



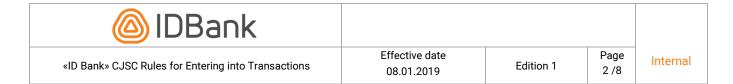
Reviewed by Minutes N 13 Of the Council of "ID Bank" CJSC Dated October 20, 2020

Approved by Minutes N 12 Of the Council of "ID Bank" CJSC Dated December 28, 2018

Responsible unit	Legal Division
Made by	Legal Division
Scope	Council of the Bank, Management Board, Chairman of the Management Board
Other provisions	Upon being approved these rules shall replace "ID Bank" CJSC Rules for Entering into Transactions approved by the minutes N 05 of the Council on 26.07.2018
Supporting documents	Charter of "ID Bank" CJSC

## «ID Bank» CJSC Rules for Entering into Transactions

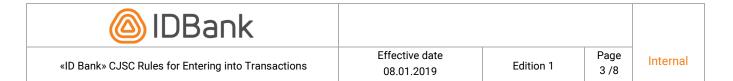
1. These Rules are approved in accordance with Point 16.13(xx) of "ID Bank" CJSC Charter and establish the decision-making procedure for authorized corporate bodies and thresholds to enter into transactions by "ID Bank" CJSC (the "Bank") for alienating and acquiring assets, purchasing works and/or services, and transactions involving expenses (payment obligations).



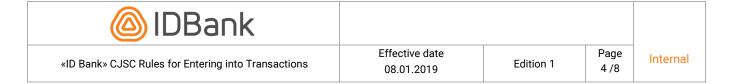
- 2. Real estate owned by the Bank shall be alienated, or transactions leading to the alienation of real estate owned by the Bank (e.g. pledge, lease with an option to purchase), with the exception of transactions for realizing, as a pledge, the collateral through direct sale or auction in case of the foreclosure of the collateral, shall be executed pursuant to the following rules:
  - 2.1. real estate with a market value less than 100,000,000 (one hundred million) Armenian drams or its equivalent in foreign currency shall be alienated by the Chairman of the Management Board of the Bank under the terms determined by the Chairman of the Management Board;
  - 2.2. real estate with a market value greater than 100,000,000 (one hundred million) Armenian drams or its equivalent in foreign currency, but less than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be alienated upon a decision of the Management Board of the Bank (which shall include the significant terms of the transaction);
  - 2.3. real estate with a market value greater than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be alienated upon a decision of the Council of the Bank (which shall include the significant terms of the transaction);
  - 2.4. notwithstanding the thresholds specified in Points 2.1., 2.2. and 2.3. of these Rules, in all cases where the alienation of property may result in losses to the Bank in the amount equal to or greater than 25 (twenty-five) percent of the book value of the property, the decision on alienating the property (which shall include the significant terms of the transaction) shall be taken by the Council of the Bank.

For the purposes of this Point, losses shall mean the negative difference between the book value of property and the contract price. The appraisal of the book value of property shall be provided upon the request of the counterparty to a transaction.

3. The Bank shall acquire the ownership of real estate, or the transactions leading to such acquisition (e.g. lease with an option to purchase), with the exception of transactions for accepting property as collateral, shall be executed pursuant to the following rules:



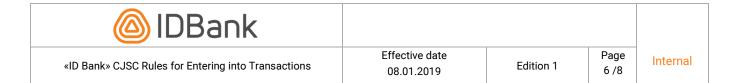
- 3.1. transactions for acquiring real estate with a market value less than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be entered into by the Chairman of the Management Board of the Bank under the terms determined by the Chairman of the Management Board;
- 3.2. decision on acquiring real estate with a market value greater than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency, but less than 500,000,000 (five hundred million) Armenian drams or its equivalent in foreign currency (which shall include the significant terms of the transaction) shall be taken by the Management Board of the Bank;
- 3.3. decision on acquiring real estate with a market value greater than 500,000,000 (five hundred million) Armenian drams or its equivalent in foreign currency (which shall include the significant terms of the transaction) shall be taken by the Council of the Bank.
- 4. Transactions for assignment of loans provided by the Bank (assignment of claim) or for purchasing the right to claim in relation to loans and borrowings provided by other persons shall be executed pursuant to the following rules:
  - 4.1. transactions for less than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be executed upon a decision of the Management Board of the Bank, which shall also include the significant terms of the transaction, while transactions for purchase shall be executed upon a decision of the Management Board of the Bank;
  - 4.2. transactions for greater than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be executed upon a decision of the Council of the Bank, which shall also include the significant terms of the transaction.
- 5. All transactions involving derivative financial instruments, with the exception of foreign currency or interest rate swaps and forwards for a term less than three months, shall be executed upon a decision of the Management Board of the Bank, which shall include the significant terms of those transactions.



- 6. All transactions in securities or involving securities, with the exception of the securities issued by the Bank, as well as transactions entered into with the Central Bank of the Republic of Armenia and the Ministry of Finance of the Republic of Armenia, shall be executed in line with the following thresholds:
  - 6.1. transactions for less than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be entered into by the Chairman of the Management Board of the Bank;
  - 6.2. transactions for greater than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be executed upon a decision of the Council of the Bank, which shall include the significant terms of those transactions.
- 7. All transactions in state securities of the Republic of Armenia or involving such securities (with the exception of repo transactions which are not restricted) shall be executed in line with the following thresholds:
  - 7.1. transactions for less than 1,000,000,000 (one billion) Armenian drams or its equivalent in foreign currency shall be entered into by the Chairman of the Management Board of the Bank;
  - 7.2. transactions for greater than 1,000,000,000 (one billion) Armenian drams or its equivalent in foreign currency, but less than 1,500,000,000 (one billion five hundred million) Armenian drams or its equivalent in foreign currency shall be executed upon a decision of the Management Board of the Bank, which shall include the significant terms of those transactions.
  - 7.3. transactions for greater than 1,500,000,000 (one billion five hundred million) Armenian drams or its equivalent in foreign currency shall be executed upon a decision of the Council of the Bank, which shall include the significant terms of those transactions.
  - 8. All transactions entered into by the Bank, which provide for or may result in:



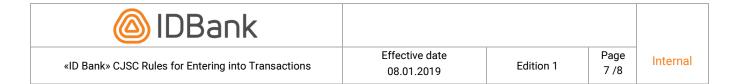
- 8.1. penalties less than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency or other liability in that amount for the Bank, shall be executed upon a decision of the Chairman of the Management Board of the Bank;
- 8.2. penalties greater than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency or other liability in that amount for the Bank, shall be executed upon a decision of the Council of the Bank, which shall also include the significant terms of the transaction.
- 9. Transactions for alienation or resulting in alienation by the Bank of objects of intellectual property or means of identification of the Bank, transactions resulting in rights of use by third parties of objects of intellectual property or means of identification of the Bank or any other rights of third parties in relation thereto shall be executed upon a decision of the Council of the Bank.
- 10. Transactions not relating to acquisition of assets by the Bank, that is transactions for purchasing works and/or services (including advisory services) shall be executed as follows:
  - 10.1. transactions for less than 150,000,000 (one hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be entered into by the Chairman of the Management Board;
  - 10.2. transactions for greater than 150,000,000 (one hundred and fifty million) Armenian drams or its equivalent in foreign currency, but less than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be executed upon a decision of the Management Board of the Bank, which shall also approve the significant terms of the transaction;
  - 10.3. transactions for greater than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be executed upon a decision of the Council of the Bank, which shall also approve the significant terms of the transaction.



- 11. All financing transactions of the Bank for greater than 2,500,000,000 (two billion and five hundred million) Armenian drams or its equivalent in foreign currency or for a term greater than three years (with the exception of children's contribution) shall be executed upon a decision of the Council of the Bank, which shall also approve the significant terms of the transaction.
- 12. The Bank shall provide unsecured financing to other banks and credit organizations and shall restructure the financing in line with the following thresholds:
  - 12.1. transactions for less than 1,000,000,000 (one billion) Armenian drams or its equivalent in foreign currency shall be entered into by the Chairman of the Management

Board of the Bank;

- 12.2. transactions for greater than 1,000,000,000 (one billion) Armenian drams or its equivalent in foreign currency shall be executed upon a decision of the Management Board of the Bank, which shall include the significant terms of those transactions.
- 13. The Bank shall execute transactions for acquisition of pledged property as a result of foreclosure, with the execution of transactions for acquisition of property through public auction, as follows:
  - 13.1. transactions for acquisition of real estate with a market value less than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency shall be entered into by the Chairman of the Management Board of the Bank under the terms determined by the Chairman of the Management Board;
  - 13.2. decision for acquisition of real estate with a market value greater than 250,000,000 (two hundred and fifty million) Armenian drams or its equivalent in foreign currency, but less than 500,000,000 (five hundred million) Armenian drams or its equivalent in foreign currency (which shall include the significant terms of the transaction) shall be taken by the Management Board of the Bank;
    - 13.3. decision for acquisition of real estate with a market value greater than



500,000,000 (five hundred million) Armenian drams or its equivalent in foreign currency (which shall include the significant terms of the transaction) shall be taken by the Council of the Bank.

- 14. Movable property owned by the Bank which is not specified in other Points of these Rules shall be alienated, or the transactions leading to the alienation of such movable property (e.g. pledge, lease with an option to purchase, assignment of claim), as well as two or more related transactions shall be executed as follows:
  - 14.1. assets with a book value less than 5,000,000 (five million) Armenian drams or its equivalent in foreign currency shall be alienated by the Chairman of the Management Board of the Bank;
  - 14.2. assets with a book value greater than 5,000,000 (five million) Armenian drams or its equivalent in foreign currency, but less than 50,000,000 (fifty million) Armenian drams or its equivalent in foreign currency shall be alienated upon a decision of the Management Board of the Bank, which shall include the significant terms of the transaction;
  - 14.3. fixed assets with a book value greater than 50,000,000 (fifty million) Armenian drams or its equivalent in foreign currency shall be alienated upon a decision of the Council of the Bank, which shall also include the significant terms of the transaction.
- 15. The restrictions under these Rules shall also extend to identical and/or related transactions which, for the purposes of these Rules, shall be considered a single transaction. For the purposes of these Rules, identical and/or related transactions shall mean the transactions in relation to two or more similar subject matters entered into within three months and with the same counterparty or an affiliated person of the given counterparty (Republic of Armenia Law on Banks and Banking, Article 8(1)).
- 16. These Rules do not extend to provision of loans, acceptance of deposits, placement of securities by the Bank under the commonly applicable terms during its regular activities (terms published on the Bank's website), as well as to transactions for assigning the debt owned to the Bank, which are regulated by the relevant internal legal acts of the Bank.

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- 17. Decisions, making of which under these Rules is reserved to the Council of the Bank shall be enforced within maximum 5 business days in the following order:
- 1) Receiving and examining essential terms of transaction proposed by the appropriate interested unit the Chairman of the Council delivers them to the members of the Council to get their consent, indicating the deadline for the respond;
- 2) On the basis of the summary of opinions of the Council members the Council shall make one of the following decisions:
- a) on execution of the transaction, including approval of essential terms thereof (provided that at least three of five Council members gave their positive opinion)
- b) on not approving the transaction provided that at least three of five Council members gave their negative opinion).