

Approved by
the Board of Union of Banks of Armenia
Resolution dated January 01, 2019
Minutes 01/2019
Made of 6 pages
Published by 3 copies
Chairman of the Executive Board
S. Sargsyan

**THE CHARTER OF THE
"FINANCIAL ARBITRATION" INSTITUTION OF
UNION OF BANKS OF ARMENIA
(new edition)**

YEREVAN

1. General Provisions

1.1 The “Union of Banks of Armenia” (hereinafter referred to as the “UBA”) financial Arbitration Institution (hereinafter Arbitration Court of UBA) is a permanently functioning arbitration court with the status of an institution.

1.2 The Arbitration Court carries out its activity under the Republic of Armenia Commercial Arbitration Law (“the Law”), Civil Procedure Code of the Republic of Armenia, Regulation of UBA Financial Arbitration Court, the present Charter and other legal acts.

1.3 The name of the Arbitration Court is as follows:

- Full in Armenian: << Հայաստանի բանկերի միության Ֆինանսական արբիտրաժ >> հիմնարկ,
- Short in Armenian: << ՀԲՄ Ֆինանսական արբիտրաժային դատարան >>
- Full in Russian: Финансовый арбитраж Союза банков Армении
- Short in Russian: Финансовый арбитражный суд СБА
- Full in English: Financial Arbitrage of Union of Banks of Armenia
- Short in English: Financial Arbitration Court of UBA

1.4 Financial Arbitration Court of UBA possesses a round seal with its Armenian name. Financial Arbitration Court of UBA may possess letterheads, symbol and other means of identification.

1.5 The location of the Arbitration Court is 6th floor, 19A Koryun Str., Yerevan.

1.6 Financial Arbitrage of Union of Banks of Armenia institution is deemed created by Board of UBA upon the approval of the present Charter and is subject to registration in a statutory manner.

2. Jurisdiction of Arbitration Court of UBA

2.1. The Arbitration Court resolves property disputes within the jurisdiction of the Arbitration Court of the UBA based on the arbitration agreement signed between the parties.

2.2. In the cases prescribed by the Law, citizens of the Republic of Armenia (sole entrepreneurs included) and legal entities, foreign citizens and legal entities (hereinafter foreign entities), as well as entities without citizenship have the right to apply to the Arbitration Court if there is an arbitration agreement between the parties.

3. Activity principles of Arbitration Court of UBA

3.1. The activities of Arbitration Court of UBA are based on the principles of legality, autonomy of the will, equality of citizens and legal entities before the law and the court, competition between the parties, independence of Arbitration Tribunal, limitation of judicial intervention, confidentiality of arbitration proceedings, directness of proceedings and other principles.

4. The Property of Financial Arbitrage of Union of Banks of Armenia Institution The Order of Possession, Management and Usage

4.1. The Financial Arbitrage of Union of Banks of Armenia institution possesses, uses and manages the property, as well as financial means in the manner to provide the solution of the disputes arising from the RA laws and other regulatory acts, international agreements signed and approved by the RA, present Charter and other legal acts, as well as to provide the unobstructed activity of the institution.

4.2. The financial means and equity of the Financial Arbitrage of Union of Banks of Armenia shall be used and managed by the Executive body of the UBA in the framework of the estimate of costs approved by the Board of UBA.

4.3. The equity of the "Financial Arbitrage of Union of Banks of Armenia" institution is formed according to the manner set by the Charter of UBA, from the property and money, arbitration fees, and other monetary means allocated to the institution, as well as by other means, which are not restricted by the Legislation.

4.4. Pursuant to the Law and the Charter, the monetary means arising from the Arbitration Court proceedings shall be used for the unobstructed activity of the institution in the order of priority.

5. The Structure of the "Financial Arbitrage of Union of Banks of Armenia" Institution.

5.1.1 The structure and the list of staff of Financial Arbitrage of Union of Banks of Armenia (along with the staff list of UBA) Institution shall be approved by the Executive Board of UBA.

5.1.2. The UBA Financial Arbitration Court shall ensure the regular activities of the Arbitration Court of UBA which is managed by the president of the Arbitration institution.

6.The Management of "Financial Arbitration of the Anion of Banks of Armenia" Institution

6.1. The management of the "Financial Arbitration of the Union of Banks of Armenia" institution is carried out in compliance with the laws of UBA and the manners set by UBA's Charter.

6.2. All the jurisdictions related to the "Financial Arbitration of the Union of Banks of Armenia" institution are carried out by the The Board of the UBA or CEO on behalf of UBA according to the present Charter and UBA's internal procedures.

6.3. The following issues are within the competence of the Executive Board of the UBA:

6.3.1 approval of the Charter and internal procedures of the "Financial Arbitration of the Union of Banks of Armenia" institution, amendment of the Charter, as well as the approval of the Charter in new edition;

6.3.2. approval of the arbiters' staff, name list of the Arbitration court, amendments in the list, early termination of the powers of arbiters

6.3.3. approval of the administrative-organizational structure and the staff list of the Arbitration court, upon the presentation of the Chairman of the Arbitration court.

6.3.4. termination of the Arbitration court activity;

6.3.5. approval of the size of the Arbitration court costs upon the presentation of the Chairman of the Arbitration court,

6.3.6 approval of the other powers of the Board of the UBA in compliance with the RA Legislation and present Charter;

6.3.7 Some of the powers of the Board of the UBA may be entitled to the CEO of the UBA .

6.4 The following issues are within the competence of the CEO of UBA

6.4.1. The chief executive is the Chairman of the UBA, if the latter is appointed by General meeting of Board of UBA, or the GEO, if the Chairman of the UBA is appointed by the Board of UBA thereof;

6.4.2 The CEO of UBA is entitled to decide the composition and the size of the property attached to the Arbitration Court, to approve the financial report of UBA's Financial Arbitration Institution, to hold the management of the financial means, to submit the estimate of costs and their performance to the approval of the Board of UBA.

6.4.3 to hire and release employees of the UBA

6.4.4 to apply the measures of encouragement and disciplinary responsibility against the employees of UBA Financial Arbitration Court

6.4.4¹ to appoint members of Ethics committee of UBA Financial Arbitration Court among the arbiters of UBA Financial Arbitration Court.

6.4.4². If an arbiter of the UBA Financial Arbitration Court breaches the term set by the Regulation of UBA Financial Arbitration Court for the examination of the case and accumulates arbitration cases, the CEO, upon the letter of the Chairman of UBA Financial Arbitration Court, instructs to temporarily suspend the randomly appointment of the given arbiter through the special software.

6.4.4³. If an arbiter of the UBA Financial Arbitration Court violates the rules of conduct or regularly breaches the term set by the Regulation of UBA Financial Arbitration Court for the examination of the cases, the CEO applies to the Board to prematurely terminate the powers of the given arbiter.

6.4.5 other powers conferred upon him by RA Legislation, the Charter and internal procedures of the Arbitration Court of UBA .

7. The Rights and Responsibilities of the Chairman of the Arbitration Court

7.1. The Chairman of the Arbitration court shall be considered as an arbiter if such a decision is made by the Board of UBA. The Chairman of UBA Arbitration court shall:

7.1.1. manage and control the current activities of UBA Arbitration court, with the exception of cases, which are within the competence of UBA.

7.1.2. carry out a job distribution among the staff of the Arbitration Institution,

7.1.3. participate in the discussions of drafts of legislative amendments regarding the arbitration activities

7.1.4. Exercise control over the observance of terms set by UBA Arbitration court.

represents the Arbitration court without a power-of-attorney in the Republic of Armenia and outside;

7.1.5. organize the study and summarizing of the judicial practice of arbitration proceedings, keeps statistical records of the cases investigated in the Arbitration court;

7.1.6. on behalf of the Arbitration court carries out the functions he is vested under the Regulations of the Arbitration court;

7.2. The Chairman of UBA Arbitration Court shall bear property responsibility in the manner prescribed by law for property damage caused to the CCI RA as a result of his/her illegal activity. Termination of Arbitration court chairman's powers cannot serve as a ground for failing to perform the obligation of compensation for material damage.

8. The Arbiters of UBA Arbitration Court

8.1. Only the individuals having higher legal education (master's degree), more than 3 years of work experience in financial and banking system or legal consulting experience or actual experience in judicial activities can be arbiters of UBA Arbitration Court.

8.2. The arbiter of UBA Arbitration Court cannot be an arbiter in other arbitration court at the same time.

8.3. The Board of UBA may establish other standards and procedures for the selection of arbiters of UBA Arbitration Court.

9. TERMINATION OF THE ARBITRATION COURT ACTIVITY OF THE UBA

8.1 The activity of the Arbitration court of the UBA is terminated as provided by the laws, likewise under the present Charter.

8.2. The activity of the Arbitration court is deemed terminated upon the decision of the UBA Chairmanship becomes effective.