



**Ardshinbank**

**GENERAL TERMS  
OF BANKING SERVICES  
OF  
"ARDSHINBANK" CJSC**



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	<p>Effective date:</p>

**Dear Client,**

Thank you for using the services of Ardshinbank CJSC. Please read the following terms and conditions (hereinafter referred to as the "General Terms" or "Terms"), which regulate the contractual relations between You and Ardshinbank CJSC arising from the use of these services.



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## 1. DEFINITIONS AND ABBREVIATIONS

The definitions used in the Terms have the following meaning, unless otherwise indicated or the content or context requires otherwise:

**Bank** – Closed Joint-Stock Company Ardshinbank (registered on February 25, 2003 by the decision of the Board of the Central Bank of the Republic of Armenia No. 76-A as of February 25, 2003, license for banking activities N 83).

**Client** - an individual, sole entrepreneur, legal person (including any organization or entity without the status of a legal entity that, by virtue of the law applicable to them, may have bank accounts and use other banking services) that uses or desires to use the Bank's services.

**Depositor** – a Client who has entered into a bank deposit agreement with the Bank.

**Bank account(s)** (also referred to as an “Account”) – current, card, savings, credit, metal and other accounts offered by the Bank. Relations between the Bank and the Client arising from the servicing of certain types of accounts of the latter can be regulated on the basis of other documents approved by the Bank, of which the present Terms also form an integral part.

**Developer** – a legal entity or a sole entrepreneur who is the owner of a land plot and whose the rights and obligations to the building are registered in the State Committee of the Real Estate Cadastre of RA in the manner prescribed by law, on the basis of an architectural and design task, construction project, permission on construction of a subdivided building on the land and a list of subdivided units for architectural and construction project.

**Buyer** – an individual or legal person acting as a buyer under a real estate purchase agreement concluded with the Developer (hereinafter referred to as the "Contract on purchase right").

**Developer's Special Account** – the Bank's special account for Developers, intended for collection of prepayments and other payments from third-party payers acting in favor of the Buyers in order to purchase apartments and non-residential premises in the building under construction on the basis of the real estate purchase agreements concluded with the Buyers.

**Tariffs** – approved and periodically reviewed by the Bank a document that provides for the types of payments levied from the Client for services provided by the Bank, the procedure and amount of such payments, as well as other special conditions of a given service. Tariffs constitute an integral part of the Terms. The Bank can establish general and individual tariffs for Clients or groups of Clients.

**Banking day** - (also referred to as an “Operational day”) a working or non-working day during which the Bank provides banking services. In the Bank, the banking day starts at 9:15 and ends at 16:45 in Yerevan time, unless otherwise provided by the Bank in terms or contracts of individual services.

**Application-contract** – an application in the form prescribed by the Bank, containing an offer for conclusion of a relevant agreement on the use of services offered by the Bank, including but not limited to opening a bank account, providing a chequebook, operating a service system, placing a deposit.

**Distance Service System or System** – ARDSHINBANK I-BANKING system, whereby the Bank provides individual banking services using electronic documents and/or special technical means (certificates, keys, etc.).

**Cash operations** – services provided for cash operations, including, but not limited to, depositing cash on the account, debiting the account, transferring money without opening an account, paying utility bills, converting of currency, etc.

**Cash funds** – Armenian drams, foreign currency (in the form of banknotes and coins) in circulation, as well as recalled or withdrawn from circulation, but subject to conversion.



**Other valuables** – expressed in AMD or foreign currency payment securities, payment and settlement documents, bank standardized bullions of precious metals, commemorative coins, precious metals, stones, jewelry accepted from Clients for storage or pledge of value, as well as other valuable things or valuables, which are subject to storage in the Bank's depository in the manner prescribed by the Bank's internal legal acts.

**Valuables** – cash and other valuables.

**Depositor of valuables** – the Client who applied to the Bank for placement and storage of valuables by renting an individual safe deposit box in the Bank.

**Depository** – the Bank.

**Safe depository** - a storage designed for safe deposit boxes for storing valuables and constructed in the premises owned or rented by the Bank according to regulatory requirements.

**Safe deposit box** – a separate movable unit (safe box) of the metal shelf (safe boxes) in the depository where the personal locker is stored.

**Personal locker** – a separate movable unit of a safe deposit box.

## 2. SUBJECT OF REGULATION AND APPLICATION OF THE TERMS

2.1 These Terms provide for the order and conditions of the Bank to open and maintain (service) accounts (services), provide other banking services and regulate the contractual relations between the Bank and the Client (collectively - the Parties).

2.2 By using the services of the Bank, as well as signing the contract (including the application-offer) with the Bank, the Client declares that he/she accepts these Terms, understands their meaning and is aware that they are binding on him/her and the Bank and have contractual force.

2.3 The Client may familiarize himself with the Terms at the information stands located in the head office and branches, as well as on the Bank's official website [www.ardshinbank.am](http://www.ardshinbank.am), where the Terms have the same legal force and applicability. In case of discrepancies the terms published on the website shall prevail.

2.4 The Bank may provide individual services and transactions on the basis of other contracts, as well as other rules and conditions established by the Bank. These Terms are considered an integral part of the said conditions and govern also the contractual relationship between the Bank and the Client in connection with provision of other banking services, unless otherwise established by special agreements and terms of individual services.

2.5 If the provisions established by law, normative legal acts of the Central Bank of RA, as well as by additional written consent between the Bank and the Client, including the Application-offer, differ from the provisions established by the General Terms, then the provisions of the said acts shall prevail.

2.6 Terms, Tariffs, as well as instructions, annexes and other documents related to banking services are approved by the Bank and may be changed and updated from time to time by the latter unilaterally, except for cases of setting individual tariffs for the Client that are not subject to publication. The Bank, at its own discretion, publishes the amendments and supplements by means of public media. Thus, the Bank publishes information on amendments and supplements:

2.6.1 on the Bank's website and (or)

2.6.2 by placing announcements on information stands at the Bank's branches and other Client service units and (or)

2.6.3 by sending information to the e-mail addresses of the Clients and (or)



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2.6.4 by other means that allow the Client to receive this information and make sure that it is received from the Bank.

The Bank shall, at its sole discretion, publish information by one or more of the above methods. Changes to the Terms and Tariffs come into force on the 7th working day after their publication on the Bank's official website [www.ardshinbank.am](http://www.ardshinbank.am) , unless the Bank establishes another term for the entry into force of these changes. In this case, the day of publication is the date of posting information on the Bank's website. The Client agrees that while continuing to use the Bank's services (also not closing the account without performing transactions on it), he confirms that these changes have been accepted by him. If there is a conflict between the unilateral changes established by this clause and the effective date of unilateral changes established by other documents that together with the Terms constitute an integral part of the agreement concluded with the Client, the term of this clause shall be valid.

2.7 When setting an individual tariff for the Client, this tariff takes effect in the period established by the Bank.

2.8 Along with the introduction of amendments to the Terms, Tariffs and other documents regulating relations for individual services of the Bank in accordance with the procedure specified in the Terms, the Bank is entitled to amend also the contract signed by the Client, including the Application-offer, another standard document in the form approved by the Bank without obtaining the Client's signature , if such changes are of a technical nature (arithmetic, spelling errors, typos, omissions, etc.) or are performed in favor of the Client and have beneficial consequences for the latter.

### 3. BUSINESS RELATIONS BETWEEN THE BANK AND THE CLIENT

3.1 Using the Bank's services, the Client guarantees and assures that he/she has the necessary legal capacity and capacity to conclude and execute transactions, has all the necessary permits and consent of trustees, trustees, and for legal persons - management bodies, supervisory and supervisory bodies, creditors and other bodies or persons.

3.2 The parties assure that the Terms are legally binding on them and are valid and they do not know any circumstances leading to invalidity of the obligations arising from the Terms.

3.3 In the presence of standard forms of documents established by the Bank for a particular operation, the Bank is entitled not to accept documents that do not conform to the established form and to refuse to perform the operation. The Bank is not responsible for the accuracy of the information in the documents submitted by the Client.

3.4 The Bank has the right to demand the translation into Armenian language and notarization of documents presented in foreign languages. The Bank has the right to photocopy or keep the documents, while not undertaking to reimburse the Client's expenses.

3.5 When using the Bank's services, the Client is obliged to submit documents and information allowing the Bank to properly identify the Client and verify the latter's competence to perform the transaction.

3.6 While identifying the Client, the Bank shall perform identification of the relevant document, the signature or person represented on it by visual inspection. The Bank is not obliged to use special means of identification and is not liable for losses and damage incurred by the Client as a result of transactions performed on his behalf, if in this situation it was impossible to establish that this transaction reflected the true will of the Client.

3.7 The Client may transfer the right to dispose of his Accounts to another person on the basis of an order approved by the RA legislation and a power of attorney acceptable to the Bank. When



performing an operation through a trustee, the Client is obliged to clearly formulate in his power of attorney his will to transfer the right to conduct a transaction on his behalf to a third party. In the event of revocation of the power of attorney, the Client is obliged to notify the Bank in writing (the branch of the Bank conducting the proxy operation) in writing. The Bank shall not be liable for losses incurred by the Client as a result of acts committed by the trustee, if at the time of such transactions the Bank (the branch of the Bank conducting the operation by proxy) has not yet received written notification from the Client about revocation of the power of attorney. The Client bears full responsibility to the Bank for the actions of the persons entrusted to them. When submitting a power of attorney in a language other than Armenian, it is also required to submit a notarized Armenian translation of this power of attorney, and the Bank may, at its discretion, accept the power of attorney without any translation.

**3.8** The Client is obliged to provide the Bank with the full data necessary for establishing communication with him/her, as well as to provide other information and documents periodically requested by the Bank in the course of conducting banking operations. The Client shall immediately notify the Bank in writing of any changes in the submitted data.

**3.9** The Client is obliged to immediately inform the Bank in writing about all circumstances and events that may affect the relationship with the Bank (including but not limited to changes in name, organizational and legal form, residence, address, representatives of the Client and their authority, bankruptcy / insolvency proceedings of the Client, etc.), submitting, at the request of the latter, substantiating documents.

**3.10** The Bank considers the data it has and the data provided by the Client to be reliable and is based on them until the Client has properly notified the Bank of the changes in them. At the same time, the Bank has the right to verify the information provided by the Client, in this connection, by signing the Agreement, the Client authorizes the Bank to perform any necessary verification in the opinion of the latter by sending requests on behalf of the Client to persons and bodies that possess the relevant information.

**3.11** The Parties accept that any requirement, notification or other message arising from the Terms must be in writing, signed by the sending party and sent by courier or postal service to the last known address of the other party, or to the last known email address of the other party, with the exception of cases where by law, these Terms or by mutual consent of the Parties, a different procedure for sending a specific requirement, notification or message is established. The last known address, including the e-mail address, is the last address provided by the Client and registered in the Bank. At the same time, any request, notice or other message sent by the courier or postal service to the last known address of the other party is deemed to be duly received (transferred) by the other party (party) starting from the seventh day after it was sent, even if it subsequently turns out that the party has not actually received a notification. Any request, notification or other message sent by the Bank to the last known email address of the other party shall be deemed to have been duly received by the other party from the seventh day of its dispatch, or from the date of confirmation in receipt of the demand, notice or other message to the e-mail address in the said seven-day term. The day of sending the request, notice or other message is determined by the day the e-mail was sent with the contents of such a requirement, notification or other message.

**3.12** By submitting his/her data to the Bank, the Client agrees to receive information from the Bank on the services provided, offers for concluding contracts and other documents by mail, electronic mail, telephone and other means of communication.



**3.13** The Bank has the right to photograph and conduct audio and video recording of telephone conversations between the Client and the Bank, visits of the Client and the course of execution of operations in the Bank's territory. Photos, audio and video recordings are kept in the Bank and can serve as evidence in the course of dispute resolution.

**3.14** The Client hereby gives his/her consent to the Bank to accept contributions from other persons on the Client's monetary obligations to the Bank and releases the Bank from any claims and liabilities arising from these actions.

**3.15** The Client makes payment for the services provided by the Bank in accordance with the Rates, while the currency for this service is converted according to the rate established by the Bank. The Bank is entitled without any additional instructions from the Client to directly collect from the Account the last amount of payments under the current Tariffs, as well as the Bank's expenses for providing services to the Client and debts to the Bank under agreements concluded with the Client. The Bank has the right to convert the amount to be debited from the currency account at the rate established by the Bank and to charge the fee for conversion established by the Tariffs.

**3.16** The Parties accept that the documents and data provided electronically to the Client in the cases provided for in the Terms are equivalent to their paper copy, fixed by the signatures of the parties, and have the same legal significance, are considered officially transferred to the Client and serve as the basis for conducting operations on the Client's Accounts. In the event that the documents are submitted for the Remote Maintenance Systems, the provisions of this clause also apply to documents received from the Client for the specified Systems. At the same time, the risk of legal consequences, possible losses and expenses arising from actions (evasion from performance of certain actions) performed on the basis of data (information) provided to the Client (received from the Client) in the ways indicated in this paragraph shall be borne by the Client.

#### **4. BANK ACCOUNTS**

**4.1** Accounts are opened upon presentation of the relevant documents to the Bank, namely on the basis of the Application-contract, contract or other standard document in the form specified by the Bank. These Terms, Tariffs, as well as other documents of the Bank on this type of Accounts jointly constitute an integral part of the agreement concluded between the Bank and the Client.

**4.2** The currencies in which the Accounts can be opened and the types of transactions conducted on the Account in the relevant currency are established by the Bank. Each Account is serviced in only one currency, unless otherwise specified by the Bank.

**4.3** Interest on the Account balance are accrued and paid according to the Tariffs of the Bank, unless otherwise stipulated by special agreements, rules and/or conditions of this type of Account.

**4.4** The Bank writes off the funds from the Client's Account within the limits of the funds available on it. The Bank also has the right to reject the Client's payment order on the fact of insufficiency of funds for the operation by the Account and/or the collection of amounts established by the Tariffs at the time of its presentation. Nevertheless, the Bank may accept orders to debit funds from the Account, regardless of the amounts indicated in them and the availability of funds in the Account on the basis of periodic requests from the Bank or other payment orders. The Bank is not liable for non-execution of payment orders with insufficient balance of funds on the Client's Account.

**4.5** In the order and in the cases provided for by loan or other agreements concluded with the Client, the Bank may credit the Client's bank account with the ability to debit the funds in the absence of them on the Account. The sufficiency of funds on the Account is determined by the Bank.





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4.6 The Bank activates the funds credited to the Client's Account not later than on the next banking day after the relevant payment order was submitted to the Bank.

4.7 The Client's right to dispose of the Account may be restricted without notification of the latter by decision of the courts and other competent bodies of the Republic of Armenia, as well as by the decision of the Bank, if the Client has violated a loan or other obligation to the Bank.

4.8 If the funds are transferred to the Account in a currency other than the account currency, the Bank shall credit the Account with an equivalent amount calculated at the exchange rate for non-cash transactions at the time of its execution.

4.9 The Bank has the right of pledge in respect of all funds in the Account to ensure the fulfillment of the Client's current and/or future obligations to the Bank, unless otherwise stipulated by other contracts, rules and/or conditions. The Client cannot pledge the monetary funds available in the Account without the prior written consent of the Bank.

4.10 In case of availability of funds in the Client's Account, which are sufficient to satisfy all claims presented on the Account, these funds are debited in the sequence of the receipt of orders and other documents for debiting funds from the Client, unless otherwise provided by the RA legislation.

4.11 In case of insufficient funds in the Client's Account, the funds are debited in accordance with the sequence provided by the RA legislation. In the absence of any restrictions on the Client's Account, the Bank shall, by right of priority, charge the Client's overdue obligations to the Bank.

4.12 The Client hereby irrevocably authorizes and directs the Bank without charge (without an additional instruction from the Client) to transfer all amounts to the other persons (recipients) in an appropriate manner, erroneously (including in violation of the law) deposited on the Client's Account, as well as incorrectly not written-off or otherwise unreasonably acquired or saved by the Client as a result of transactions conducted by the Bank.

4.13 The Client hereby irrevocably authorizes and directs the Bank without charge (without an additional instruction from the Client) to collect the amounts of all obligations payable, including but not limited to amounts received from the Bank and overdue loans, as well as amounts payable for services provided by the Bank.

4.14 The Client has the right to submit to the Bank instructions to debit funds from the Account at the request of third persons. The Bank accepts such instructions, provided that it contains all the necessary data in writing to identify the third person who has received the right to this monetary claim. The Bank is not liable for the execution of orders for transactions concluded between these third parties and the Client.

4.15 The Bank can write off the amount of taxes and other mandatory payments from the Account without acceptance, if this obligation of the Bank is stipulated by the legislation of the Republic of Armenia, by a court decision (including an application (decision) on write-off of funds on the basis of executive documents)..

4.16 The Client can not withdraw the payment order executed by the Bank, unless otherwise stipulated in the written consent of the Bank and the Client.

4.17 If there is a certain day for execution of the payment order agreed between the Bank and the Client, the Client may withdraw the payment order before the end of the banking day preceding the day of its execution.

4.18 When withdrawing payment orders by the Client, the Bank does not guarantee repayment of funds if it is impossible to receive (return) them from intermediary banks and/or recipients.



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4.19 Information on transactions on the Account shall be recorded in the form of statements and, at the request of the Client, for a specified Tariff, it is provided to the latter on the next banking day after such request is made.

4.20 In accordance with the procedure established by law, the Bank shall provide the individual Client and sole entrepreneur with an account statement at least in the thirty-day periodicity in the event of a debiting and/or crediting of the Account in the reporting period.

4.21 The Parties accept that the statements are deemed to be confirmed by the Client if within 10 days after receiving them the Client does not file a written claim to the Bank.

4.22 The Bank is not responsible for the disclosure of information containing bank secrecy when sending statements, if it was due to the fault of the communication operators and also as a result of the loss or theft of statements or other factors beyond the control of the Bank.

4.23 The Client's right to debit funds from the Account may be restricted by law and the demand of persons/bodies authorized by other legal acts, as well as in the cases and in the manner provided for by transactions concluded with the Client. In such cases, the Bank shall not be responsible for limiting the Client's right to debit funds from the Account.

4.24 The Bank has the right to terminate, suspend and/or terminate the servicing of Accounts for which no transactions have been performed continuously for 12 calendar months, and for the purposes of this paragraph and 4.25, the operations of the Account do not include the collection (deduction) of funds for service charges or other obligations of the Client to the Bank, as well as collection of funds from the account by a court decision. These Accounts may be re-activated by the Client on the basis of the application submitted by him, upon making payments set by the Tariffs.

4.25 The Bank has the right to unilaterally close the Client's Accounts without applying to the court if the balances of all the Client's Accounts opened in the Bank are null and no transactions were made for them during the last one calendar year. Transactions on the Account are not considered to be transactions made on the initiative of the Bank, including, but not limited to, charging commissions, payment of interest.

4.26 Accounts are not closed if:

4.26.1 The Client has outstanding obligations to the Bank and/or

4.26.2 The Client has a valid term deposit agreement and he/she performs operations of deposit replenishment, paying interest on the deposit and other operations on the deposit account and/or

4.26.3 On the balanced Client's Account a prohibition is imposed based on the decisions of the Compulsory Enforcement Service of Judicial Acts, court and tax authorities and/or

4.26.4 The Account is encumbered by a pledge and there is no agreement of the pledgee to close the account.

4.27 The Client has the right to close the Account at any time by submitting an application in the form specified by the Bank. The Bank closes the Account on the fact of absence of restrictions to the Account or other factors prohibiting the closure of the Account. Upon closure of the Account, the Bank shall immediately repay the current obligations of the Client from the funds therein. After repayment of obligations, the funds present in the Account are returned to the Client in the manner indicated in the Client's application for closing the Account.

## 5. PROVISION OF CASH SERVICES

5.1 The Bank provides cash services to the Clients in accordance with the current Tariffs.



5.2 When using the Bank's cash services, the Client is entitled to immediately cheque the payment order generated by the transaction and make cash settlement and, if any discrepancies are revealed, notify the Bank thereof. In case of non-use of the right provided for in this clause or claiming the transaction in the future, the Client shall bear the negative consequences for the specified discrepancies in the event that the cause of the discrepancy is not clarified with the help of video recordings made by the Bank. For the meaning of this paragraph, a surplus and/or shortage resulting from cash transactions, detection of insolvent and counterfeit banknotes, coins, errors in payment documents, is considered a non-conformity.

5.3 In the Bank the currency is converted at the rate established by the Bank at the time of the transaction, unless otherwise stipulated by the contract concluded between the Bank and the Client.

5.4 The Bank publishes on its official website the types of currencies convertible in the Bank, their rates and amounts (in case of such limitation).

## 6. SPECIAL ACCOUNTS OF THE DEVELOPER

6.1 Special accounts of the developer shall be subject to all provisions for the Accounts provided for in Chapter 4 of these Terms, to the extent that they do not conflict with the provisions of this Chapter.

6.2 Special accounts of the developer shall be opened upon presentation of the relevant documents to the Bank, namely on the basis of the Application-contract, contract or other standard document in the form specified by the Bank. These Terms, Tariffs, as well as other documents of the Bank on this type of Accounts jointly constitute an integral part of the agreement concluded between the Bank and the Client.

6.3 The Principal Special Account of the developer is opened in AMD. The Bank may also open for the developer an Optional special account (when opening an Optional Special Account - a special account in AMD, hereinafter also - the Special Account) also in other currencies acceptable to the Bank in which an operation is performed for the Buyer, if the agreement concluded between the Developer and the Buyer on the right of purchase contains the appropriate consent for conversion of funds transferred to the Principal Special Account of the developer into another currency and the transfer of these funds to the Optional Special Account of the developer. The types of operations on the Special Account are established by the Bank in accordance with the RA legislation and the contract concluded with the Developer. Each Special Account serves only one currency.

6.4 Accrual and payment of interest on the balance on the Special Account of the developer is carried out according to the Tariffs, by crediting to the Account opened in the Bank in the name of the Developer in the appropriate currency. In this case, if the Developer has more than one account in the same currency in the Bank, the latter chooses an account for paying interest at its own discretion, unless the Developer in writing does not indicate a specific account for payment of the interest.

6.5 The Bank debits the funds from the Developer's Special Account within the limits of the funds present thereon. Cash from the Special Account can be written off in the following cases:

6.5.1 upon the order of the Developer - for the purpose of transferring funds from the Principal Special Account to the Optional Special Account of the Developer, subject to the written consent between the Developer and the Buyer in accordance with Clause 6.3 of these Terms;

6.5.2 upon the order of the Developer for the purpose of transferring funds to the Account:



6.5.2.1. in the amount credited by the Buyer and the amount present in the Special or Optional Account based on an act between the Developer and the Buyer on transferring ownership of the acquired property and state registration of the Buyer's ownership.

6.5.2.2. in a part of the amount credited by the Buyer, if the contract between the Developer and the Buyer stipulates the placement of amounts credited to the Special Account in favor of the Buyer or the contract between the Buyer's creditor, the Developer and the Buyer or amendments thereto, an early termination of the pledge right in respect of the specified part of the amount paid by the Buyer. When the amount is pledged in favor of the Buyer's creditor, the Developer and the Buyer, prior to concluding an agreement to release part of the deposit amount from the pledge, shall ensure the consent of the Buyer's creditor for this.

6.5.2.3. in the amount of the accrued penalty to the amount credited by the Buyer in the amount of the deducted amount already transferred to the Developer's account upon the release of the pledge, if within six months after the state registration of the completion of the construction the transfer of ownership was not concluded, the Agreement on the right of purchase is prematurely terminated or recognized invalid and for such circumstances the Buyer is responsible. The circumstances specified in this part are respectively confirmed by:

a) the claim of the Developer submitted in the event of non-conclusion of the transfer of ownership and failure to submit within 5 days from the receipt of this request to the Bank and the Developer the facts excluding the liability of the Buyer. In the event that the Buyer makes a claim, the dispute between him and the Developer is resolved by a court order, and the court decision that came into effect serves as the basis for transferring the penalty, specifying the exact amount of the penalty;

b) agreement on termination of the Contract on the right of purchase concluded between the Developer and the Buyer and information received from the State Committee of Real Estate Cadastre of RA on the state registration of this agreement. The agreement should clearly indicate the amount of the penalty;

c) an effective court decision on termination or invalidation of the Agreement on the right of purchase concluded between the Developer and the Buyer, specifying the exact amount of the forfeit to be paid.

6.5.3 by providing cash to the Buyer at the request of the latter without the order of the Developer or transfer of funds to the Buyer's /Buyer's creditor bank account if within six months after the state registration of the completion of the construction the transfer of title to real property was not concluded or the Contract on purchase right was prematurely terminated or invalidated. If the Buyer is liable for the above circumstances and foresees a penalty in respect of the Buyer in favor of the Developer, the transferred amount shall not exceed the difference between the amount credited and the penalty accrued thereon. The circumstances specified in this part are respectively confirmed by:

a) the demand of the Buyer, presented in the event of non-conclusion of the transfer of ownership and failure by the Developer to the Bank and the Buyer to disclose the facts excluding his liability, within 5 days from the receipt of this demand. The Developer hereby declares that in the event of payment to the Buyer in this order, it releases the Bank from any possible and real claims. Upon receipt of the claim and presentation by the Developer of the requirement to pay the penalty in the manner provided for in this subparagraph, the process continues in accordance with paragraph 6.5.2;

b) agreement on termination of the Contract on purchase right concluded between the Developer and the Buyer and information received from the State Committee of the Real Estate Cadastre of RA on the state registration of this agreement;



c) an effective court decision on termination or invalidation of the Contract on purchase right concluded between the Developer and the Buyer, specifying the exact amount of the forfeit to be paid.

**6.5.4** In case of presenting evidence on registration of property rights under a special account operating in a bank, treasury or a notary deposit for another developer who acquired in full or in part the rights of the owner of the land at the Builder's construction address without the latter's order, as evidenced by the registration documents property certificate (certificate of ownership) and a certificate of opening a special account (if the special account is not serviced by the Bank), in which, as a minimum, should be specified the account number, currency, identification information about the developer and land in the amount of pledged balance of prepayments made by the Buyers, who have the right of purchase of the property in a building constructed on the land, acquired by the Developer.

**6.6** If the refund of amounts credited by the buyer to the Special Account in AMD from the Principal Special Account of the developer, the latter undertakes to ensure in the Contract on purchase right concluded between it and the Buyer, the existence of an agreement that, if when converting foreign currency in the Optional Special Account into AMD, the amount is less than the amount initially credited, the Bank is exempt from all the requirements of the Buyer, and in the presence of such requirements it undertakes instead of the Bank and on its behalf to bear full responsibility, and while satisfying the requirements of such claims by the Bank - unconditionally reimburse the Bank for all costs incurred therein.

**6.7** If there is an appropriate consent in Contract on purchase right concluded between the Developer and the Buyer, the amounts credited to the Developer's Principal Special Account may be converted into the currency of the Optional Special Account in accordance with the instructions of the Developer for more than one banking day and transferred to the specified Optional special account.

**6.8** The funds credited for purchase of property on the Special Account of the developer is performed upon presentation by the Developer to the Bank of a notarized copy of the Contract on purchase right and copy of the certificate of state registration of the said contract.

**6.9** The first payment of funds for the purchase of property on the Special Account of the developer is carried out personally by the Buyer by presenting a declaration established by the Bank.

**6.10** The field "the purpose of depositing funds to the Special Account of the developer" must necessarily contain the name of the Buyer, the code of the Contract on purchase right, the project number of the property on the list submitted by the Developer, the address of the real estate and a note on the first payment or installment.

**6.11** In the event of non-compliance with clauses 6.8, 6.9 and 6.10 of these Terms, the Bank shall not credit funds to the Special Account of the developer and return them to the Buyer. For the time of the specified funds are in the Bank prior to their return to the Buyer, interest or forfeit is not accrued.

**6.12** Refunds to the Buyer from the Principal Special Account of the developer shall be effected by presenting the Buyer with a claim and supporting documents in the form established by the Bank.

**6.13** Funds are deposited in the main special account of the developer only in AMD. Monetary funds entered in a different currency are converted at the rate established by the Bank at the time of this transaction and are credited to the Principal Special Account of the developer.

**6.14** Revenues to the Optional Special Account may be effected solely by converting funds from the Principal Special Account at the rate established by the Tariffs.



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6.15 The Bank considers prepayments made by Buyers to the Developer's Special Account as pledged in favor of the Buyer (as a security assumption) until the Developer submits evidence to the Bank that the funds in the Special Account are not secured or pledged in full or partially discontinued.

6.16 The Bank imposes a ban on all funds credited to the Special Account and does not allow them to be used by the Developer, except as provided for in these Terms and by law.

6.17 The Bank shall have the right to pledge or subsequent pledge (subject to the consent of the Developer and the Buyer for pledging in favor of the latter funds credited to the Special Account) in respect of all funds in the Special Account to ensure the fulfillment of all current and/or future obligations of the Developer to the Bank, unless otherwise provided by other treaties, rules, conditions or law. The Developer cannot deposit money in the Account in favor of a third party, except the Buyer, without the prior written consent of the Bank.

6.18 The Bank provides the Buyer with information on the amounts it has credited to the Special Account in accordance with the Tariffs: the dates of receipts, write-offs and cash balances for each property (s).

## 7. DEPOSITS

7.1 The Client may deposit funds at the Bank in order to receive interest on the amount of the deposit. The terms of the deposit are determined by the deposit agreement concluded between the Bank and the Client or other standard document established by the Bank serving as basis for conclusion of the relevant agreement (hereinafter referred to as the Deposit Agreement), of which the Terms and special conditions of this type of deposit are an integral part.

7.2 Replenishment of the deposit is carried out both at the expense of the Client and by third parties receiving funds on behalf of the Client. When concluding a Deposit Agreement with the Client, the Bank is entitled to debit the funds from the Client's bank account in the amount of the deposit and transfer them to the deposit account.

7.3 Interest is accrued to the deposit in the manner and in the amounts provided for by the Tariffs and the terms of this type of deposit. Interest is accrued and paid in AMD, irrespective of the deposit currency, unless otherwise provided by the Deposit Agreement.

7.4 While attracting a deposit, the Bank opens a separate deposit account in the name of the Client and replenishes it from the Client's bank account. Banking operations on the deposit account are not carried out unless otherwise agreed in writing by the Parties or other documents regulating the relationship between the Bank and the Client in connection with the provision of such services. The interest accrued on the deposit is transferred to the Client's bank account, unless otherwise stipulated by the Deposit Agreement. The deposit is confirmed by a statement from the deposit account. Statements on crediting or depositing funds are provided to the Depositor only upon presentation by the latter of the corresponding instruction, except for the case provided for in paragraph 4.20 of these Terms. If there is a discrepancy between the procedure for providing statements of this clause and the procedure for providing statements provided for in other documents that form an integral part of the Deposit Agreement under these Terms, the provisions of this clause shall apply.

7.5 The term of the deposit is established by the Deposit Agreement. The right to withdraw the deposit of a legal entity client may be limited by an agreement concluded between the Bank and the Client, in which case the Bank is not liable for failure to comply with the Client's request.

7.6 In case of refund of the amount of the term deposit or part thereof before the due date at the request of the Depositor, the Bank shall accrue interest to the part to be refunded and pay them to the Depositor at the annual interest rate applicable to the daily balance of the bank account by means



of clearing previously paid interest, stipulated by the agreement and the terms of this type of deposit. After a reduction in the amount of the deposit, the Deposit Agreement is effective on the part of the deposit at the disposal of the Bank, and interest on this part continues to be accrued in the amount established by the Deposit Agreement.

**7.7** In case of early withdrawal of a part of the deposit by the Client with the possibility of replenishment, the reduction of the deposit is made from the amount of the last replenishment and/or replenishments (including from the amount of interest paid by the Bank) in the reverse chronological order.

**7.8** In case of non-prolongation of the deposit period, the deposit amount and unpaid interest are transferred to the Client's bank account without concluding an additional contract or agreement and the interest is further accrued according to the annual interest rate applied to the daily balance of the bank account, unless otherwise agreed in writing.

**7.9** The term of the deposit can be prolonged:

**7.9.1** during the term of the Deposit Agreement inclusive up to the expiry date of the deposit term based on an agreement on amendments to the Deposit Agreement or other standard document in the form prescribed by the Bank. At the same time, prolongation on the basis of one document specified in this subparagraph may be carried out not more than 1 (one) time;

**7.9.2** electronically:

**7.9.2.1.** for individual persons: by sending a request for prolongation of the deposit term from the e-mail address of the Depositor specified in the Deposit Agreement or other type-approved standard document of the Bank to the e-mail address of the Bank specified in one of the listed documents. The Bank is based on the request sent from the last e-mail address provided by the Client and registered at the Bank. The request submitted by e-mail corresponds to the requirements of the Bank if it contains the details of the deposit agreement (contract number, year/month/day of conclusion, amount, currency and other data of the deposit) and meets the conditions of this type of deposit at the Bank on the date of prolongation.

**7.9.2.2.** for legal persons and sole entrepreneurs: by sending a letter in the form prescribed by the Bank for prolongation of the term of the deposit, at least 5 working days before the expiration of the term of this deposit, from the e-mail address of the Depositor specified in the Deposit Agreement or other type-approved document, to the Bank's e-mail address indicated in one of the listed documents, if the Depositor has not received a notification of the Bank about the rejection of the extension within 10 working days from the date of the electronic confirmation in receipt of the letter by the Bank. The Bank is based on the demand sent from the last e-mail address provided by the Client and registered at the Bank. The term of the deposit return is deemed prolonged on the conditions in effect at the time of the actual prolongation, and the date of the prolongation will be the date of the return of the prolonged deposit.

**7.9.3** Unilaterally by the Bank - in case of placing the right to the funds deposited with the Bank and the requirements arising from the Deposit Agreement for fulfillment of obligations of the Depositor or a third party to the Bank, upon full execution of the obligations, on terms and conditions in force in the Bank at the moment of actual prolongation.

**7.10** If the date of repayment of the deposit and/or payment of accrued interest coincides with a non-working day, the deposit shall be refunded on the first working day following it, while paying interest for non-working days in the amount accrued inclusively up to the day preceding its return under the Deposit Agreement.



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**7.11** If the deposit is paid in a foreign currency, the Depositor confirms by signing the Deposit Agreement that he understands the possible adverse consequences caused by the change in the exchange rate and prefers to invest in foreign currency.

**7.12** Interest on the amount of the deposit (the replenished part) shall be accrued from the day following the day of receipt of funds to the deposit account until the day prior to its return to the Depositor or from the Client's account for other reasons.

**7.13** Depositing of an amount and/or replenishment of the deposit after the end of the operational day is considered to be deposited to the Bank on the next business day.

**7.14** The Bank as a tax agent, by paying out the interest due to the Depositor and retains and transfers to the state budget the amount of taxes payable under the RA legislation, and for branches in the NKR - according to the legislation of the NKR.

**7.15** In regard to deposits received from individual persons in favor of a third party, the Bank undertakes to return/pay the deposit amount and interest to the third party specified in the Deposit Agreement at the first written request of the latter based on the rights of the Depositor or by written notification to the Bank of the intention to exercise the Depositor's rights. A person under the age of 14 may submit a claim for the use of his rights under a deposit made in favor of a third person, and after presenting this request, the latter may dispose of the deposit only through his legal representative.

**7.16** In the event a third party does not present a written request to the Bank before the day of the deposit return (if the date of the return of the deposit coincides with a non-working day - on the first working day following it) and the deposit term is not prolonged, the deposit amount and unpaid interest are returned/paid to the Bank account of the Depositor.

**7.17** If the third party has notified the Bank in writing prior to the day when the deposit was returned (if the date of the return of the deposit coincides with a non-business day - on the first working day following it) of the intention to use his rights under the deposit, but did not issue a written request and the deposit term is prolonged, the deposit amount and unpaid interest are returned/paid to the bank account of a third party, and in the absence of a bank account in the Bank - transferred to another account within 7 days after receipt of the corresponding written application or are subject to disposal in any other way indicated by the latter.

**7.18** To the Depositor (at the request of the third party who acquired the Depositor's rights), at his/her request, SMS notifications about the expiry of the term of the deposit may be sent. This service is provided according to the current Tariffs and the Bank is not responsible for non-delivery or delay of SMS notifications due to unavailability of the telephone or technical or other malfunction of the communication operator.

**7.19** The Depositor is not provided a bank-book.

**7.20** Replenishment of the deposit can also be made by third parties. By conclusion of the Deposit Agreement or prolongation of the deposit term, the Depositor authorizes third parties to credit the replenished amount to the bank account and transfer the amount to the Depositor's deposit account. The Depositor also authorizes the Bank in the event of replenishment of the deposit by third parties, without additional instructions from him, to collect the relevant amounts from the bank account and transfer it to the deposit account of the latter.

**7.21** Deposit replenishment may be made by the Depositor by sending a letter on transferring a certain amount from a bank account to a deposit account from the e-mail address of the Depositor specified in the application-agreement on opening an account, the Deposit Agreement or another type-approved document of the Bank signed by the Client, to the e-mail address of the Bank indicated in





the one of the listed documents. The Bank, without additional instructions from the Depositor, collects the indicated amount from the bank account and transfers it to the deposit account. The Bank considers the request sent from the last e-mail address provided by the Client and registered at the Bank. At the same time, the term of the deposit return is deemed prolonged on the conditions in effect at the time of the actual prolongation, and the date of the prolongation will be the date of the return of the prolonged deposit. The requirement submitted by e-mail, as a minimum, should contain the amount of the transferred amount and the number of the Deposit Agreement or the number of the deposit account.

7.22 A person under the age of 14 may dispose of the deposit without a legal representative only if the legal representative has previously issued written consent to a person who has not reached the age of 14 years, of unhindered (including without additional consent) disposal of the deposit made in favor of the latter.

## 8. OPERATIONS BY A CHEQUE-BOOK

8.1 While withdrawing cash from certain types of Accounts in accordance with the Bank's rules, the Bank may offer nominal limited cash cheques (hereinafter referred to as the "Cheque"). Cheques (cheque-books) are the property of the Bank and are provided to the Client with the right of use.

8.2 The Bank may set a maximum limit on the amount to be drawn under the Cheque.

8.3 Cheques are provided on the basis of an application form approved by the Bank, in which the Client confirms that he/she has received the cheque-book, is familiar with the Terms and accepts them, and also accepts that since the receipt of the cheque-book from the Bank, the Terms and Conditions established by the Bank for the settlement of cheques (including, but not limited to, the rules of filling and use, the rules for servicing the cheque), special conditions for servicing cheques (if published by the Bank) and the Tariffs together constitute an agreement on transactions by cheques.

8.4 The Client who receives the cheque-book undertakes:

8.4.1 not to provide the cheque-book to other Clients,

8.4.2 not to sign/seal blank cheques,

8.4.3 fill in the cheque-book in accordance with the rules for filling and using cheques,

8.4.4 In the event of termination of the bank account agreement, the cheque-book shall be returned to the Bank together with the unused blanks.

8.5 In case of loss or theft of a cheque (cheque-book), the Client is obliged to notify the Bank immediately during the operational day. The notice is considered valid from the moment it is received by the Bank. Losses incurred by the Bank as a result of payment of lost and stolen cheques are borne by the Client, unless it is proved that the cheque was paid as a result of willful negligence of the Bank's employee.

8.6 The Bank has the right not to accept and/or pay the cheque, if:

8.6.1 cheque does not comply with the rules for filling and using cheques,

8.6.2 the bearer of a cheque is not its true owner (authorized person);

8.6.3 the cheque is withdrawn by the Client,,

8.6.4 the cheque is issued on a counterfeit letterhead or the signature on it is false,

8.6.5 the funds are insufficient to pay the amount indicated on the cheque and to collect the fees as per the Tariffs,

8.6.6 a restriction is imposed on the Account in the manner prescribed by the RA legislation,

8.6.7 it is known that the cheque is stolen or lost,



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8.6.8 in other cases suspicious for the Bank.

8.6.9 while closing the bank account(s), the Client undertakes:

8.6.10 not to provide the cheque-book to other Clients,

8.6.11 not to sign/seal blank cheques,

8.6.12 fill in the cheque-book in accordance with the rules for filling and using cheques,

8.6.13 In the event of termination of the bank account agreement, the cheque-book shall be returned to the Bank together with the unused blanks.

8.7 In the event the Bank provides a cheque-book to the Client in accordance with this section, the withdrawal of cash from the Client's accounts by cheque shall be in accordance with the Bank's internal legal acts.

8.8 In case of loss or theft of a cheque (cheque-book), the Client is obliged to immediately notify the Bank during the business day in writing - by paper or electronically. The notice is considered valid from the moment it is received by the Bank, otherwise losses incurred by the Bank as a result of payment of lost and stolen cheques are borne by the Client, unless it is proved that the cheque was paid as a result of willful negligence of the Bank's employee.

8.9 In case of closing the Account(s), the Client is obliged to return the cheque-book to the Bank's if it contains unused blanks. The cheque-book is returned on the basis of a written application indicating the numbers of all unused blanks.

## 9. PROVISION OF BANKING SERVICES BY REMOTE SERVICE SYSTEMS

9.1 Ardshinbank I-banking system is provided to Clients who have a bank account at the Bank by concluding a relevant contract upon acceptance of the Client's application-offer in the form specified by the Bank. Changes to the said agreement can be made by concluding an appropriate agreement on the basis of the Client's application-offer or the Bank unilaterally.

9.2 Certain instruments of the system available to Clients and the conditions and tariffs for their use are established by the Bank, and the Bank may from time to time unilaterally amend them.

9.3 Servicing via the Systems is carried out if the Client (User) has the necessary software and hardware to use the relevant remote maintenance tool, and the Bank provides remote maintenance services to the Client solely for the use of software and hardware means acceptable to the Bank.

9.4 Based on the specifics of the provided remote services, the Bank may provide the Client with the necessary software for using the appropriate remote maintenance tools. These devices are the property of the Bank and are provided to the Client by the right of use. The Bank is liable at any time to demand the return or replacement of these devices, as well as to tighten/mitigate the order of their use or stop their further maintenance. In case of duplication, copying, transformation of the software provided by the Bank, the Bank has the right to demand compensation from the Client for the losses caused.

9.5 The Client guarantees the protection of the software provided to him, the security of passwords and codes for the use of the System and their use only by him (his representatives) and is fully responsible for the adverse consequences caused to him, the Bank and/or third parties as a result of their loss or disclosure to third persons, in particular: for incurred losses, deterioration of business reputation, loss (restriction) of rights or occurrence (increase) of obligations.

9.6 The Client is obliged to notify the Bank immediately in case of loss of access passwords, as well as loss of security certificates and other software if disclosed to third parties or threat to use them.



**9.7** The Bank has the right to unilaterally suspend the Client's access to the System if there are doubts about the illegal use of the System. The Bank assesses the fact of illegal use of the System at its own discretion.

**9.8** The Client shall ensure by its own means that the computer and telecommunications equipment, Internet telephony, telephone communication and other means necessary for the use of the relevant telecommunication equipment are accessible and serviceable by paying for the costs of their purchase, as well as the transfer of other payments and data transmission costs, arising from the use of the System.

**9.9** The Bank shall not be liable for any losses incurred by the Client resulting from the use of the System.

**9.10** The Bank may establish certain hours of use of the System, suspend access to the System and establish additional requirements and procedures to improve the security of access and performance of the System.

**9.11** The procedure for performing operations via the System

**9.11.1** In the event of acceptance of the Client's Application-offer, the Bank shall register the Client's users in accordance with this offer, upon which the Client can perform operations mentioned therein.

**9.11.2** The client determines the method of identification in the System for each user mentioned in the offer, and regardless of the method and means of authorizing transactions, the confirmation of the operation by the Client (the User) in the System via the available instrument is proved by a properly certified instruction of the Client with relevant rights and obligations.

**9.11.3** The Bank verifies the completeness of the data submitted in the Client's order sent via the System and executes such instruction.

**9.11.4** Except for the Telephone Bank tool, the Client receives information about the status of the order submitted via the System from the "status" field of the transaction, while the transaction made by the Client (the User) via the System is deemed to have been performed only by the Bank reflecting its authorization information in the "status" field of such transaction.

**9.11.5** For using the Telephone Bank tool, the Client must call from the number provided to the Bank exclusively at the Bank's contact center number. In order to identify the Client, the Bank, in addition to requesting a password, can also apply additional identification tools, namely: request the personal data of the Client and ask questions about transactions carried out in the Bank, etc.). Bank transfers via "Telephone Bank" system are made only if the Client has previously performed transactions using the requested details, by presenting a payment order to the Bank or submitting an instruction via "Internet" or "Mobile Bank" tools. Affirmation (signing) of orders submitted via Telephone Bank tool is an oral confirmation of the transaction after identification of the Client, which is recorded by the Bank.

**9.11.6** The Bank establishes the due date for each transaction made via the System and executes the instructions submitted by the Client in such terms.

**9.11.7** The Bank may establish monetary, quantitative and other restrictions for transactions made via remote service tools. The Bank has the right to suspend or reject the transaction before obtaining additional confirmations acceptable to the Bank.

**9.11.8** The Client's orders submitted by violation of the terms of the contract for the use of the System or the procedure for using the software provided to the Client are not accepted for execution. At the same time, the Client bears the risk of adverse consequences arising for him.



9.11.9 The Bank may refuse to authorize transactions made under the System if, at the time of their authorization, it becomes evident that there have been significant changes in the financial and/or banking services market.

9.11.10 The limits, specified in the application-offer of an individual person (except for sole entrepreneurs) on provision and maintenance of the System or the Bank's offer for connection to the System, are standard. If other limits are set by the terms of the System, these limits apply, which may be unilaterally changed from time to time by the Bank. The limits specified in the application-offer of an individual person (except for sole entrepreneurs) on provision and maintenance of the System or the offer of the Bank for connection to the System, as well as limits specified in the terms of the System (except for limits set for the Telephone Bank tool), can be changed also based on the Client's offer to change the terms of service of the System upon its acceptance by the Bank.

9.11.11 In the Client's application-offer on provision and maintenance of the System or the offer of the Bank for connection to the System, the maximum limit of transactions within one day is set if the specified field of the relevant offer and/or application-offer does not specify otherwise.

9.12 When providing services to the Client via the System, the Bank has the right to:

9.12.1 replace the software used in the System, ensuring the Client's regular work by the new version of the program;

9.12.2 in case of scheduled technical work, as well as technical failures or other circumstances in the Bank, which prevent the Client from servicing the System, unilaterally for an indefinite period, by provisional and, in case of impossibility, immediate warning to the Client to terminate the service of the System;

9.12.3 prohibit the use of the System by the Client if the latter has breached obligations to the Bank or the Bank has reasons to believe that the System is used or may be used illegally or otherwise the Client violated the security requirements of the System. The Bank does not substantiate the reasons for termination of the acceptance and/or execution of the transmitted electronic documents;

9.12.4 require additional confirmation or explanation in connection with specific instructions. The System requests confirmation on the day the payment document is received. In such cases, instructions are accepted for execution upon receipt of the necessary confirmation;

9.12.5 refuse to execute the instruction submitted in an incomplete form;

9.12.6 execute the paper version of the instruction submitted by the Client and approve it according to the procedure for execution of settlement operations with the Bank.

9.13 When using the Bank's services provided via the System the Client is obliged to:

9.13.1 comply with the terms of use of the System established by the Bank;

9.13.2 not provide third parties with software, passwords and system codes, use them only in accordance with the contract, and in case of their provision or deliberate or inadvertent disclosure to third parties, fully repay to the Bank and/or any third parties any losses and bear the risk of adverse consequences resulting from this;

9.13.3 upon submission of orders via the System, the Client is obliged to compare the instruction submitted by him and the document issued by the Bank and, in case of any discrepancy immediately notify the corresponding employee in order to find out the reason.

9.14 The Client is responsible for the accuracy of the information provided via the System.

9.15 The Bank is not liable for the consequences arising from the Client's non-compliance with the security requirements during the System's operation.

9.16 The services via the System may be terminated at the initiative of each Party.



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9.17 In the event of termination of the System service agreement on the initiative of the Bank, the latter shall be obliged to notify the Client in writing in advance, while the Client's servicing via the System or any remote service tool terminates on the date specified in the notification.

9.18 Termination of the System service agreement at the initiative of the Client is carried out by submitting an application-offer in the form prescribed by the Bank and its acceptance by the Bank in accordance with the established procedure. The Client undertakes to pay for the entire month, regardless of the date of termination of the agreement and the number of days used in the given month.

9.19 Termination of the System service agreement does not lead to termination of other contracts concluded between the Bank and the Client.

9.20 Termination of the System service agreement does not lead to termination of the obligations of the Bank and the Client that arose before suspension of the System, unless otherwise agreed by the Parties.

9.21 Maintenance of active clients of the Bank-Client system continues via the Internet Bank tool, and the provisions of this chapter are fully applicable to the those Clients.

## 10. STORAGE OF VALUES IN A SAFE DEPOSIT BOX, RENTING OF A PERSONAL LOCKER

10.1 An individual safe deposit box is provided upon the conclusion of the Application-contract, contract or other standard document in the form specified by the Bank. These Terms, Tariffs, as well as other documents of the Bank regulating this type of service, form an integral part of the lease agreement concluded between the Bank and the Client for an individual safe deposit box (hereinafter referred to as the Safe Deposit Box Lease Agreement).

10.2 The Bank shall provide the Client with an individual safe deposit box and keys to it for a certain fee set by the Tariffs, for the placement and storage of valuables. The Client is required to keep the personal locker in proper condition. An individual safe is considered to be transferred to the Client from the moment of signing the contract and obtaining the keys from the Safe Depository, in connection with which the corresponding entry is made in the visits register signed by the Parties. Receipt and delivery of keys by the Client is carried out on the basis of an off-balance cash order.

10.3 The keys to the safe deposit box shall be provided to the Client after making the appropriate fees set by the Tariffs.

10.4 In case of loss of the of a safe deposit box or damage of the safe deposit box and/or keys, the Client must immediately notify the Bank thereof in writing.

10.5 The client is responsible for the loss of the keys handed to him, as well as the costs of repairing keys and/or lockers damaged during their use.

10.6 The client is not allowed to duplicate a personal key.

10.7 The client is not allowed to photograph or make a video recording of a Safe deposit box or the Safe depository.

10.8 The client or a person duly authorized by him may use the Safe deposit box on the Bank's operational days and hours. The Bank shall not be liable for the actions of third parties authorized by the Client to use the personal locker.

10.9 Persons associated with the Client can not use the Safe deposit box unless otherwise provided by law or under the power of attorney issued to an affiliated person.

10.10 A Client can stay in the vault for no more than 20 (twenty) minutes during each visit.

10.11 The client can visit the Safe depository no more than 2 (two) times within 1 (one) day.



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**10.12** The Client (the Client's representative) is obliged to confirm each visit to the Safe depository with his signature in the relevant document provided by the Bank, which also specifies the time and date of entry. The client is obliged to enter the Safe depository only accompanied by a responsible officer of the Bank, presenting an identity document, and in the case of a representative of the Client – under a relevant document of authorization, if it has not yet been registered with the Bank.

**10.13** The Client undertakes not to store any liquid, viscous materials, flammable, explosive or other dangerous substances, as well as perishable goods, food, animals and is liable for damage to the Bank and third parties as a result of storage of such property in the personal locker. The Client is aware that the Bank does not have an obligation to verify the values and waives the right to dispute this circumstance in the future.

**10.14** The client is obliged to use the personal locker in accordance with these Terms and its purpose, not to deposit such valuables in the safe deposit box that are in any way connected with criminal activity, and undertakes not to allow any claims against the Bank. The Client is aware that the Bank does not have an obligation to verify the valuables and waives the right to dispute this circumstance in the future.

**10.15** The Bank ensures the safety and inviolability of the personal locker and takes all necessary measures to ensure its security.

**10.16** The contents of the Safe deposit box, information about the valuables and data on the individual safe deposit of the Client constitute bank secrecy.

**10.17** The Bank provides the Client with the necessary funds for the independent use of the Safe deposit box and ensures for appropriate conditions for this. Each operation of depositing the valuables in the Safe deposit box is performed by the Client in a separate room or cabin intended for this purpose.

**10.18** The client independently, without any control (including the Bank), places valuables in the personal locker and removes them from there.

**10.19** The Bank shall not be liable for the loss of the contents of the personal locker or valuables placed therein, or for the loss or damage of valuables when they are placed in a safe deposit box, removed or moved, if such loss or damage is not a result of deliberate actions of the Bank.

**10.20** The Bank shall not be liable for loss, shortage or damage to valuables in the Safe deposit box, if such loss, shortage or damage has occurred due to force majeure, i.e. as a result of extraordinary and unforeseen circumstance, or as a result of such properties of values that the Bank did not know and could not be foresee at the time of depositing, or it occurred as a result of deliberate or careless actions of the Client.

**10.21** The Bank has the right to open the Client's safe deposit box without the consent and presence of the Client in the event of any of the following:

**10.21.1** based on the decision of the Compulsory Enforcement Service of Judicial Acts of the Ministry of Justice of RA or other authorized state body taken in accordance with the court decision made in accordance with the procedure set by the RA legislation,

**10.21.2** if upon the expiry of the lease term of set by the agreement and/or automatically prolonged by the Bank in the manner prescribed by the Terms, the Client does not release the safe and does not return the key to the Bank in the established order,

**10.21.3** in case of non-fulfillment or improper fulfillment by the Client of obligations to pay commissions for the service of storage of valuables within the period set by the Terms and Tariffs,



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**10.21.4** in case of natural disasters caused by force majeure: fire, flood, accident, flash of a substance stored in a safe box, a sharp smell and other cases where the further storage of an object in a safe box becomes unacceptable,

**10.21.5** the Bank unilaterally terminates the Safe Deposit Box Lease Agreement.

**10.22** The client returns the keys of the Safe deposit box to the Bank upon the expiry of the lease term stipulated in the Safe Deposit Box Lease Agreement, otherwise the Client is obliged to take measures to extend the lease term and ensure all other terms of the agreement.

**10.23** The lease term for a Safe deposit box may be automatically unilaterally renewed by the Bank in the cases and in the manner prescribed by the Terms, in the event of non-release of the deposit locker after the expiration of the said period, the Client's failure to visit the Bank and failure to extend the agreement with the Bank.

**10.24** The Bank has the right to open the personal locker, apply penalties set by the Terms and Tariffs to the existing valuables in the case of non-release of the locker within the term specified in the agreement or non-prolongation of the agreement.

**10.25** The Bank has the right to terminate the Safe Deposit Box Lease Agreement unilaterally by notifying the Client and/or refusing to perform the agreement based on the grounds specified in clauses 10.21.1 and/or 10.21.4, as well as in case of non-fulfillment or unreliable performance by the Client of obligations under the agreement. The unilateral termination of the agreement provided for in this paragraph and/or its waiver does not lead to termination of the Client's obligation for payments (reimbursements) arising from therein.

**10.26** The Client has the right at any time, by prior notification of the Bank, to terminate the Safe Deposit Box Lease Agreement provided that the monetary obligations arising from the relevant agreement are fully executed.

**10.27** In the event the Client does not visit the Bank after prior notice of a change in the address or closure of the Bank's branch (Client Service Department, hereinafter referred to as the CSD), where the safe deposit box is located, the Bank shall have the right in 10 (ten) working days after the confirmation message, without the presence of the Client, while ensuring the inavailability the safe box, to transfer it to another branch (CSD) of the Bank.

**10.28** In the event of early termination of storing valuables in the safe deposit box, the fees collected from the Client are not subject to return.

**10.29** Additional expenses incurred during the storage of valuables in the safe deposit box, which the Parties could not assume upon the conclusion of the agreement, are reimbursed to the Bank by the Client.

**10.30** Additional costs include, but not limited to, the costs associated with the loss of the key of the safe deposit box, as well as the repair of keys or safe deposit box, including lockers, as a result of their damage and/or replacement of keys.

**10.31** The Client undertakes to pay all fees provided for in these Terms including, but not limited to, the fees provided for by the Tariffs, additional costs and reimburse the Bank for damage caused by the peculiarities of the property stored in the locker and/or violation of safe deposit rules, and retains with the Bank right, without additional instructions on his part, without further authorization, to collect the appropriate amounts from the Client's bank accounts in the Bank and, if necessary, to convert them at the exchange rate set by the Bank. In case of insufficient funds to collect the relevant amounts, the Bank has the right to collect this amount by processing receivables in the name of the Client.



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**10.32** The Client agrees that in the event of non-release of the safe deposit box in the period provided for in the Terms, the values therein shall be deemed to be transferred to the Bank for storage, and the rules on storage provided for in the Civil Code of the Republic of Armenia shall be applied to the Client and the Bank without entering into an additional contract.

**10.33** In the case provided for in clause 10.32 of these Terms and in the event that the Bank acquires the right to open a safe deposit box without the consent and presence of the Client under an agreement concluded between them, the Bank acquires the right to move the valuables stored in the safe-box to the Bank's depository.

**10.34** The contents of the safe deposit box, as well as in the case provided for in clause 10.32, shall be returned to the Client or his representative upon their visit to the Bank, provided the full payment is made for the storage of valuables set by the Tariffs.

**10.35** The client is obliged to compensate for the damage caused to the Bank in connection with the peculiarities of the property deposited for safekeeping.

**10.36** When depositing valuables, the rights and obligations of the Bank and the Client are determined by the provisions of chapter 43 (Storage) of the Civil Code of the Republic of Armenia. At the same time, the Parties acknowledge that the written form of the agreement is considered to be complied with.

**10.37** By means of an agreement with the Client, the latter may be provided with temporary safe-boxes, other than those specified in the agreement, during which the terms of the lease agreement of the safe deposit box will continue to operate.

## **11. BANK SECRECY. LEGALITY OF FUNDS**

**11.1** The Bank guarantees the confidentiality of information containing bank secrecy, which became known to the Client in the course of servicing and is confidential in accordance with the legislation of the Republic of Armenia.

**11.2** In cases stipulated by the legislation of the Republic of Armenia, as well as due to agreements concluded between other persons and the Bank (agreements on provision of services to the Bank by other persons, merger, incorporation of companies, acquisition and/or disposal of assets of other persons, etc.), the Bank is obliged to provide information containing bank secrecy to a minimum amount of authorized persons.

**11.3** The Client hereby gives his/her consent to the Bank to provide to the authorized state bodies of foreign states (hereinafter - the Authorized body) and/or persons appointed by the latter, as well as in cases and order provided for by the law - to the relevant state or local government bodies of the Republic of Armenia, including information on opening and/or closing of bank accounts, any other information and documents.

**11.4** In order to monitor the fulfillment of tax obligations provided by the legislation of foreign countries, ensure the proper performance of obligations, identify changes in these obligations, the Client must, at the first request of the Bank, provide the latter with any information, report and/or document in the form prescribed by the Bank and cooperate with the Bank.

**11.5** In order to ensure the proper fulfillment of tax obligations under these Terms, the Bank has the right to apply restriction (prohibition) to the Client's Accounts and/or to suspend the operations on the Account by rejecting all orders submitted by the Client and third parties to dispose of funds in the Account and conduct transactions, if there is a legitimate demand of the Authorized body and/or the person designated by the latter, without any additional instructions from the Client, to recover the relevant funds from the account of the latter and transfer them to the Authorized body





and/or a designated person, and in case of failure or improper performance of obligations by the Client stipulated by the Terms - also unilaterally terminate the contract(s) with the client.

**11.6** Failure to perform or improper fulfillment of obligations by the Client under these Terms may serve as a basis for collecting money from the Client when performing transactions in the banking system by other bodies and persons authorized to exercise control over the fulfillment of tax obligations under RA legislation, including legislation of foreign states.

**11.7** The Client guarantees and assures that the funds credited to the Account are not related to money laundering, financing of terrorism or any other unlawful actions. The client also claims that the Account will not be used for illegal purposes.

**11.8** The Bank has the right to request additional documents, explanations and materials to identify the purpose and real beneficiaries of the transactions carried out on the Account and may suspend operations or refuse to perform such operations (including refusal to establish business relations with the Client) if the Bank considers that sufficient evidence of legality of transactions are not provided.

## **12. RESPONSIBILITY OF THE BANK AND THE CLIENT**

**12.1** The Bank and the Client shall be liable for violation of the Agreement in the manner prescribed by the RA legislation and the Contract. The Parties shall not be liable for losses incurred by the other party as a result of exercising their rights in accordance with the General Terms.

**12.2** The Bank shall not be liable for losses incurred by the Client in the course of the service, if it is the result of interruption, termination of services provided by communication operators, payment and settlement systems, payment system operators and other third parties, acts of state bodies, force majeure, actions (inaction) of the Client, as well as abuse of the Client's rights. The Bank is also not liable for the operations on Account in the event of the death (liquidation), incapacity, insolvency or bankruptcy of the Client, or in other similar cases, unless written evidence is obtained on the above circumstances and this circumstance affected the Bank's conduct. At the same time, the Bank, on the basis of the requirements of the law, determines the sufficiency of documents confirming the relevant facts, at its own discretion.

**12.3** The Parties agree that, while servicing the Client under the Terms, without limiting the other rights of the Bank provided for by the Terms, the latter is liable only for damages caused to the Client, which is the result of deliberate acts or negligence of the Bank's employees.

**12.4** The Client is liable for any damage incurred by the Bank (including lost profits), and hereby irrevocably instructs the Bank to write-off the relevant amounts from the Accounts without obligation and send them for settlement of such obligations.

**12.5** The Parties are exempt from liability for violation of obligations if it is a result of force majeure, i.e. the impact of unpredictable and irrevocable circumstances at the moment.

## **13. APPLICABLE LAW. DISPUTE RESOLUTION**

**13.1** The law of the Republic of Armenia applies to these Terms.

**13.2** Disputes arising between the Bank and the Client during the operation of the Agreement are resolved through negotiations, in a judicial or arbitration procedure. At the same time, the Parties undertake to carefully study the requirements and agree on any mutually beneficial solutions. The parties reach an arbitration agreement that the settlement of all disputes under the Agreement, at the request of each party, can be submitted to the Financial Arbitration Institution of



the Union of Banks of Armenia (hereinafter referred to as the Institution) under the RA Law on Commercial Arbitration, the Regulation and the Charter of the Institution (available at [www.uba.am](http://www.uba.am)).

13.3 If the dispute requires litigation, the Bank and the Client give their consent to expedited consideration of the case.

13.4 Individual persons have the right to submit the claims arising from the Terms to the Financial System Mediator of the Republic of Armenia (hereinafter referred to as the Mediator) in the manner and under the conditions provided by RA law "On financial system mediator".

#### 14. OTHER PROVISIONS

14.1 The Bank may transfer or assign to other persons the rights arising from these Terms without the prior consent of the Client.

14.2 The Client does not have the right to assign or otherwise transfer to any other person the rights and obligations arising from these Terms, without the prior written consent of the Bank.

14.3 The failure to exercise the rights provided for in these Terms can not be construed as a waiver of these rights.

14.4 The Client is obliged to notify the Bank within 2 working days about the change of the postal address (location). The risk of legal consequences of failure to notify the Bank of such changes bears the Client.

14.5 The Bank may publish translated versions of these Terms. In case of discrepancies between the translated and Armenian copies, the Armenian version shall prevail.

**Activity of the Bank.** Closed Joint-Stock Company "Industrial-Construction Bank" (abbreviated to "Ardshinbank") was registered by the decision of the Central Bank of RA No. 76A dated February 25, 2003 (number of the certificate of state registration - 0394, registration number - 83, TIN - 02566492). The Bank, according to the banking license (license number 83), maintains accounts, accepts deposits, provides commercial and consumer loans, as well as carries out other operations authorized by the RA Law on Banks and Banking Activities. Address of the Bank's head office: 13 Grigor. Lusavorich Street, Yerevan 0015, RA, telephone: (+374) 12 22 22 22, e-mail: [office@ardshinbank.am](mailto:office@ardshinbank.am). Addresses of the Bank's branches, as well as detailed information on the services provided are available on the Bank's official website [www.ardshinbank.am](http://www.ardshinbank.am).



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***NOTICE***  
***ON PROCEDURE AND TERMS OF THE GUARANTEE OF DEPOSIT COMPENSATION***  
***(for individual persons and sole entrepreneurs)***

Dear Depositor,

**ATTENTION:** Before signing the Deposit Agreement please get acquainted with the provisions of this document. The Guarantor of your deposit is **the Deposit Guarantee Fund** (hereinafter the Fund). The location of the Fund:

**6 V. Sargsyan street, Yerevan Republic of Armenia, telephone: +374 (10) 58 35 14, Website: [www.adgf.am](http://www.adgf.am)**

All the definitions within this Notice are in compliance with the definitions of the Law of Republic of Armenia "On Guarantee of Compensation for the Banking Deposits of Physical Persons" (hereinafter the Law).

***Compensation event***

Your guaranteed deposit is subject to compensation in the following events:

1. If the Bank in accordance with the legislation of Republic of Armenia is recognized as insolvent and the fact of incapacity to repay the deposits, within the terms defined by the agreement and the law, is approved by the Board resolution of the Central Bank of Republic of Armenia (hereinafter the Central Bank); or
2. If the bank in accordance with the procedure defined by the legislation of Republic of Armenia is recognized as bankrupt (hereinafter the Insolvent Bank).

***The maximum amount and the calculation method of the guaranteed deposit***

The calculation method of the guaranteed deposits is defined by the Board Resolution of the Central Bank no. 261-N dated 26 August, 2008.

**ATTENTION:** All your deposits in Armenian drams within the same Bank are deemed to be a single deposit in Armenian drams, except for the unguaranteed banking deposits, and all your deposits in foreign currency within the same Bank are deemed to be a single deposit in foreign currency, except for the unguaranteed banking deposits.

In cases when your deposit with the Bank is formed as a result of one or more bank mergers with the Bank, then each deposit you have in each of the merged bank will be treated as a separate deposit in the manner stipulated in the law.

**The guaranteed limits of the deposits are the following:**

The Currency Structure of the Deposit	If you have a deposit only in Armenian drams within the same bank	If you have a deposit only in foreign currency within the	If you have deposits both in Armenian drams and in foreign currency within the same bank	
			If the deposit in Armenian drams is more than 5 (five)	If the deposit in Armenian drams is less than 5 (five) mln drams



		same bank	mln drams	
The maximum amount of the deposit guarantee	<b>10 (ten) million Armenian drams</b>	<b>5 (five) million Armenian drams</b>	<b>10 (ten) million Armenian drams</b> (only the deposit in Armenian drams is guaranteed)	<b>5 (five) million Armenian drams</b> (the deposit in Armenian drams is fully guaranteed and deposit in foreign currency is guaranteed in the amount of the difference between 5 (five) million Armenian drams and the guaranteed deposit in Armenian drams)

If you have separate banking deposit in the insolvent bank and at the same time you are an owner of joint banking deposit within the same bank, you are guaranteed for the sum of your separate banking deposit and your portion of the joint banking deposit - in accordance to the procedure and the amount stipulated in the Law.

If you have a problematic obligation towards the insolvent bank, the compensated amount is calculated based on the positive difference between your banking deposit and the problematic obligation. The obligation is considered as problematic in case if you have delayed the repayment of its principal amount (or any part of it) or interest amount for more than 90 days after the repayment date stipulated in the agreement.

The joint banking deposit of two or more depositors is considered separate deposit of each depositor in the portion defined by the agreement. If the portions of the depositors of the joint banking deposit are not defined in the agreement, the joint deposit is equally divided between the depositors.

The banking deposit is compensated only in Armenian drams. The dram equivalence of banking deposit in foreign currency is determined by the currency market average exchange rate published by the Central Bank on the day the compensation event has occurred.

Your banking deposit is not compensated if on the date of compensation occurrence the deposit is less than 1000 Armenian drams.

### Unguaranteed banking deposit

Your banking deposit is unguaranteed if:

- you are a manager of the respective bank and(or) a family member of the latter,
- you have a significant shareholding in the respective bank and (or) its family member,
- you, as an owner (co-owner) of the deposit waive your right to the respective portion of the deposit,
- your deposit has been qualified as proceeds generated from criminal activity unless you prove to the contrary,
- your deposit has been placed with the respective bank at an interest rate exceeding 1.5 times the interest rate stipulated by the public agreement of the bank for similar deposits,
- your deposit is placed with a branch of the respective bank established outside the Republic of Armenia.

### The procedure and the terms on compensation of the guaranteed deposits

Within three days following the day of compensation event the Fund publishes the announcement on the compensation event. Starting from 20th business day following the day of compensation event the Fund through the insolvent bank or any other bank starts the process of compensation of your deposits. You may file a written or electronic claim no later than within three year period following



the day of compensation event. If you don't file a written claim within the mentioned period, the Fund will not compensate your guaranteed deposit. The Fund must pay the compensations claimed by the depositors within three business days following the filing the written or electronic claim except in the cases stipulated by the Law.

After the compensation of the guaranteed deposit your monetary claim against the insolvent bank is deemed to be satisfied in proportion of the repaid amount. Any outstanding amount in excess of the maximum repayment limit is deemed to be the liability of the insolvent bank to you.

**ATTENTION:** For smooth processing of the compensation of your deposit it is recommended to immediately inform the bank about any changes in the data (ID/passport details, details of Social Card, address, telephone number, etc.) provided to the bank.

### DEPOSIT YIELD

**a. Annual simple (nominal) interest rate:** the annual interest rate established by tariffs according to which the bank calculates interest to be paid to the Depositor.

Simple (nominal) interest rate of the bank account: 0.01%.

Example of calculation of interest paid under the bank account agreement:  $(100\ 000\ \text{AMD}) * 0.01\% = 10\ \text{AMD}/365\ \text{days}$ .

**b. Annual Percentage Yield or APY:** interest, which a person will receive against a 1,000 AMD deposit in 365 day, based on application of annual simple percentage rate, percentage compounding and payment frequency, example:  $(100\ 000\ \text{AMD}) * 0.01\% = 10\ \text{AMD}/365\ \text{days}$ .

**c. According to the RA Law "On Income Tax",** when paying accrued interest to the Depositor, the Bank, acting as a tax agent, collects from the Depositor the amount of income tax and transfers it to the state budget.

**d.** Full information about the service you can find on the Bank's website [www.ardshinbank.am](http://www.ardshinbank.am), as well as by calling the contact center 012 22 22 22.

### EXPLANATORY BULLETIN ON DISPUTE RESOLUTION



**ATTENTION:** Dear Client, please kindly be informed that your rights can be protected both through judicial system and by the Financial System Mediator.



**In case of filing a claim to the Court** the dispute between you and "Ardshinbank" CJSC (hereinafter the Bank) will be settled by the court. You can file a claim to the court at any stage of examination of the complaint. The court decision cannot be reviewed by the Financial System Mediator.



**In case of applying to the Financial System Mediator** the dispute between you and the Bank will be settled by the Mediator through the procedure defined by the Law "On the Financial System Mediator" of the Republic of Armenia.



Ardshinbank

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The services of the Mediator are free of charge.

If you have a complaint, firstly you have to apply to the Bank. The Bank is obliged to reply to your complaint within 10 working days. After the receipt of the response from the Bank you can apply to the Financial System Mediator.

The Financial System Mediator cannot examine your complaint, if:

1. the period of 10 working days after the submission of complaint has not expired;
2. you do not claim for any monetary or other property compensation, the amount of compensation claimed by you exceeds AMD 10 million (or its equivalent in other currency); or
3. more than six months have passed since the receipt of the response from the Bank; or
4. the action or inaction complained by you has taken place before 02 August, 2008.



Also please be advised that the Financial System Mediator cannot examine your complaint, if it is examined by the court (or by the arbitration tribunal) or there is a court (arbitration tribunal) decision concerning that complaint.

**Office of the financial system mediator**

The Mediator: Piruz Sargsyan

Address: 15 M. Khorenatsi street,

"Elite Plaza" Business Center, 7-th floor, Yerevan 0010

Tel: +374 (60) 70 11 11, Fax: +374 (10) 58 24 21

E-mail: [info@fsm.am](mailto:info@fsm.am)

website: [www.fsm.am](http://www.fsm.am)



*Dear Client, please kindly be advised that the Bank has waived its right to appeal the decisions of the Financial System Mediator, if the property claim requested by you does not exceed AMD 250,000 (two hundred and fifty thousand) or its equivalent in other currency and the amount of the transaction does not exceed AMD 500,000 (five hundred thousand) or its equivalent in other currency.*

*This means that the Bank can not appeal the decisions made by the Financial System Mediator against the Bank through the judicial system if the amount argued does not exceed AMD 250,000 (two hundred and fifty thousand) or its equivalent in other currency and the amount of the transaction does not exceed AMD 500,000 (five hundred thousand) or its equivalent in other currency.*



**You can also file a claim to the Central Bank of Armenia.** Please be informed that it is not the responsibility of the Central Bank to settle the disputes between You and the Bank, however the Central Bank can impose penalties upon the Bank if it becomes evident that the Bank has breached the law.





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**Central Bank of the Republic of Armenia**

Address: 6 Vazgen Sargsyan Street, Yerevan 0010

Telephone: +374 (10) 59 26 97

Fax: +374 (10) 56 54 96

E-mail: [info@cba.am](mailto:info@cba.am)

website: [www.cba.am](http://www.cba.am)

*Dear Client, please kindly be advised that if you have signed an arbitration agreement with the Bank, the disputes arising out the contract signed between you and the Bank are subject to settlement by arbitration tribunal. You are banned from the right to appeal disputes arising out of the contract before the court. As a rule, the decisions of arbitration tribunal are not subject to judicial review.*