

Approved by

General Meeting of ARMECONOMBANK OJSC Shareholders

Minutes of Meeting № 2

30 June 2021

Chairman of Board

----- S. Sukiasyan

**ARMECONOMBANK OJSC PROCEDURE
OF PREPARATION AND CONDUCTING OF GENERAL MEETINGS**

YEREVAN 2021

HISTORY OF AMENDMENTS			
N/N	Date of Resolution/Order	Number of Minutes/Resolution/Order	Document Identifier
1	27.06.2014	1	R/K/0/089/27.06.2014/1
2	19.06.2015	1	R/K/0/089/19.06.2015/2
3	29.06.2018	2	R/K/0/089/29.06.2018/3
4	14.06.2019	2	R/K/0/089/14.06.2019/4
5	30.06.2021	2	R/K/0/089/30.06.2021/5

1. GENERAL PROVISIONS

- 1.1. This procedure establishes the process of preparation and chairing of ARMECONOMBANK OJSC (hereinafter Bank) Shareholders' Annual General Meeting.
- 1.2. This procedure has been drafted per the Armenian Law, normative acts of the Central Bank of Armenia, the Bank's Charter and requirements of internal legal acts.
- 1.3. The Bank's Shareholders' Annual General Meeting is considered the highest level of Bank management, which is called within the periods set by the Charter during 6 months after the financial year be over.
- 1.4. Besides the Annual General Meeting the called general meetings considered to be special meetings which are called in case of urgent issues.
- 1.5. The period of the meeting, the notification of the participants and the list of the materials provided are established by the Bank's Board per the requirements of the Law and this Procedure.
- 1.6. The Central Bank of Armenia shall be advised of the Bank's shareholders' General Meetings not later than 15 days before such meetings.

2. ITEMS WITHIN THE AUTHORITY OF THE GENERAL MEETING

- 2.1. According to the requirements of the existing legislation the following items are within the authority of the Bank's Shareholders' General Meeting:
 - 2.1.1. The approval of the Bank's Charter and amendments and completions made to it,
 - 2.1.2. The Bank's reorganization,
 - 2.1.3. The Bank's liquidation,
 - 2.1.4. The approval of consolidated, interim and liquidation balance sheets and appointment of liquidators' commission,
 - 2.1.5. The approval of the structure of the Bank's Board, selection of its members, and the premature termination of their authorities.

Moreover, the items on the approval of the quantitative structure Bank's Board and the election of its members are discussed solely during the Annual General Meeting. The item on the election of the members of the Bank's Board can be discussed in an extraordinary General Meeting if the latter resolves on the premature termination of the authorities of the Board or one of its members,
 - 2.1.6. The establishment of the maximum extent of the volume of the shares announced,
 - 2.1.7. The approval of the Bank's external auditor submitted by the Board,
 - 2.1.8. The approval of the annual financial statements and the distribution of profit and loss. The approval on the annual dividend payment and the extent of the dividend,
 - 2.1.9. The approval of the Procedure of the Chairing of General Meeting,
 - 2.1.10. The creation of the Counting Committee,
 - 2.1.11. The collection and allocation of the Bank's shares,
 - 2.1.12. Decision-making on refusing to use the preference of the purchase of the shares in cases established by law,
 - 2.1.13. The conclusion of major transactions related to the sale and purchase of the property amounting to more than 50% of the balance sheet value of the Bank's

- assets in cases established by law and in case of 25-50% of the transactions should the Board submit the item to the approval of the General Meeting.
- 2.1.14. The conclusion of transactions, if interested,
- 2.1.15. Miscellaneous items under the approved agenda established by law.

3. THE RESOLUTIONS OF THE MEETING

- 3.1. The resolutions of the Meeting on the items of the 2nd paragraph of this Procedure are taken by the simple majority of the votes of the Meeting's shareholders with the exception of the items under 2.1.1-2.1.4, 2.1.6 and 2.1.13 sub-paragraphs on which resolutions are taken by the Shareholders' General Meeting by 3/4 of the holders of voting shares. Moreover, no less than 2/3 of the holders with voting shares must vote for the item of 2.1.3 sub-paragraph.
- 3.2. The resolutions on the items of 2.1.2, 2.1.11-2.1.14 sub-paragraphs of this Procedure are taken by the Meeting solely submitted by the Board.
- 3.3. The resolutions on the chairing of the Meeting are taken in compliance with the requirements of this Procedure approved by the Meeting.
- 3.4. The Meeting shall work per the approved agenda and shall not discuss any items which do not apply to its authority.
- 3.5. The unanimous resolutions taken by all the shareholders with voting shares shall not be considered invalid based on the 12th paragraph of the Article 68 of the Armenian Law on Joint Stock Companies.
- 3.6. All the information on the resolutions taken by the Meeting and the results of the voting shall be announced by the Counting Committee during the Meeting with the results of the ballot-papers issued per the established law.
- 3.7. The Bank's Shareholder has the right to appeal the resolutions of the Meeting in the court, but the court in its turn shall be entitled to uphold the resolution if the mistakes permitted are not essential and in case if the Shareholder's vote won't affect the result of the voting.

4. THE RESOLUTIONS OF THE BANK'S SHAREHOLDERS' MEETING BY POLL (THROUGH INQUIRIES)

- 4.1. The resolutions of the General Meeting can be taken by poll (through inquiries) with the exception of 4.2 paragraph of this Procedure.
- 4.2. The Annual Meeting and the extraordinary meeting called for 2.1.2, 2.1.3, 2.1.8 sub-paragraphs of this Procedure (the Bank's reorganization, the Bank's liquidation, the approval of consolidated, interim and liquidation balance sheets, decision-making on the annual dividend payment and approval of the extent of the annual dividend) can not be held by poll (through inquiries).
- 4.3. The Meeting shall not be considered held by poll if during the meeting the participants can communicate by telephone or other means of communication including electronic mail, software or application platforms (including mobile applications) in real time.
- 4.4. The resolution taken during the Meeting by poll shall be valid should more than half of the shareholders with voting shares participate in the voting.
- 4.5. The voting by poll shall be executed by ballot-papers mentioned in the 13th paragraph of this Procedure which shall be issued to the shareholders at least 30 days before the Bank finish to collect such ballot-papers from the shareholders.

5. THE PREPERATION OF THE BANK'S SHAREHOLDERS' GENERAL MEETING

- 5.1. The Bank's Board establishes:
 - 5.1.1. the date, venue and time of the Annual Meeting,
 - 5.1.2. the agenda of the Meeting,
 - 5.1.3. the date of composing the list of participating shareholders,
 - 5.1.4. the notification to the shareholders on the Meeting to be called, type of press,
 - 5.1.5. the list of materials and information provided to the shareholders during the preparation works of the Meeting,
 - 5.1.6. the content and form of the ballot-paper of the Meeting.
- 5.2. The Bank's Executive Board establishes:
 - 5.2.1. the item on duplication and grouping of the materials of the Meeting,
 - 5.2.2. necessary measures taken for the organization and chairing of the Meeting.

6. THE RIGHT AND PROCEDURE OF THE BANK'S SHAREHOLDERS TO PARTICIPATE IN THE GENERAL MEETING

- 6.1. The General Meeting shall be attended by:
 - 6.1.1. the shareholders considered as the holder of the Bank's allocated common shares: 1 share providing 1 vote, as well as title holders (upon presentation of appropriate documentary evidence)
 - 6.1.2. Non-shareholder members of the Board and the Executive body with advisory votes.
 - 6.1.3. the members of the Bank's internal audit subdivision as observers,
 - 6.1.4. the Bank's external auditor as a an observer, (should his/her resolution be available in the agenda of the Annual General Meeting),
 - 6.1.5. the representatives of the Central Bank of Armenia as observers,
 - 6.1.6. Invited entities, guests;
 - 6.1.7. Shareholders with preference shares, should the Meeting consider matters related to reorganization or dissolution of the Bank or resolutions on making amendment of or additions to the Bank Charter, which impair the rights of preference shareholders, including any establishment or increase of the dividends payable on preference shares and/or liquidation value. While attending a meeting for matters specified in this subparagraph, each holder of one allotted preference share shall be entitled to one vote.
- 6.2. The list of the attendees of the Bank's General Annual Meeting is composed by the Bank's responsible subdivision based on the data of the Bank's reester as of the date approved by the Bank's Board. Moreover, the year, month and date of composition of the list of the Bank's shareholders entitled to participate in the General Meeting must meet both of the following two requirements:
 - 6.2.1. it shall not precede the date of the decision to convene a general meeting;
 - 6.2.2. the interval between the day of composition the list and the day of holding the general meeting may not exceed 45 days.

If the General Meeting is convened by poll, the year, month and date of composition of the list of the Bank's shareholders entitled to participate in it shall be established at least 35 days prior to the date of holding the General Meeting.

- 6.3. The name-holder of the shares is required to provide details for composing the list as of the established date on the persons, whose shares are managed by him for the purpose of representing their interests.
- 6.4. The name, location (address) of each shareholder as well as the number of shares under their management is established in the list of the Bank's Shareholders with the right to attend the Annual Meeting.
- 6.5. The list of the aforementioned shareholders shall be provided to the Bank's shareholders registered in the Bank's shareholders' reester. The Bank can also issue a reference to the shareholders stating they have been included in the list.
- 6.6. Any changes to the list of the Bank's shareholders can be made only for the purpose of correcting mistakes made during the drafting of the list and recovering the legal rights and interests of shareholders not included in such list.

7. THE PROCEDURE OF NOTIFICATION ON THE ANNUAL GENERAL MEETING

- 7.1. The notification on the Shareholders' General Meeting convocation shall be published in "The Republic of Armenia" daily newspaper at least 21 days before the date of calling the meeeting. If the mentioned newspaper is not published during that period, the notification of the Shareholders' General Meeting convocation shall be published in other newspaper approved by the Board's resolution.
- 7.2. The Bank's shareholders and other entities with the right to participate in the Meeting receive notifications by post, by E-mail or by courier at least 21 days before the Meeting.
- 7.3. The Notification on the General Meeting shall include:
 - 7.3.1. The name of the Bank and its location,
 - 7.3.2. The date, time and venue of the Meeting,
 - 7.3.3. The date of drafting the list of shareholders entitled to participate in the Meeting,
 - 7.3.4. The items included in the agenda of the Meeting,
- 7.4. The List of the materials to be provided to the shareholders, which shall include:
 - 7.4.1. The Bank's Annual Report,
 - 7.4.2. The resolution of the auditor on the Bank's annual finance-economical activities,
 - 7.4.3. Information on the members of the Bank's Board which shall include:
 - 7.4.3.1. First name, last name, patronymic name, and year, month and day of birth,
 - 7.4.3.2. profession and education,
 - 7.4.3.3. the positions held over the last ten years,
 - 7.4.3.4. the date of /appointment/ election to the mentioned position and the date of leaving the office,
 - 7.4.3.5. the number of reelections,
 - 7.4.3.6. the number of the Bank's voting shares belonging to the parties related with them and with him,
 - 7.4.3.7. information on corporate entities where the particular person holds a managerial position,
 - 7.4.3.8. the nature of relationships with the particular bank and bank-related parties,
 - 7.4.4. information on the possible nominations of the Counting Committee,

- 7.4.5. the draft of the amendments and completions to the Bank's Charter or the Charter newly edited,
- 7.4.6. other materials related to the items included in the agenda,
- 7.4.7. ballot-paper,
- 7.4.8. other materials established by law (the copy of the Shareholders' Union Agreement, information on the nominee member of the Board, and on the participant proposed in Small Shareholders' Board),
- 7.5 The Agreement for creating a group of shareholders united to form 10% equity participation shall be presented to the Bank along with the materials indicated in paragraph 7.4 for the copies of it to be provided to all participants of the meeting minimum 30 days prior to either the meeting date or, in case of in absentia voting, the last day of the deadline within which the completed voting bulletins are accepted by the Bank. The Agreement shall include the following provisions and data:
 - 7.5.1 details on the Bank's participants united including the number of the Bank's distributed voting shares under their management,
 - 7.5.2 details on the nominee for the member of the Board:
 - 7.5.2.1 First name, last name, patronymic name, and year, month and day of birth
 - 7.5.2.2 profession and education
 - 7.5.2.3 the positions held over the last ten years
 - 7.5.2.4 the number of the Bank's voting shares under his management or in the possession of other party related with him
 - 7.5.2.5 information on corporate units where the particular person holds a managerial position
 - 7.5.2.6 the nature of relationships with the particular bank and bank-related parties
 - 7.5.2.7 any information the united participants may provide.
- 7.6 Information on the representatives of the participants with small shareholding in the Bank's Chartered Capital drafted per 7.5.2 paragraph of this Procedure to be provided to the Bank for the purpose to hand indicated in paragraph 7.4 copies to all the participants of the Meeting at least 30 days before the Meeting, and in case of voting by poll at least 30 days before the date set for receiving the completed ballot-papers by the Bank. In Annual General Meeting the involvement of the minor shareholders in the Board is made in compliance with the requirements of Bank's Charter 6.20 sub-paragraph.
- 7.7 In case of General Meeting by poll, the shareholders shall receive all the necessary information and materials together with the ballot-papers and agenda.

8. RECOMMENDATIONS ON THE AGENDA OF THE MEETING

- 8.1 The Bank's shareholder with at least 2% of voting right shall be empowered to provide not more than 2 suggestions on the agenda of the Meeting within 30 days after the Bank's financial year is over and propose nominations for the membership for the company's Board, moreover, the number of the nominees shall not surpass the number of members established for such bodies.
- 8.2 Recommendations on the Agenda are made in writing together with grounds for the recommendation, the name (first name, last name) of the shareholder and the number of the shares under his management.

- 8.3 While making recommendations on the nominee for the Bank's Board membership, the details required under 7.5.2 paragraph of this Procedure are also mentioned.
- 8.4 The Board shall discuss the recommendations and come to a resolution within 15 days after the period mentioned in 8.2 paragraph expires.
- 8.5 A resolution on the refusal can be made, if:
 - 8.5.1 the 30 day term has been broken by the particular shareholder,
 - 8.5.2 the particular shareholder does not possess 2% of voting shares,
 - 8.5.3 such recommendations does not include the necessary details established,
 - 8.5.4 the recommendations does not comply with the existing law.
- 8.6 The resolution on the refusal of the recommendation shall be forwarded to the particular shareholder within 3 days after it has been made. The resolution on the refusal can be appealed in the court.

9. COUNTING COMMITTEE

- 9.1 A Counting Committee shall be created to arrange the Shareholders' General Meeting, the quantitative structure, periods of authorizations and members of which are approved by the Meeting submitted by the Board of the Bank.
- 9.2 The Counting Committee elected by the Annual Meeting shall perform its functions within the limits set for its authorizations including those connected with Special Meetings as well as summarization of proposals completed for the election of the representative of the minority shareholders.
- 9.3 The structure of the Counting Committee shall be composed of not less than three persons and the participation of the members of the Board of the Bank, CEO and the members of the Executive Board in the Committee shall be excluded.
- 9.4 The Counting Committee shall decide on the quorum of the Meeting, provide explanations on the procedure of voting for the items of the agenda, ensure the established procedure of the voting and the shareholders' right to vote, perform the calculation of votes, summarize the results of the voting, compose the minutes on them, submit such results to the Meeting and deliver the ballot-papers to the Bank's archive.

10. THE PROCEDURE OF SHAREHOLDERS' PARTICIPATION IN THE GENERAL MEETING

- 10.1 The Bank's shareholder can exercise his right to attend the General Meeting personally or through the authorized representative.
- 10.2 The shareholder's representative can attend the General Meeting only through a Power of Attorney. The heads of corporate entities who are considered the Bank's shareholders shall attend the General Meeting without any Letters of Attorney. The Letters of Attorney are drafted per the established procedure.
- 10.3 Should the shares be transferred after composing the list of the participants of the General Meeting before the date of the Meeting, the shareholder included in the mentioned list shall be required to give a voting Power of Attorney to the person to whom he issued shares or to vote in compliance with the instructions of the new shareholder.

11. THE QUORUM OF THE GENERAL MEETING

- 11.1 The Bank's Shareholders' General Meeting shall become competent if the shareholders managing more than 50% of voting shares register close to the end of the registration of the participants of the General Meeting. Should the Meeting last more than one day, a separate list of the registration of the participants shall be composed.
- 11.2 The votes given though ballot-papers close to the end of the registration shall also be taken into consideration while summarizing the calculation of the quorum and the results of the voting.
- 11.3 A date of new Meeting shall be announced, if no quorum. There won't be any changes to the agenda of the new Meeting. The new Meeting shall become competent should more than 30% of voting shares register close to the end of the participants' registration. The notification to the shareholders about the new Meeting shall be performed in compliance with the established procedure at least 10 days before the Meeting.
- 11.4 Should the General Meeting be postponed by less than 20 days, a new list of participants shall not be composed.

12. VOTING DURING THE BANK'S SHAREHOLDERS' GENERAL MEETING

- 12.1 The voting shall be executed at the principle of "one share one vote" with the exception of the election of the members of the Board and cases set by law, when the cumulative method of voting is used.

13. BALLOTS

- 13.1 The voting of the General Meeting is performed through ballot-papers per the requirements of the 79th Article of the Armenian Law on Stock Companies.
- 13.2 The form and content of the ballot-papers are approved by the Board of the Bank.
- 13.3 The ballot-papers are issued to the shareholders in compliance with the 7.2 paragraph of this Procedure. The votes given through ballot-papers close to the end of the registration shall be taken into consideration while summarizing the calculation of the quorum and the results of the voting.
- 13.4 The disposal of the ballot-papers is affirmed in compliance with the established form, in the register book of "ARMECONOMBANK" OJSC shareholders' ballot-papers and in the register book of giving/sending/ the meetings material.
- 13.5 The ballot-paper contains the following data:
 - 13.5.1 the full name of the Bank,
 - 13.5.2 the date, venue and time of the Meeting,
 - 13.5.3 the formulation of each item submitted to voting and sequence of their discussion,
 - 13.5.4 voting options "for", "against", "abstained" for each item submitted to voting, number of votes in case of cumulative voting,
 - 13.5.5 note on the ballot-paper to be signed by the shareholder,
 - 13.5.6 the date of receiving the completed ballot-papers,
 - 13.5.7 Explanations on the procedure of completing the ballot-paper,
 - 13.5.8 should there be an election of the Board of the Bank, the information on the nominee (first name, last name, position, /occupation/) shall also be provided.

14. THE ACCOUNTING OF THE RESULTS OF THE VOTING THROUGH BALLOT-PAPERS

- 14.1 During the accounting of the results of the voting, only the ballot-papers where only one option for each item is left are deemed valid. Should this requirement be violated, such ballot-paper shall be deemed invalid and shall not be considered. In case of cumulative voting, the voting on item shall be deemed invalid if a mathematical mistake has been made during the distribution of votes.
- 14.2 If the ballot-paper includes several items submitted to voting, the mentioned violation towards one or several items shall not lead to nullification of the entire ballot-paper.

15. MINUTES OF THE RESULTS OF THE VOTING

- 15.1 The Counting Committee shall write minutes of the results of the voting as of the date of the Meeting to be signed by the members of the Counting Committee.
- 15.2 The ballot-papers shall be sealed and delivered to the Bank's archive as soon as the minutes are written and signed. The minutes on the results of the voting shall be attached to the minutes of the General Meeting.
- 15.3 The shareholders shall be notified of the results of the voting during the Annual General Meeting.
- 15.4 The Bank's shareholders have the right to look at the voting results.

16. THE MINUTES OF THE BANK'S SHAREHOLDERS' GENERAL MEETING

- 16.1 The minutes of the General Meeting shall be composed within 5 days after the Meeting, in two copies to be signed by the Chairman of the Meeting and the Secretary.
- 16.2 The minutes shall include:
 - 16.2.1 the venue and time of the General Meeting,
 - 16.2.2 the total number of the votes of the Bank's distributed voting shares,
 - 16.2.3 the total amount of the votes of the Bank's shareholders who participated in the General Meeting,
 - 16.2.4 the Chairman (presidium) of the Meeting, the secretary (secretariat), and the agenda of the Meeting.
- 16.3 The minutes shall include the main provisions of the materials discussed in the Meeting, items submitted to voting, the results of the voting on such items and resolutions made by the Meeting.

17. EXTRAORDINARY GENERAL MEETING

- 17.1 The Bank's extraordinary General Meetings are called by the resolution of the Board of the Bank, by own initiative, by the request of the CEO or the Bank's external auditor, or a shareholder managing 10% of voting shares.
- 17.2 The type of the Extraordinary Meeting shall be established by the resolution of the Board of the Bank either in joint presence of the shareholders or by poll.

- 17.3 The Board of the Bank shall not change the type of the Meeting by its resolution, if the request on the extraordinary General Meeting of the shareholders of the aforementioned parties includes instructions on the type of the Meeting.
- 17.4 The resolution of the Board of the Bank on the extraordinary General Meeting by poll shall include:
- 17.4.1 the form and content of the ballot-paper,
 - 17.4.2 the date of delivering the ballot-papers and other materials to the shareholders,
 - 17.4.3 the last date of receiving the completed ballot-papers by the Bank.
- 17.5 Should the request be submitted by the CEO, the auditor or a shareholder managing at least 10% of the voting shares, the Board of the Bank shall call the extraordinary General Meeting within 45 days after the request.
- 17.6 The items to be included in the agenda must be clearly stated in the request on the extraordinary General Meeting mentioning the necessity for their discussion.
- 17.7 The Board of the Bank shall not be entitled to make changes either in the agenda offered or wording of items submitted to discussion with the exception of cases, when the items fall outside the competence of the General Agenda per law.
- 17.8 Should the request on the extraordinary General Meeting be submitted by a shareholder managing at least 10% of voting shares, it shall include the first name, last name (name), the signature and the number of shares under the possession of such shareholder.
- 17.9 The resolution of the Supervisory Board on the permission or refusal of the extraordinary General Meeting shall be approved within 10 days after date of the request.
- 17.10 The resolution on the refusal of the extraordinary General Meeting shall be made, if:
- 17.10.1 the procedure of the request on the extraordinary General Meeting has been violated,
 - 17.10.2 the shareholder submitting the request does not possess at least 10% of voting shares.
- 17.11 The resolution of the Board of the Bank on the permission or refusal of the extraordinary General Meeting shall be submitted to the parties presenting such request within 3 days after such resolution and can be appealed in the court.
- 17.12 Should the Board of the Bank fail to resolve on the permission of the extraordinary General Meeting within established periods, the Meeting shall be called by the parties presenting the request. In this case, the extraordinary Supervisory Board can decide upon the recovery of all the expenses caused by the Meeting from the Bank's funds. Such extraordinary Meeting can discuss and make resolutions on the items falling under the competence of the Bank's Shareholders' General Meeting by law or per the Bank's Charter.