

## MINUTES #2

### OF ANNUAL MEETING OF SHAREHOLDERS OF ARMENIAN ECONOMY DEVELOPMENT BANK OPEN JOINT-STOCK COMPANY

City of Yerevan

14 June 2019

Chairman of the Meeting:

S. Sukiasyan, Chairman of the Board

Participant with deliberative vote:

A. Khachatryan, Chief Executive Officer

Observer:

N. Yeritsyan, Deputy Chairman of CBA Board

Secretary of the Meeting:

L. Petrosyan, Member of the Board, Secretary

The Annual General Meeting of ARMECONOMBANK OJSC (hereinafter “Bank”) was held on 14 June 2019 at 12:00 in Albert Hall (2 Nar-Dos St., Yerevan). The meeting was chaired by S. Sukiasyan, Chairman of the Board. The list of shareholders entitled to attend the Annual General Meeting of the Bank's shareholders was composed as at 03 May 2003 based on Shareholder Register data.

Chairman of the meeting, Mr. S. Sukiasyan, welcomed the participants, referred to the procedure of conducting the meeting and stated that the meeting was being held in accordance with the provisions of the RA Law on Joint-Stock Companies and the Procedure for Preparation and Conduct of the General Meeting of ARMECONOMBANK OJSC.

Afterwards, the Chairman communicated the quorum data.

As reported by Counting Committee, the total number of the placed voting shares of the Bank was 1,852,533 of which 1,485,036 or 80.16% had participated in voting.

6 voting bulletins representing 1,396 votes were found invalid due to non-compliance with voting rules.

The quorum was duly achieved, and the Chairman announced the commencement of the meeting.

The General Meeting of the Bank's shareholders had the following items to vote on:

#### A G E N D A

1. Counting Committee of the Annual Meeting of the Bank's shareholders.

(Speaker: S. Sukiasyan)

2. Performance Report for 2018 by the Executive Board.

(Speaker: A. Khachatryan)

3. Payment of dividends based on 2018 performance results of the Bank.

(Speaker: A. Melikyan)

4. Bank's annual financial statements for 2018 and profit distribution proportions.

(Speaker: A. Melikyan)

5. Approval of the Bank's auditor.

(Speaker: A. Muradyan)

6. Procedure for Preparation and Conduct of ARMECONOMBANK OJSC General Meetings.

(Speaker: L. Petrosyan)

7. Regulation of ARMECONOMBANK OJSC Board

(Speaker: L. Petrosyan)

8. Charter of ARMECONOMBANK OJSC.

(Speaker: V. Jhangiryan)

9. Election of the Board of ARMECONOMBANK OJSC.

(Speaker: S. Sukiasyan)

The Chairman presented the first item of the Agenda.

**1. Counting Committee of the Annual Meeting of the Bank's shareholders.**

Mr. S. Sukiasyan presented the proposed composition of the Counting Committee:

Proposed composition of the Counting Committee:

Chairman:

A. Khachatryan, Head of Strategy and Methodology Division

Members:

A. Aghamyan, Specialist at Strategy and Methodology Division

Y. Aleksanyan, Head of Personnel Management Division, Supervisor of Training Projects

Votes:

Yes: 1,467,340 votes or 98.808% of participants' votes

No: 16,239 votes or 1.094% of participants' votes

Abstained: 61 votes or 0.004% of participants' votes

Invalid: 1,396 votes or 0.094% of participants' votes

Based on votes cast by ballots,

**THE MEETING RESOLVED TO**

Approve the following members of the Counting Committee with a 1-year term of authority for ARMECONOMBANK OJSC Annual General Meeting of shareholders:

Chairman:

A. Khachatryan, Head of Strategy and Methodology Division

Members:

A. Aghamyan, Specialist at Strategy and Methodology Division

Y. Aleksanyan, Head of Personnel Management Division, Supervisor of Training Projects

Aram Khachatryan, CEO, was requested to present the 2nd item of the Agenda.

**2. Performance Report for 2018 by the Executive Board.**

The speaker briefly described the Bank's performance in 2018 and the development plans and prospects for the following year.

The Chairman of the Counting Committee communicated the votes on the 2nd item:

Yes: 1,467,340 votes or 98.808% of participants' votes

No: 16,239 votes or 1.094% of participants' votes

Abstained: 61 votes or 0.004% of participants' votes

Invalid: 1,396 votes or 0.094% of participants' votes

Based on votes cast by ballots,

### THE MEETING RESOLVED TO

2. Approve the Performance Report for 2018 by the Executive Board

Aram Melikyan, Member of the Board, was requested to present the 3rd item of the Agenda.

### **3. Payment of dividends based on the Bank's 2018 performance results.**

The speaker proposed to pay dividends based on the Bank's 2018 performance results.

The Chairman of the Counting Committee communicated the votes on the 3rd item:

Yes: 1,467,328 votes or 98.808% of participants' votes

No: 16,255 votes or 1.094% of participants' votes

Abstained: 56 votes or 0.004% of participants' votes

Invalid: 1,396 votes or 0.094% of participants' votes

Based on votes cast by ballots,

### THE MEETING RESOLVED TO

3. Pay dividends based on the Bank's 2018 performance results at the rate of AMD 150 per share; the payment to commence on 15 July CY in accordance with the procedure approved by the Board.

Aram Melikyan, Member of the Board, was requested to present the 4th item of the Agenda.

### **4. Bank's annual financial statements for 2018 and profit distribution proportions**

The speaker presented the Bank's annual financial statements for 2018 and profit distribution proportions.

The Chairman of the Counting Committee communicated the votes on the 4th item:

Yes: 1,467,328 votes or 98.808% of participants' votes

No: 16,255 votes or 1.094% of participants' votes

Abstained: 56 votes or 0.004% of participants' votes

Invalid: 1,396 votes or 0.094% of participants' votes

Based on votes cast by ballots,

### THE MEETING RESOLVED TO

4 Approve the Bank's annual financial statements for 2018 and, out of both the profit generated by 2018 performance and the undistributed profit for preceding years, allocate AMD 277,879,950 for payment of dividends and provide AMD 105,000,000 for the general reserve.

Arman Muradyan, Head of Internal Audit Department, was requested to present the 5th item of the Agenda.

#### **5. Approval of the Bank's auditor.**

The speaker informed that the tender conducted pursuant to the Procedure for Selection of Independent Auditor Organization by ARMECONOMBANK OJSC to select the auditor of the Bank's 2019 operations was won by Grant Thornton CJSC, and the selection was to be approved by the Annual Meeting as required by the applicable law.

The Chairman of the Counting Committee communicated the votes on the 5th item:

Yes: 1,467,345 votes or 98.808% of participants' votes

No: 16,239 votes or 1.094% of participants' votes

Abstained: 56 votes or 0.004% of participants' votes

Invalid: 1,396 votes or 0.094% of participants' votes

Based on votes cast by ballots,

#### **THE MEETING RESOLVED TO**

5. Approve Grant Thornton CJSC, the winner of the duly conducted tender, as the auditor of the Bank.

Luiza Petrosyan, Member of the Board, was requested to present the 6th item of the Agenda.

#### **6. Procedure for Preparation and Conduct of ARMECONOMBANK OJSC General Meetings.**

The speaker presented the amended version of the Procedure for Preparation and Conduct of ARMECONOMBANK OJSC General Meetings and stated that the Procedure had been adapted to the current applicable law.

The Chairman of the Counting Committee communicated the votes on the 6th item:

Yes: 1,467,340 votes or 98.808% of participants' votes

No: 16,239 votes or 1.094% of participants' votes

Abstained: 61 votes or 0.004% of participants' votes

Invalid: 1,396 votes or 0.094% of participants' votes

Based on votes cast by ballots,

#### **THE MEETING RESOLVED TO**

6. Approve the amended Procedure for Preparation and Conduct of ARMECONOMBANK OJSC General Meetings.

Luiza Petrosyan, Member of the Board, was requested to present the 7th item of the Agenda.

#### **7. Regulation of ARMECONOMBANK OJSC Board**

The speaker presented the amended version of the Regulation of ARMECONOMBANK OJSC Board and stated that the Procedure had been adapted to the current applicable law.

The Chairman of the Counting Committee communicated the votes on the 7th item:

Yes: 1,467,340 votes or 98.808% of participants' votes

No: 16,239 votes or 1.094% of participants' votes

Abstained: 61 votes or 0.004% of participants' votes

Invalid: 1,396 votes or 0.094% of participants' votes

Based on votes cast by ballots,

#### **THE MEETING RESOLVED TO**

7. Approve the amended Regulation of ARMECONOMBANK OJSC Board.

Vrezh Jhangiryan, Head of Legal Department, was requested to present the 8th item of the Agenda.

#### **8. Charter of ARMECONOMBANK OJSC.**

The speaker presented the amended version of the Charter of ARMECONOMBANK OJSC and stated that the Procedure had been adapted to the current applicable law.

The Chairman of the Counting Committee communicated the votes on the 8th item:

Yes: 1,467,340 votes or 98.808% of participants' votes

No: 16,239 votes or 1.094% of participants' votes

Abstained: 61 votes or 0.004% of participants' votes

Invalid: 1,396 votes or 0.094% of participants' votes

Based on votes cast by ballots,

#### **THE MEETING RESOLVED TO**

8. Approve the amended Charter of ARMECONOMBANK OJSC.

Saribek Sukiasyan, Chairman of the Meeting, presented the 9th item of the Agenda.

#### **9. Election of the Board.**

Mr. Sukiasyan briefly described the results of the activities of the Board for the reporting year and stated that the Board had worked efficiently and intensively and had fully met the requirements set forth in the Plan of 2018 Activities of the Board.

The Board had exercised its authorities in line with the principles of corporate governance, namely it performed control in terms of the Bank's compliance with the minimum internal control requirements, provided for the effective development of the Bank in line with the adopted strategy by efficiently cooperating with the executive authority. In accordance with the relevant schedule, the Board had revised the Bank's internal regulatory documents, improved the Bank's structure, provided conditions for the training of the Bank's staff and recruitment of the necessary personnel.

Some figures related to the activities of the Board were presented:

In the reporting period, the Board held 47 meetings to discuss 478 matters related to the Bank's operations and has issued 698 resolutions including approval or reapproval of 204 internal regulatory documents: 132 procedures, 40 regulations, 16 policies, and 11 plans.

In addition, the Board held 11 meetings attended, among others, by officers (specialists) in charge from the executive body, where matters and major objectives related to the upcoming Board meetings and to the development of the Bank were discussed and clarified to ensure the effective operation of the executive body.

Afterwards, the proposed composition of the Board was presented:

1. Saribek Sukiasyan, Engineer Economist, Candidate of Economics
2. Ruben Hayrapetyan, Economist Accountant
3. Luiza Petrosyan, Economist Mathematician
4. Vahagn Khachaturyan, Economist
5. Per Fischer, Economist

Mr. Sukiasyan stated that, as in the previous years, a representative of the minority shareholders had been nominated to be included in the Board by the procedure specified in the Bank's Charter. Accordingly, the minority shareholders attending the Annual Meeting had submitted proposals in the prescribed manner. Such proposals had been summarized by the Counting Committee and presented to the Meeting in the form of a statement. Mr. Sukiasyan read the statement as quoted below, which indicated that total 809 shareholders had participated in the nomination process for the representative of minority shareholders.

#### STATEMENT

#	Name of the nominated representative of minority shareholders	Number of nominating shareholders	Number of votes of nominating shareholders
1.	Melikyan, Aram	616*	119,832*
2.	Avetisyan, Hayk	58	6,969
3.	Vahanyan, Aram	1	40
4.	Galstyan, Seda	1	11
* Item 6 inclusive			
#	Other proposal	Number of nominating shareholders	Number of votes of nominating shareholders
5.	No proposal	61	2,714
6.	Supporting the nominee given the largest number of votes	127	16,615
7.	Incomplete (unclear) proposal	72	3,002
	TOTAL	809	132,568

Thus, according to the statement, Aram Melikyan received the largest number of votes as a nominated representative of minority shareholders.

Afterwards, as required by the applicable law, Mr. Sukiasyan disclosed the information on Aram Melikyan who had received the largest number of votes as a nominated representative of minority shareholders.

Aram Robert Melikyan		
Date of Birth	27.04.1963	

Profession	economist	
Education	university	
Offices held over the past 10 years	Deputy Head of ARMECONOMBANK OJSC Internal Audit Department.	27.09.2007-28.06.2012
	ARMECONOMBANK OJSC, Advisor to the Chairman of the Board	29.06.2012-31.07.2012
	ARMECONOMBANK OJSC, Member of the Board, Deputy Chairman of the Board	01.08.2012 – 10.08.2016
	ARMECONOMBANK OJSC, Member of the Board	11.08.2016 to date
Year, month, day of election / appointment to the particular office	29.06.2012	
Number of voting shares in the Bank owned by the member and by the parties related thereto:	480 units	
Details of corporate entities where the person holds managerial positions	Founder and Director of Arparagon International LLC	
Nature of the relationship with the particular bank and any parties related thereto	-	

The Chairman of the Counting Committee communicated the total (cumulative) votes on the 9th item:

1. Saribek Sukiasyan, Engineer Economist, Candidate of Economics: 1,468,981 votes
2. Ruben Hayrapetyan, Economist Accountant: 1,468,129 votes
3. Luiza Petrosyan, Economist Mathematician: 1,466,609 votes
4. Vahagn Khachaturyan, Economist: 1,466,502 votes
5. Per Fischer, Economist: 1,466,504 votes

Based on the total (cumulative) votes cast by ballots and on the final statement of the nomination of a representative of minority shareholders,

#### **THE MEETING RESOLVED TO**

9. Approve the Board consisting of 6 members (5 members elected by vote and a representative of minority shareholders included without voting at the Meeting) as below:

Saribek Sukiasyan, Engineer Economist, Candidate of Economics  
Ruben Hayrapetyan, Economist Accountant  
Luiza Petrosyan, Economist Mathematician  
Vahagn Khachaturyan, Economist  
Per Fischer, Economist  
Aram Melikyan, Economist, Representative of Minority Shareholders

Having exhausted the Agenda of the Meeting, the Chairman invited Mr. Nerses Yeritsyan, Deputy Chairman of the Board of the Central Bank of Armenia, to give a speech.

Mr. Yeritsyan greeted and congratulated the participants of the Annual Meeting. He further stated that, despite its active lending policy, ARMECONOMBANK OJSC was historically notable for its high level of loan repayments. He also praised the efforts of the Bank's management and staff to secure steady growth of indicators. To sum up his speech, Mr. Yeritsyan wished the Bank new achievements and financial stability.

Mr. Dimitri Gvindadze, Head of EBRD Armenia Office, stated in his speech that for the EBRD, ARMECONOMBANK OJSC continued to be a most reliable and trustworthy partner in Armenia.

Arpine Ghevondyan, Audit Director at Deloitte Armenia CJSC, the auditor institution which audited the 2018 operations of the Bank, gave a speech to present the auditor's opinion.

Also, a number of customers of the Bank expressed their satisfaction and gratitude to ARMECONOMBANK OJSC.

Having exhausted the Agenda and speeches, the Annual Meeting of the Bank ended its activities.

S. SUKIASYAN, CHAIRMAN OF THE MEETING

L. PETROSYAN, SECRETARY