVERSE BANK" CJSC as of 23.12.2024

/Minute number 5/

Chairman of the Meeting

Marcelo Wende /signature/
Seal

REGISTERED AT

at the Central Bank of the Republic of Armenia

Governor of the Central Bank of Armenia

Martin Glastyan /signature/
Official Seal

Digitally signed by Martin Glastyan
Date: 2025.02.10, 16:17:41AMT
Reason: Registered on 29.01.2025

CHARTER OF
"CONVERSE BANK" CLOSED JOINT-STOCK COMPANY
/NEW EDITION/

2024



Article 1. General Provisions

- 1.1. **"Converse" joint-stock bank** was established on November 01, 1993 by the resolution of the founders' meeting of "North-Armenian" joint-stock bank. The Bank was reorganized into **"Converse Bank" closed joint-stock company** (hereinafter the Bank) by the Resolution number 4 of the founders' general meeting of April 26, 1997
- 1.2. The Bank is the legal successor of "Converse" joint-stock bank.
- 1.3. 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. During its activity the Bank is guided by the normative legal acts, the present Charter, as well as other legal acts regulating the Bank's activity.
- 1.4. The Bank is deemed a (commercial) legal entity intended to generate profit and its charter capital consists of the total sum of the face value of the shares purchased by its shareholders.
- 1.5. The legal competence and capacity of the Bank originate from the moment of its establishment (state registration) and cease from the moment of liquidation (making a record on liquidation in the state register).
- 1.6. The relations between the Bank's shareholders and the Bank are regulated by the Charter.
- 1.7. The RA Government and the Bank are not responsible for each other's liabilities unless they have undertaken them. The RA Central Bank and the Bank do not bear responsibility for each other's liabilities.
- 1.8. The Bank is entitled to carry out banking activity and financial operations stipulated by the RA legislation from the moment it obtains the license for banking activity from the RA Central Bank.
- 1.9. The Bank may establish branches and representations in the RA and outside its territory. In case they are established in the territory of the RA they should be registered in the manner defined by the RA normative legislation, while if established outside the RA territory- in the manner stipulated by the legislation of the given country, in compliance with the RA legislation requirements.
- 1.10. The Bank approves the charters of its branches and representations thereby defining their authorities and manner of liquidation.
- 1.11. Establishment, registration and liquidation of the Bank's branches and representations is carried out in the manner established by the RA Legislation.
- 1.12. The Bank's branch is a separated subdivision of the Bank that does not have the status of a legal entity and is located outside the Bank's domicile. It acts within the scope of the authorities granted by the Bank and performs banking activity and (or) such financial operations (both in AMD and foreign currency) stipulated by the RA legislation that are prescribed by the branch charter, on behalf of the Bank.
- 1.13. The Bank's representation is a separated subdivision of the Bank that does not have the status of a legal entity and is located outside the Bank's domicile. It represents the Bank in the relations with the third parties, studies the financial market, signs contracts on behalf of the Bank, performs other similar functions. The Bank's representation cannot perform banking activity and financial operations stipulated by the legislation.
- 1.14. The Bank can temporarily stop the operation of its branches or representations in the manner and timing defined by the RA normative legal acts.
- 1.15. The procedure for termination of the operation of the Bank's branches or representations is defined by the RA normative legal acts and/or the charter of the branch or representation.
- 1.16. The Bank guarantees that it will keep the data of its customercustomers deemed bank secret in the manner stipulated by the law.
- 1.17. A lien, seizure or forfeiture may be imposed on the accounts of the Bank's customercustomers and the cash assets and other property transferred by them to the Bank, only in the cases and in the manner stipulated by the RA legislation, upon the decision of the competent authorities. The Bank is not liable for the loss the customer suffers in the result of lien, seizure or forfeiture imposed in the manner stipulated by the legislation.
- 1.18. The Bank is liable for its obligations by the entire property (assets) owned thereby, unless otherwise stipulated by the RA legislation.
- 1.19. The Bank has its independent balance, property (assets) owned thereby, its round seal with its firm name (with record in English) and logo, stamps, blanks, title block and seals with numbers for the Bank's branches and representations.
- 1.20. The Bank's domicile (address for correspondence) is the location of its permanent acting body (head office). The Bank is located at and its postal address is: 26/1 V. Sargsyan str., Republic Square, Yerevan-0010, Republic of Armenia

1.21. The Bank's full firm name is

in Armenian: «Կոնվերս Բանկ» փակ բաժնետիրական ընկերություն

in Russian: закрытое акционерное общество "Конверс Банк"

in English: "Converse Bank" closed joint-stock company

The Bank's short name is

in Armenian: «Կոնվերս Բանկ» ՓԲԸ

in Russian: ЗАО "Конверс Банк"

in English: "Converse Bank" CJSC

- 1.22. The Bank has rights and liabilities vested by the RA legislation to the banks, irrespective of their being prescribed in the Charter or not, except for the cases stipulated by the law.
- 1.23. The Bank shareholders' register is maintained in the manner stipulated by the RA legislation.
- 1.24. The Bank performs banking activity and financial operations at the head office and at the branches.

Article 2. Financial Operations and Other Transactions Performed by the Bank

2.1. The Bank may carry out the following financial operations in the manner stipulated by the RA normative legal acts:

- a) accept demand and term deposits
- b) provide commercial and consumer loans, including mortgage loans, perform the financing for debts or commercial transactions, factoring;
- c) provide bank guarantees and letters of credit;
- d) open and maintain accounts, including other banks correspondent accounts;
- e) provide payment and settlement services and/or maintain the customers' accounts in another manner;
- f) issue, purchase (discount), sell and service securities, payment documents, travel cheques, cards and other instruments, perform other similar operations;
- g) perform investment and subscription activity;
- g.1) in case of meeting the requirements stipulated by the law- perform investment fund's (including pension fund's) custodian activity;
- h) provide financial agent's (representative's) services; manage securities and investments of third parties (trust management);
- i) buy, sell and manage precious metal bank (standardized) alloys and souvenir coins;
- j) buy and sell (exchange) foreign currency, including to execute futures in dram and foreign currency, options and other similar transactions;
- ja) provide financial leasing;
- jb) accept for custody precious metals, stones, jewelry items, securities, documents and other values;
- jc) provide financial and investment advice;
- jd) create and maintain information system about the creditworthiness of the customers, perform debt collection activity;
- je) perform the functions of the account operator stipulated by the Republic of Armenia Law on Funded Pensions.

2.2. The Bank may conclude any civil transaction that is necessary or expedient for performing banking activity.

2.3. The Bank performs financial operations both in AMD and in foreign currency except for the cases stipulated by the Law.

2.4. The Bank is entitled to conclude contracts, acquire property and personal non-property rights, bear liabilities on its behalf, be a plaintiff and respondent in the court and intermediate court.

2.5. The Bank is entitled to open correspondent accounts with the banks operating in the RA and abroad, in the manner stipulated by the RA normative legal acts.

2.6. The Bank independently determines the interest rates for the attracted deposits, the loans provided by the Bank and own securities, as well as the amount of the commissions for the Bank's services, except for the cases stipulated by the RA legislation.

2.7. The Bank is entitled to carry out the functions that are not directly prescribed in Clause 2.1 of the Charter if they originate or are closely related to banking activity or financial operations, if such operations have been defined for the banks or if there is the permission of the RA Central Bank. If such operations are subject to be licensed by the state authorized body, the Bank may perform such operations exceptionally upon the availability of the corresponding license.

Article 3. Rights and Responsibilities of the Bank

3.1. The Bank is entitled to:

- 3.1.1. acquire property, including securities, in any manner not prohibited by the RA legislation, possess and dispose of them and the income or other useful outcome generated from them;
- 3.1.2. independently organize its financial resources, including through the attraction of loan assets, get bank and commercial credits in the RA and other states, including in foreign currency, issue and allocate securities on its behalf, in the manner stipulated by the legislation;
- 3.1.3. alienate, give for financial leasing, exchange, transfer in the manner not prohibited by the legislation property rights, be a pledgee and pledger;
- 3.1.4. transfer part of the profit to the charter capital through the increase of the face value of the allocated shares, only after finalizing the financial results of its activity;
- 3.1.5. provide paid services and perform works for the resident and not-resident legal entities, private entrepreneurs and citizens in the manner stipulated by the legislation, use the works performed by them and services provided by them, in other countries, in accordance with the legislation of those countries, make investments, establish legal entities or become their member, exercise other rights stipulated by the legislation and the present Charter.

3.2. The Bank is obliged to:

- 3.2.1. maintain accounting records and submit reports to the RA authorized state bodies in the manner stipulated by the RA legislation and/or other legal acts;
- 3.2.2. conclude employment contracts (agreements) with the employees of the Bank in the manner stipulated by the RA legislation;
- 3.2.3. bear liability for the failure to fulfill the contracts signed by the Bank or for the improper fulfillment thereof through compensating the caused damages;
- 3.2.4. ensure the maintenance of the Bank documents (Bank's charter, the documents certifying the rights to the property, the Bank's daily, weekly, monthly, quarterly, semiannual, annual reports, accounting documents, minutes of the meetings of the management and executive bodies, other documents stipulated by the RA laws and other legal acts);
- 3.2.5. bear other liabilities stipulated by the RA legislation and Charter.

Article 4. The Property of the Bank

4.1. The Bank is the owner of

- 4.1.1. the property, including the money assets, that the founders and shareholders of the Bank have transferred to the Bank as payments against the shares or based on other arrangements;
- 4.1.2. the received income;
- 4.1.3. the retained earnings;
- 4.1.4. other property acquired in the manner not prohibited by the effective legislation.

4.2. Any property may be under the ownership of the Bank except for certain types of property that may not belong to the Bank in accordance with the law.

4.3. The peculiarities of acquisition or termination of the Bank's ownership right to its property, and the possession, use and disposal of that property are stipulated by the RA legislation.

Article 5. Charter Capital of the Bank, Other Funds

5.1. The charter capital of the Bank comprises AMD 19,947,633,300 (nineteen billion nine hundred forty-seven million six hundred and thirty-three thousand three hundred).

5.2. The charter capital of the Bank consists of 66,492 (sixty-six thousand four hundred and ninety-two) allocated ordinary shares at a face value of AMD 300,000 (three hundred thousand) per share, of 333 (three hundred thirty-three) convertible preference shares at a face value of AMD 100 (one hundred) per share, which are fully placed.

5.3. The maximum amount of the Bank's authorized shares is 100,000 (one hundred thousand) ordinary shares at a face value of AMD 300,000 (three hundred thousand) per share and 333 (three hundred thirty-three) convertible preference shares at a face value of AMD 100 (one hundred) per share.

5.4. The charter capital of the Bank determines the minimum amount of the Bank's assets that secure the interests of the Bank's creditors. The minimum amount of the Bank's charter capital cannot be less than the amount defined by the normative acts of the RA Central Bank.

5.5. All the shares of the Bank are placed, fully paid and held by the shareholders of the Bank.

- 5.6. The Bank is entitled to increase the face value of the shares or to increase the charter capital by issuing additional shares upon the resolution of the Bank's board (hereinafter the Board) if the previously issued shares have been sold and fully paid.
- 5.7. The increase of the Bank's charter capital can be carried out by means of
- additional cash investments by the Bank's shareholders;
 - cash investments by the third parties;
 - retained earnings.
- 5.8. The resolution on increasing the charter capital of the Bank by means of the additional investments by the Bank's shareholders or the third parties, as well as the retained earnings, is adopted by the Board, whereby the amount of the additional investments and the manner and time limits for making the investments are defined. In case of the charter capital increase the general meeting of the Bank's shareholders (hereinafter the Meeting) is obliged to adopt a resolution on making amendments to the Charter or on approving the restated Charter.
- 5.9. The resolution on increasing the Bank's charter capital enters into force once the RA Central Bank registers the corresponding amendments to the Charter of the Bank.
- 5.10. The Bank cannot increase the charter capital through the increase of the face value of shares more than the value of the net assets on the latest balance sheet approved by the Meeting or defined by the results of the latest audit.
- 5.11. The face value of the preference shares in the charter capital cannot be more than 25%.
- 5.12. The reduction of the actually contributed charter capital of the Bank is prohibited except for the cases stipulated by the law.
- 5.13. A reserve fund is created at the Bank at the amount of the 20% of the actually contributed charter capital.
- 5.14. The reserve fund is formed from the Bank's profit before reaching the defined amount. Allocations to the reserve fund are made from the annual net profit at the amount of 20% and more, as well as from the funds received from the difference between the value of the of new issues of the Bank and their face value.
- 5.15. The reserve fund is used only upon the decision of the Board for covering the Bank's losses, as well as for repaying the bonds issued by the Bank if the Bank's profit and other funds are not enough for that.
- 5.16. The share premium of the Bank may be used only in case of reducing the charter capital in accordance with Article 36 of the Republic of Armenia Law on Banks and Banking or in case of the Bank's insolvency to cover the losses, or it can be used to increase the face value of the Bank's shares (stocks).
- 5.17. The Bank shall establish a reserve for the possible losses of investments in investment securities, a reserve for possible losses in loans and accounts receivable (reserve funds), as well as other mandatory reserves stipulated by the RA normative legal acts.
- 5.18. By the resolution of the Meeting other reserves (funds) may be created as well to be used for the economic development of the Bank and to meet the social and economic needs of the Bank employees.
- 5.19. Formation and use of other reserves (funds), the manner and amounts of allocations to them are defined by the Meeting.

Article 6. The Bank's Shares and Other Securities

- 6.1. The Bank may issue paper-based common (ordinary), as well as one or several types of preference shares (printed piece of paper), i.e. the share certificate.
- 6.2. The shares issued by the Bank are allocated among the shareholders via private placement, at their face value or at the market value defined by the Board, in the manner stipulated by the law. The market value cannot be less than the face value of the shares.
- 6.3. The Bank is entitled to allocate additional shares at a value lower than their market value if the allocation is carried out when all the shareholders holding common (ordinary) shares of the Bank exercise their preemptive right to acquire such shares.
- 6.4. The shares are paid in the RA drams.
- 6.5. Only cash payment can be made against the Bank's shares.
- 6.6. The additionally allocated shares of the Bank should be paid within the time period defined in the resolution on their placement, however, no later than within one year after their placement.
- 6.7. The holders of preference shares may participate in the management of the Bank in the cases and in the manner prescribed by the Charter, having equal rights with the holders of common (ordinary) shares.
- 6.8. In case of failure to fully pay the value of the allocated shares within the defined time period
- the shares pass to the disposal of the Bank if the actually paid amount is less than the value of one share, while the shareholder is deprived of his/her ownership right to the share and of the right to claim the actually paid amount;

b) a recalculation of the number of shares is done if the actually paid amount is not less than the value of one share and the shareholder gets shares of the value corresponding to the amount he/she has actually paid, while the rest of the shares pass to the disposal of the Bank.

The shares that have passed to the disposal of the Bank in the manner prescribed herein may be allocated to the rest of the shareholders who are obliged to pay their full value within 3 months. In case the rest of the shareholders do not purchase the aforementioned shares within 3 months, the Bank shall be obliged to reduce the declared amount of the charter capital at the amount of the value of the outstanding shares.

6.9. The shares that have passed to the disposal of the Bank do not give a right to vote, are not taken into consideration when counting the votes, no dividends are calculated on those shares.

6.10. The Bank's shares are allocated in the form of their registration in the personal account of the shareholder in the register of the Bank's shareholders.

6.11. The Bank may not issue shares for covering its losses resulted from its economic activity, except for the cases when the Bank is declared insolvent and on the condition that the new issue is expected under the approved financial recovery plan of the Bank.

6.12. The Bank may issue and allocate securities stipulated by the RA legislation in compliance with the requirements of the RA normative legal acts regulating the securities market.

6.13. The issuance of the Bank's bonds and other securities is done by the resolution of the Board which defines the manner, the time limits and conditions for their repayment. The Bank may issue nominal bonds. The Bank's bonds may be issued after the full repayment of the charter capital.

6.14. The ownership right of the new owner of shares, nominal bonds and other nominal securities originates and the right of the former owner is terminated after making a corresponding change (registration) in the register of the shareholders and owners of the other nominal securities.

6.15. The sum of the face values of all the secured bonds issued by the Bank may not be higher than the Bank's charter capital or the amount of collateral provided to the Bank for issuing bonds.

Article 7. Shareholders of the Bank

7.1. Natural persons and legal entities both from the Republic of Armenia and abroad may participate in the formation of the Bank's charter capital.

7.2. The shareholders of the Bank may be changed in the manner prescribed by the Charter, via the alienation of the shares by the shareholders, as well as in case of forfeiture of all the shares of the shareholder(s).

7.3. The Bank disclaims the responsibility for the obligations of its shareholders unless it has assumed such responsibility. The Bank's shareholders bear liability for the losses incurred as the result of the Bank activity within the limits of their share in the Bank's charter capital. The shareholder that has failed to make the full payment for the shares bears joint and severe liability for the Bank's obligations also within the limits of the amount that the shareholder has not paid.

7.4. The shareholder having the right to give an instruction to the Bank that is mandatory for fulfillment or otherwise having a possibility to predetermine the Bank's activity bears additional (subsidiary) liability for the Bank's obligations in case of the Bank's insolvency, if the shareholder has been aware in advance of the likelihood of the bank to turn insolvent due to the exercise of the aforementioned power stipulated by the law.

7.5. Only the shareholders holding common (ordinary) shares may exercise the right to vote at the Meeting, except for the cases stipulated by the law and the Charter. The shareholders may not exercise their right to vote until they have fully paid the value of the share.

7.6. When allocating the Bank's declared shares the shareholders holding ordinary shares may purchase new shares in the number corresponding to their participation only in case the shareholders holding the convertible preference shares prescribed by the Charter refuse from their preemptive right to purchase the declared shares.

7.7. The Bank's shareholders holding common (ordinary) shares have the preemptive right to purchase common (ordinary) shares allocated in the cases stipulated by the Charter and the Republic of Armenia Legislation.

7.8. In case the shareholders of the Bank refuse from the right prescribed in Clauses 7.6 and 7.7 of the Charter the shares may be allocated to the third parties through private placement by the resolution of the Meeting.

7.9. The Bank's shareholders are obliged to:

- a) fully pay the value of their shares within the time period defined by the Charter;
- b) not disclose any information on the Bank's activity, deemed bank secrecy, list of which is defined by the Bank's Board;
- c) provide the Board and the auditor with information required under the law about their interest in the Bank's transactions, their affiliation with the persons concluding a transaction with the Bank;
- d) comply with the other requirements of the Charter.

7.10. The shareholders holding the Bank's common (ordinary) shares are entitled to:

- a) participate in the Meeting with the right to vote on all the issues that are under the competence of the Meeting in compliance with the restrictions defined in Clauses 7.5 and 7.20 of the Charter;
- b) participate in the Bank's management in the cases defined by the RA normative legal acts, provided there is the positive conclusion of the RA Central Bank on the professional qualification of the participating person;
- c) get dividends from the profit generated from the Bank's activity in compliance with the restriction defined in Clause 7.20 of the Charter;
- d) exercise their preemptive right to the shares issued by the Bank unless otherwise stipulated by the RA legislation and the Charter;
- e) receive any information about the Bank's activity except for the secret documents and information, including to study the accounting balances, statements, the Bank's financial activity, receive the copies of the Bank's latest annual statement and external audit conclusion, as well as the minutes of the meetings of the counting committee, in the manner prescribed by the Charter. The shareholders holding the 2% and more of the allocated voting shares of the Bank are entitled to receive the documents and information stipulated by Article 43, Paragraph 4 of the RA Law on Banks and Banking, in the manner stipulated by the same article;
- f) authorize a third party to present their rights in the Meetings;
- g) make proposals at the Meetings;
- h) vote at the Meetings at the extent of the voting shares held by them;
- i) apply to the court for appealing against the resolutions adopted by the Meeting that contradict the RA applicable normative legal acts;
- j) purchase the corresponding number of common (ordinary) shares at the price defined by the Board, however, no less than at their face value, when the charter capital is increased at the account of the Bank's own funds;
- ja) get their share from the Bank's property (assets) in case the Bank is liquidated;
- jb) purchase the sold shares with preemptive right at the same price they are sold by the shareholders and in other equal conditions, in compliance with Clause 7.14 of the Charter;
- jc) sell their shares in the Bank's charter capital or part of them or otherwise surrender them to one or more shareholders of the Bank, as well as to the third parties, in compliance with the manner defined by the RA legislation and Charter;
- jd) have other rights defined by the Charter.

7.11. The Bank does not guarantee the payment of dividends on common (ordinary) shares to the holders of the common (ordinary) shares.

7.12. The shareholders of the Bank's convertible preference shares are entitled to:

- a) participate in the Meeting with a right to vote if the issues related to the Bank's reorganization or liquidation, and the resolutions related to the Charter amendment or addition that restrict their rights, are discussed;
- b) within one year following the purchase of convertible preference shares, require their conversion into common (ordinary) shares, purchase the declared shares allocated by the Bank with a preemptive right via converting the preference shares into common (ordinary) shares in equal quantitative correlation and paying the difference between the market value of the additionally issued common (ordinary) shares, the face value of convertible preference shares and the dividend amount they are entitled to;
- c) in case the competent body takes a decision to pay dividends, receive the fixed annual dividend at the amount of 20% of the face value of the convertible preference shares held by them;
- d) participate in the Bank's management in the cases stipulated by the law or other legal acts provided there is the positive conclusion of the RA Central Bank about the professional qualification of the participating person;
- e) make proposals at the Meetings;
- f) vote at the Meetings to the extent of the voting shares held by them in the cases stipulated by the Charter;
- g) purchase the corresponding number of common (ordinary) shares at the price defined by the Board, however, no less than at their face value when the charter capital is increased at the account of the Bank's retained earnings.

7.13 The shareholders holding the convertible preference shares exercise the rights stated in Clause 7.12 of the Charter in accordance with the provisions of the Charter, while they exercise the rights stated in Clause 7.10 b), e), f), i), j), ja), jb) and jc) of the Charter with equal rights as the shareholders of common (ordinary) shares.

7.14. The shareholders of the convertible preference shares bear the liabilities prescribed in Clause 7.9 of the Charter.

7.15. The Bank shareholders have the right to alienate the shares (part of the shares) owned by them or to transfer them to other persons in the manner not prohibited by the law.

The transfer of the shares is implemented in the following manner:

- a) Other shareholders have the preemptive right to purchase those shares and the term for exercising this right is 30 (thirty) days starting from the moment the shares are proposed for sale. The moment of the proposal for sale is the moment when the shareholder sends a corresponding information about the sale to the Bank;
- b) The Bank is obliged to notify the other shareholders within 7 days after receiving the shareholder's offer for sale of shares stating the deadline for exercising the preemptive right and the consequences of non-reaction to that;
- c) If none of the shareholders exercises his/her preemptive right within the time period stated herein the alienation of the shares is done in the manner stipulated by the RA legislation.

7.16. The deadline for exercising the shareholders' preemptive right is not applied when all the shareholders of the Bank have simultaneously expressed their wish to alienate their shares or part of the shares. In case it is necessary to define the market value of the Bank's shares, the value of the Bank's net assets is taken into account. In that event, upon the demand of any of the parties, the price of the shares (or the value of the Bank's net assets) should be defined by an independent appraiser (auditor).

7.17. The Bank shareholders may alienate the shares owned by them exceptionally in the manner stipulated by the RA legislation.

7.18. The Bank's shares pass to the heirs of the Bank shareholders and the legal successors of the legal entities in the manner stipulated by the RA legislation.

7.19. The shareholder that does not make investment within the time period defined in the manner approved by the Charter or the Meeting's resolution is obliged to pay the penalty at the amount of the 10 per cent of the unpaid amount for delay.

7.20. The pledge of the shareholders shares in the Bank's charter capital and the further forfeiture imposed on them by the pledgee are done in the manner stipulated by the RA legislation.

7.21. A shareholder ceases to be the Bank's shareholder once a forfeiture is imposed on the share of that shareholder in the Bank's charter in the manner and in the cases stipulated by the RA legislation and after its liquidation in the established manner.

7.22. The Bank's shareholder or its affiliated persons may acquire a significant participation in the Bank's charter capital in the meaning of the RA Law on Banks and Banking (hereinafter-Significant Participation) as a result of one or several transactions only upon the prior consent of the RA Central Bank.

7.23. In case of acquiring Significant Participation in the Bank's charter capital the Bank's shareholder acquires rights and assumes obligations in accordance with provisions defined by the Charter and the RA Legislation, only upon the prior consent of the RA Central Bank.

7.24. The natural persons permanently residing or performing activity in the offshore territories, as well as the legal entities established or registered in such territories, the persons without the status of a legal entity or the affiliates of the persons stated herein may acquire participation (irrespective of the amount of participation) in the Bank's charter capital through one or several transactions exceptionally in the manner defined by Clause 7.22 of the Charter.

The legal entities established with the participation of the persons stated herein or of their affiliated persons may acquire participation (irrespective of the amount of participation) in the Bank's charter capital exceptionally in the manner defined by Clause 7.22 of the Charter.

7.25 The Bank's shareholder(s) holding at least 2 per cent of shares with right to vote is (are) entitled to make no more than two proposals on the agenda of the Bank's annual meeting within 60 (sixty) days after the end of the Bank's fiscal year, as well as to propose candidates for the members of the Board. The proposals should be made in writing stating the bases for raising the issue, name and surname (company name) of the shareholder(s) introducing the issue, the number of the shares held by them according to the types and classes of the shares and the signature(s) of the author(s) of the proposal or the facsimile reproduction of the signature(s).

Article 8. Distribution of the Bank's Profit

8.1. The profit generated by the Bank as a result of its activity is subject to taxation in the manner and at the amount defined by the RA legislation:

8.2. The net profit of the Bank is formed after paying the taxes and other mandatory payments stipulated by the RA legislation. Payments are made from the net profit to the funds established by the Charter and/or the Meeting. After making the payments to the funds dividends may be paid to the shareholders from the accumulated (undistributed) profit.

8.3. The Board is entitled to adopt a resolution on paying interim (quarterly and semiannual) dividends by defining also the date for payment to be made in 30 days after adopting the given resolution.

- 8.4. The resolution on paying the annual dividends, on their amount and the payment date is adopted by the Meeting upon the proposal of the Board.
- 8.5. The amount of the interim dividends cannot exceed 50 per cent of the dividends distributed based on the results of the previous fiscal year. The amount of the annual dividends cannot be less than the amount of the already paid interim dividends.
- 8.6. If by the resolution of the Meeting the amount of the annual dividends is defined to be equal to the amount of the already paid interim dividends, annual dividends shall not be paid.
- 8.7. If by the resolution of the Meeting the amount of the annual dividends is defined to be more than the amount of the already paid interim dividends the annual dividends are paid at the amount of the difference between the defined annual dividend and the amount of the already paid interim dividends in the given year.
- 8.8. The Meeting is entitled to take a decision not to pay the dividends and to pay the dividends partially for the Bank's preference shares.
- 8.9. It is prohibited to distribute dividends to the Bank's shareholders, if
- a) the Bank's charter capital is not fully paid;
 - b) the losses (damages) incurred by the Bank at the moment of dividends distribution are equal or exceed the amount of the undistributed net profit available at the Bank;
 - c) the value of the net assets of the Bank is less than charter capital of the Bank or will become less as a result of paying the dividends.
- 8.10. If the Meeting takes a decision to pay dividends they shall be paid before or on the 180th day following the date the corresponding decision was taken, while the dividends are paid to the holders of preference shares on or before the 60th day inclusive. In case the dividends are not paid within the deadlines prescribed herein, they are accumulated and paid in future upon the very first demand of the shareholder.

Article 9. Bank's Management Bodies

- 9.1. The Bank's management bodies are:
- 9.1.1. the general meeting of the shareholders;
 - 9.1.2. The Bank's Board;
 - 9.1.3. the Chief Executive Officer of the Bank and the Bank's Executive Board.

9.2 The Meeting

- 9.2.1. The Meeting is the top management body of the Bank. The Bank is obliged to summon an annual meeting each year. The meeting is summoned within six months following the end of the fiscal year.
- 9.2.2. Besides the annual meeting, extraordinary meetings may be summoned, too, for discussing urgent issues.
- 9.2.3. The Meeting is entitled to:
- a) approve the Charter, make amendments and addendums to the Charter;
 - b) reorganize the Bank;
 - c) liquidate the Bank;
 - d) approve the total, interim and liquidation balance sheets, appoint liquidation committee;
 - e) approve the number of the Board members, elect the Board members and determine their tenure (which cannot be less than one year), as well as to early terminate their authorities;
 - f) define the maximum amount of the declared shares;
 - g) reduce the charter capital of the Bank;
 - h) approve the person nominated by the Board to conduct the external audit of the Bank;
 - i) approve the Bank's annual financial statements, profit and loss distribution, take a decision on paying the annual dividends and approve the amount of the annual dividends;
 - j) approve the procedure for holding the meeting;
 - ja) establish the counting committee;
 - jb) consolidate and distribute the shares;
 - jc) determine the amount of remuneration for the members of the Board;
 - jd) adopt a resolution on not using the preemptive right to purchase shares in the cases stipulated by the law;
 - je) other issues stipulated by the law.
- 9.2.4. The following shareholders are entitled to exercise their right to vote at the Meeting:

a) the shareholders holding common (ordinary) shares of the Bank;

b) the shareholders holding the preference shares of the Bank in the cases stipulated by the RA legislation and the Charter, hereinafter the Voting Shares.

9.2.5. The resolutions of the Meeting are adopted by the simple majority of the votes of the shareholders holding the Voting Shares participating in the Meeting unless other number of votes is stipulated by the RA legislation and Charter.

9.2.6. The following persons are entitled to participate in the Meeting:

a) the shareholders holding common (ordinary) shares of the Bank, with the number of votes corresponding to the number of the shares they hold,

b) the shareholders holding preference shares of the Bank, with the number of votes corresponding to the number and face value of the preferred shares they hold;

c) the members of the Board and the Executive Body that are not the shareholders of the Bank, with a right to advisory vote;

d) the members of the Bank's internal audit subdivision, as observers;

e) the person conducting the external audit of the Bank, as an observer (if his/her conclusion is available in the materials of the summoned Meeting);

f) representatives of the Central Bank, as observers.

9.2.7. The list of the shareholders entitled to participate in the Meeting is made in the manner and within the time period defined by the RA Law on Banks and Banking.

The Bank should notify the Central Bank about holding the general meeting of shareholders no later than 15 days before the day of the meeting.

9.2.8. The Bank shareholders are notified about summoning the annual Meeting at least 10 days before the appointed date of the Meeting, by e-mail or by post with a registered letter or by hand.

The agenda of the Meeting is approved by the Board, taking into consideration the proposals made by certain shareholders.

9.2.9. The resolutions of the Meeting are adopted due to voting, and the results of voting are reflected in the minutes of the Meeting about each issue included in the agenda of the Meeting. The voting at the Meeting is held by the principle "One voting share of the Bank is equal to one vote", except for the election of the Board members and the cases stipulated by the RA legislation.

9.2.10. The works related to summoning and holding the Meeting are organized by the secretary (secretariat) of the Board or another authorized subdivision or employee of the Bank (hereinafter the Secretary of the Board).

9.2.11. The Board has a quorum if the shareholders holding more than 50 per cent of the Bank's allocated Voting Shares (or their representatives) are registered by the end of the Meeting participants' registration. In case quorum is not available, right after 15 days a new Meeting is summoned. No new list of the Meeting participants is made. No change of agenda is made.

9.2.12. The Meeting is chaired by the Chairman of the Board, in case he/she is absent-one of the Board members upon the election of the Board members (or upon the voting of the Meeting participants).

9.2.13. The minutes of the Meeting are made by the Secretary of the Board. The minutes of the Meeting are made within 5 working days after the Meeting is over, at least in 2 copies that should be signed by the Chairman of the Meeting and the Secretary of the Board.

The chairman of the Meeting is responsible for the authenticity of the information available in the minutes of the Meeting.

9.2.14. Upon the request of the shareholders a copy of the minutes of the meeting or an excerpt from it shall be provided to them.

9.2.15. Besides the annual Meeting, extraordinary meetings may be summoned for discussing urgent matters, too.

9.2.16. The extraordinary meeting is summoned upon the decision of the Board on its own initiative, upon the demand of the Bank's Executive Body, the person conducting the Bank's audit or the shareholder(s) holding at least 10 per cent of the Bank's Voting Shares as of the moment of presenting the demand. Except for the cases when the extraordinary meeting is summoned by the Board on its own initiative, in the other cases the extraordinary meeting is summoned by the person presenting the demand for summoning the extraordinary meeting, within 45 days after such demand is presented. The issues related to summoning the extraordinary meeting are settled by the Board, in compliance with the requirements stipulated by the RA legislation.

9.2.17. The extraordinary meetings are summoned in the joint presence of the shareholders or through absentee voting, except for the cases stipulated by the law.

9.2.18. The absentee voting shall be by ballots.

9.2.19. During the absentee voting the ballots are provided to the shareholders in electronic form or by post with a registered letter or by hand, at least 10 days before the meeting is held.

9.2.20. The ballot should contain the following information:

- a. name of the Bank;
- b. date, hour and place for summoning the meeting;
- c. the formulation of each issue to be put to the vote;
- d. the voting options for each issue put to the vote ("aye", "nay" and "abstain");
- e. the date, hour and place for the acceptance of the filled in ballots by the Bank;
- f. an instruction that the ballot should be signed by the shareholder (his/her authorized representative);
- g. clarification on the manner of filling in the ballot.

9.2.21. The ballots that are filled in and signed by the shareholders are sent to the secretary of the Board within three days after the meeting is held, by e-mail or post with a registered letter, or by hand.

9.2.22. The Secretary of the Board sums up the results of the ballots and makes a minute of the meeting as a result of voting. The ballots are attached to the minutes of the meeting and sealed by the Secretary of the Board, transferred to the archive of the Bank for storage.

9.2.23. The resolutions of the Meeting based on the minutes of the meeting may be made in the form of separate resolutions which should be numbered with the indication of the date when the Meeting was held. The resolutions of the Meeting are signed by the Chairman of the Board.

9.2.24. The resolutions of the Meeting are adopted by the simple majority of votes of shareholders holding the Voting Shares participating in the Meeting, except for the cases stipulated by the Law.

9.2.25. The originals of the resolutions are kept by the Secretary of the Board up to the moment they are transferred to the archive in the established manner.

9.2.26. The Secretary of the Board or another authorized employee shall be in charge of controlling the compliance with the terms defined by the resolutions of the Meeting, the process of their dissemination and notification.

9.2.27. The resolutions of the Meeting may be adopted by such a session during which the participants are capable of communicating with each other through telephone, telecommunication or other means of communication in real time mode.

The manner for summoning and holding the Meetings in this way is defined by the resolution of the Bank's Board.

9.3. The Board

9.3.1. The Bank Board shall carry out the general management of the Bank within the scope of authorities, entrusted hereto in compliance with the Law and the Charter.

The Board of the Bank consists of minimum 5 and maximum 15 members. The members of the Board shall be elected at the Annual Meeting of the Bank, and in the case of early termination of a Board member's authorities – by the present members at an Extraordinary Meeting. Moreover, an Extraordinary Meeting must make a decision on election of a new Board member simultaneously with resolving on premature termination of the Board member's authorities.

Candidates for Board members can be nominated by the Bank Shareholders, as well as the Board (except for creation of the bank for the first time).

The members of the Board are elected in the manner established by the RA Law on Banks and Banking.

9.3.2. The Board is entitled to

- a) decide the main directions of the Bank activity, including the approval of the Bank's prospective development plan;
- b) summon the annual and extraordinary meetings, approve the agenda, as well as ensure the implementation of preparatory works related to the organization of summoning and holding the meetings;
- c) appoint the Bank's Chief Executive Officer, members of the Executive Board, including the chief accountant, deputies of the Chief Executive Officer, early terminate their authorities and approve conditions of their remuneration;
- d) define the internal control standards at the Bank, establish the internal audit subdivision of the Bank, approve its annual working plan, early terminate the authorities of the internal audit employees and approve the conditions of their remuneration,
- e) approve the budget of the Bank's annual expenses and performance;
- f) approve the internal administrative and organizational structure of the Bank;
- g) increase the charter fund of the Bank;
- h) make proposals to the Meeting about the payment of dividends, including make the list of the Bank's participants entitled to receive dividends for each case of dividends payments. The list should include those participants of the Bank that have been included in the register of the Bank's participants as of the date of making the list of the participants entitled to participate in the annual meeting;

- i) preliminarily approve the Bank's annual financial statements and present them to the Meeting;
- j) introduce the candidate for conducting the external audit of the Bank to the Meeting for approval;
- ja) define the amount of remuneration for the person conducting the external audit of the Bank;
- jb) initiate the implementation of the measures aimed at eliminating the deficiencies detected in the result of the audit or other inspections conducted at the Bank and have control over their implementation;
- jc) adopt the internal legal acts defining the manner for the Bank to carry out the financial operations stipulated by the law;
- jd) approve the charters of the Bank's territorial and independent structural subdivisions, distribute the functional responsibilities between the Bank's independent structural subdivisions;
- je) introduce the issues prescribed in subclauses b and jc) of Clause 9.2.3. of the Charter to the Meeting for consideration;
- jf) take a decision on the allocation of the Bank's bonds and other securities;
- jj) use the Bank's reserve and other funds;
- jh) establish the Bank's branches, representations and institutions;
- ji) define the accounting policy of the Bank, namely principles, basics, methods, rules, forms and procedures used for accounting and financial statements;
- jk) establish subsidiary or dependent companies;
- ka) participate in the subsidiary or dependent companies;
- kb) establish commercial organizations unions;
- kc) participate in the commercial organization unions;
- kd) determine the market value of the property;
- ke) take other decisions stipulated by the law;
- kf) take a decision about the person who shall replace the Bank's Chief Executive Officer in his/her absence;

9.3.3. Based on the minimum conditions for the internal control, besides the above stated authorities, the Board also exercises the authorities anticipated by the minimal conditions of the internal control approved by the RA Central Bank.

9.3.4. The sessions of the Board should be summoned at least once in two months.

The sessions of the Board are summoned by the Chairman of the Board upon his/her written demand, the written demand of any Board member, the Bank's Chief Executive Officer, the Executive Board, the head of the internal audit subdivision, the person conducting the external audit of the Bank, the Board of the Central Bank, as well as upon the written demand of the shareholder(s) holding 5 or more per cent of the Bank's Voting Shares.

9.3.5. The quorum of the Board's sessions is deemed to be present if at least 2/3 of the Board members participate in the sessions of the Board. During the voting each Board member is entitled to one vote. The resolutions of the Board are adopted by a simple majority of votes.

The discussion of all the issues of the Board sessions may be held only in case of the Bank's Chief Executive Officer's mandatory participation, except for the issues related to the early termination of the Chief Executive Officer's authorities and to the approval of the conditions for his/her remuneration. The Chief Executive Officer of the Bank participates in the Board's sessions with a right to advisory vote.

9.3.6. The Board sessions are chaired by the Chairman of the Board or by one of the Board members upon the election of the Board members, in case the Chairman is absent.

9.3.7. The Chairman of the Board presents the issues included in the agenda one after the other and invites the corresponding speaker to report on each issue.

9.3.8. After having listened to the report on the issue the reporter gives clarifications to the questions raised by the members of the Board, if necessary.

9.3.9. After having finished the discussions on the reported issue the Chairman of the Board puts to vote the suggestion(s) formulated due to the discussion so that the Board may take a decision on the issue under the discussion.

9.3.10. The Secretary of the Board counts and sums up the results of the Board's voting. The results of voting are declared at the given session of the Board.

9.3.11. The minutes of the Board sessions are recorded by the Secretary of the Board. The minutes of the Board's sessions are made within 10 days after the session is over. They are signed by the Chairman of the Board, members and Secretary of the Board. The minutes of the Board sessions are presented to the internal audit subdivision no later than within 10 days following their signature.

9.3.12. The Board sessions may be summoned in absentia, in the manner prescribed by the Charter for summoning the meetings in absentia.

9.3.13. The resolutions of the Board may be adopted by such a session during which the Board members are capable of communicating with each other through telephone, telecommunication or other means of communication in real time mode.

The manner for summoning and holding the Board sessions in this mode is defined by the resolution of the Bank's Board.

9.3.14. The Board may establish committees for the efficient organization of its work. The Board members and other managers of the Bank or employees of the Bank may be engaged in the committees at the Board. The decisions of the committees at the Board have an advisory nature.

9.3.15. The Board is responsible for the regular and efficient operation of the Bank, maintenance of the Bank's assets, for presenting accurate and reliable information to the Bank's shareholders, to the Central Bank and the public, as well as for the control over Bank's Executive Body.

The Board and the Executive Body are responsible for formulating and incorporating norms of ethics, as well as rules for professional conduct at the Bank.

9.3.16. The authorities of the Chairman of the Board are defined by the RA Law on the Banks and Banking and by the staff of the Board.

9.4. The Executive Body

9.4.1. The Bank's daily activity management is carried out unilaterally by the executive body: the Chief Executive Officer and the Executive Board of the Bank (hereinafter the Executive Board). The Chief Executive Officer is the chairman of the Executive Board.

9.4.2. All the ongoing Bank activity management issues, except for the issues vested to the exceptional authority of the Meeting and the Board by the Charter, are under the authority of the Chief Executive Officer and the Executive Board.

9.4.3. The appointment of the Chief Executive Officer and the members of the Executive Board, as well as the early termination of their authorities are done by the Board's resolution. The members of the Executive Board are appointed and their authorities are early terminated upon the presentation of the Chief Executive Officer.

9.4.4. The Chief Executive Officer, his/her deputies, the chief accountant, the directors of the Bank are included in the composition of the Executive Board.

9.4.5. The Executive Board acts based on the RA laws, Charter, as well as on the internal legal acts of the Bank approved by the Board, which define in a more detailed manner the time periods and the manner for summoning and holding the Executive Board sessions, as well as the procedure for adopting resolution by those meetings.

9.4.6. The Executive Board sessions are summoned upon necessity, on the initiative of the Chief Executive Officer or at least 2 (two) members of the Executive Board.

9.4.7. The Executive Board has a quorum if at least 1/2 of the Executive Board members are present at the Executive Board session. The resolutions are adopted by the simple majority of votes. In case of equal votes, the vote of the chairman of the Executive Board is decisive.

9.4.8. Rights and liabilities of the Chief Executive Officer, the members of the Executive Board are defined by the RA normative legal acts and/or by the employment contracts signed by and between the Bank and each of them. The employment contracts with the Executive Board members are signed by the Chairman of the Board or another person authorized by the Board, for and on behalf of the Bank.

The Chief Executive Officer and the members of the Executive Board may hold paid positions in other organizations only upon the consent of the Board.

9.4.9. The Executive Board is entitled to

- a) define the tariffs and rates applied by the Bank;
- b) approve the Bank's procedures and regulations made based on the policies approved by the Bank's Board and other legal acts;
- c) define the commissions for the services rendered by the Bank;
- d) approve the terms and conditions of the services and banking instruments;
- e) manage the assets and liabilities of the Bank;
- f) allocate the Bank's bonds and other securities;
- g) approve the internal disciplinary rules;
- h) approve the job descriptions (the official instructions);
- i) approve the samples of the Bank's public contracts;
- j) settle other issues related to the Bank's daily activity not vested to the authority of the Chief Executive Office.

9.4.10. The Executive Board sessions are organized and chaired by the Chief Executive Executive Board who is the ex-officio chairman of the Executive Board. In case he/she is absent, the Directorate sessions are organized and chaired by the person replacing the Chief Executive Officer who is the member of Executive Board.

9.4.11. The Chairman of the Executive Board presents the issues included in the agenda one after the other and invites the corresponding speaker to report on each issue.

9.4.12. After having listened to the report on the issues the reporter gives clarifications to the questions raised by the members of the Executive Board, if necessary.

9.4.13. After having finished the discussion on the reported issue the chairman of the Executive Board puts to vote the suggestion(s) formulated in the result of the discussion so that the Executive Board may take a decision on the issue under the discussion.

9.4.14. The secretary of the Executive Board counts and sums up the results of the Executive Board's voting. The results of voting are declared at the given session of the Executive Board.

9.4.15. The minutes of the Executive Board sessions are recorded by the secretary. The minutes of the Executive Board's sessions are made within 5 working days after the session is over, at least in 1 copy which is signed by the Chairman of the Executive Board, its members and secretary.

9.4.16. The minutes of the Executive Board sessions are presented to the Board, the person conducting the external audit of the Bank, upon their demand, as well as to the internal audit subdivision no later than within 10 days following their signature.

The Chief Executive Officer is responsible for the reliability of the data included in the minutes of the sessions.

9.4.17. The Chief Executive Officer

a) disposes of the Bank's property, including the financial assets, concludes transactions on behalf of the Bank, including provision of bank guarantees;

b) represents the Bank in the Republic of Armenia and abroad;

c) issues powers of attorney;

d) acts on behalf of the Bank without a power of attorney;

e) signs contracts in the established manner;

f) submits for the approval of the Board the charters of the Bank's separated subdivisions, candidates for the positions of the deputies of the Bank's Chief Executive Officer, the Bank's chief accountant, directors, the administrative and organizational structure of the Bank, as well as the internal legal acts approved by the Executive Board, except for those internal legal acts the approval whereof is reserved to the Executive Board;

g) approves the work places at the Bank;

h) gives orders, defines the responsibilities of the employees, gives binding instructions and controls over their fulfillment within the scope of his/her authorities;

i) hires and dismisses the Bank employees in the established manner and signs employment contracts except for the persons to be appointed by the Meeting and the Board;

j) applies incentive and disciplinary measures against the Bank's employees;

ja) creates standing and/or current working committees;

jb) makes, signs and submits to the state authorized body statements, including financial statements, stipulated by the RA normative legal acts;

jc) signs the minutes of the Executive Board sessions and the resolutions;

jd) opens bank accounts on behalf of the Bank;

je) is obliged to compensate for the damages caused by him/her to the Bank upon the demand of the Bank's founders (shareholders), unless otherwise stipulated by the law or the employment contract signed with him/her;

jf) acts based on the RA legal acts and the Charter;

kg) is entitled to conclude transactions on behalf of the Bank without the prior consent of the Meeting and/or the Board unless the amount of the transaction exceeds 25 per cent of the balance value of the Bank's assets;

kh) organizes the execution of the resolutions adopted by the Meeting, Board and Executive Board, reports to the Meeting, Board and Executive Board and is not entitled to take decisions that are mandatory for the Meeting, members of the Board;

ki) exercises other authorities not vested to the Meeting, Board and the internal audit subdivision by the law or Charter;

kj) he/she may have deputies, advisors whose authorities are defined by the internal legal acts of the Bank;

kl) gives an order on putting his/her responsibilities on one of the deputies/Executive Board members appointed by the Bank's Board during his/her absence or in case of impossibility to perform his/her official duties;

km) decides on applying special measures under the Bank's contracts;

kn) exercises the authorities of the liquidation commission before the liquidation commission is established;

ko) approves the internal legal acts not vested to the authority of the other management bodies of the Bank;

ke) exercises other authorities stipulated by the RA legislation.

9.4.18. Based on the minimal requirements for internal control, besides the above stated authorities, the Chief Executive Officer exercises the authorities prescribed by the minimum requirements for internal control.

Article 10. Internal Audit Subdivision

10.1. The head and the members of the Internal Audit Subdivision (hereinafter the Internal Audit) are appointed by the Board. The members of the Bank management bodies, other managers and employees, as well as persons affiliated with the Executive Body members cannot be members of the Internal Audit.

The head and members of the Internal Audit are obliged to comply with the labor discipline defined for the Bank employees.

10.2. Based on the regulation approved by the Board the Internal Audit:

a) controls the Bank's ongoing activity and operational risks;

b) controls the compliance of the Chief Executive Officer, the Executive Board, the Bank's territorial and structural subdivisions with the laws, other legal acts and the Bank's internal acts, over fulfillment of the instructions given to the Chief Executive Officer and the Executive Board;

c) gives conclusions and makes proposals about the issues presented by the Board, as well as raised on his/her own initiative.

The issues related to the authorities of the Internal Audit cannot be transferred for the settlement by the Bank management bodies or other persons.

10.3. The head of the Internal Audit submits the following reports to the Board, the Executive Board and the Chief Executive Officer:

a) regular follow-up reports on the findings of audit scheduled by the annual plan;

b) an extraordinary report if in the reasoned opinion of the Internal Audit material breaches have been detected, meanwhile, if those breaches are due to the actions or inaction of the Chief Executive Officer, the Executive Board or the Board, the report is submitted directly to the Chairman of the Board.

In the cases prescribed herein the reports are submitted no later than within two working days following the detection of the breach.

In case of detecting breaches of laws and other legal acts the Internal Audit is obliged to present them to the Bank's Board at the same time recommending measures to remedy the breaches and to prevent them in the future.

Article 11. Chief Accountant of the Bank, Recording, Reporting and Control at the Bank

11.1. The Chief Accountant of the Bank (hereinafter the Accountant) exercises the rights and liabilities defined for the Chief Accountant by the RA Law on Accounting.

11.2. The Accountant is appointed by the Board upon recommendation of the Chief Executive Officer.

11.3. The rights and liabilities of the Accountant cannot be transferred to the Meeting, the Board, the Chief Executive Officer, the Executive Board, the Internal Audit or to another person.

11.4. The Accountant shall submit a financial statement to the Board, the Executive Board and the Chief Executive Officer in the manner and with the content approved by the Board, at least once a quarter.

11.5. The Accountant is responsible for maintaining the accounting records of the Bank, its state and truthfulness, for submitting the annual statement, financial and statistical statements to the state management bodies stipulated by the laws and other legal acts in time, as well as for the truthfulness of the financial information about the Bank provided to the Bank's shareholders, creditors and mass media, in compliance with the law, other legal acts and the Charter.

11.6. The Bank maintains the accounting records and submits financial statements in the manner stipulated by the RA legislation and other legal acts.

11.7. The fiscal year of the Bank starts on January 1st and finishes on December 31st of the same year.

11.8. The RA Central Bank has an exclusive right of control over the Bank's activity and carries out such control in the manner stipulated by the RA legislation and other legal acts.

11.9. Each year the Bank has to engage an independent audit firm entitled to perform audit activity in the manner stipulated by the RA legislation and other legal acts for auditing the financial and economic activity of the Bank.

11.10. The independent audit firm is approved by the Meeting. The amount of the fee paid for the services of the independent audit firm is defined by the Board, which signs an agreement on the provision of audit services. The agreement on the provision of the audit services is signed by the Chairman of the Board on behalf of the Bank.

11.11. The audit firm may conduct the audit of the Bank's financial and economic activity upon the demand of the shareholders holding at least 5 per cent of the Bank's Voting Shares, too. In that case the person conducting the

external audit of the Bank is selected, the agreement with them is signed and the payment for the services of the audit firm is made by the shareholders demanding the audit.
In the agreement signed with the person conducting the external audit, besides the audit conclusion, the Bank should include a provision about the Management Letter to the Bank as well.

Article 12. Liquidation of the Bank

12.1. The Bank is liquidated by the resolution of the Meeting, in the cases and in the manner stipulated by the RA Laws on Banks and Banking, on the Bankruptcy of the Banks and Credit Organizations and other legal acts.

12.2. The liquidation of the Bank by the resolution of the Meeting is done with the permission of the RA Central Bank. In case of receiving the preliminary consent of the RA Central Bank for the Bank's liquidation the Bank may take measures aimed at fulfilling the liabilities towards the depositors, the owners of the bank accounts and other liabilities of the Bank. Once those liabilities are terminated only the Meeting can adopt a resolution on liquidation.

12.3. The deadline for the creditors to present their claims is defined in the announcement on the Bank's liquidation published in the media in the manner stipulated by the RA legislation.

12.4. The liquidation committee of the Bank is established within five-day period after the court's decision or the RA Central Bank corresponding decision is taken in the manner stipulated by the RA legislation for liquidating the Bank, selling its property (assets) and satisfying the lawful claims of the creditors. The liquidation committee shall consist of at least three members. Before the establishment of the liquidation committee the Chief Executive Officer performs the authorities of the liquidation committee.

12.5. After satisfaction of creditor claims the liquidation committee draws the liquidation balance sheet which is submitted to the Central Bank by the liquidation committee within three days after it is approved by the Meeting.

12.6. Within three days after the Central Bank adopts a resolution on the approval of the liquidation balance sheet the liquidation committee publishes a notice on the liquidation of the Bank in the manner stipulated by the Central Bank and after that the liquidation committee is released from the responsibilities related to the Bank's liquidation.

Article 13. Making Amendments and Addendums to the Charter

13.1. Addendums and amendments to the Charter are made and the restated Charter of the Bank is approved by the resolution of the Meeting adopted with at least three fourth of the votes.

13.2. Amendments and addendums made to the Charter and the restated Charter enter into force for the third parties from the moment they are registered by the RA Central Bank.

Andranik
Grigoryan

Digitally signed by Andranik
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