

PUBLIC

Appendix № 4  
Approved by  
Instruction N 22-L of the Chairman of the  
Management Board of "ID Bank" CJSC  
of February 24, 2025

**RULES FOR LENDING UNDER MASTER LOAN AGREEMENT CONCLUDED WITH "ID BANK" CJSC**

Responsible subdivisions	Legal division
Effective date	15.04.2025
Distribution	All subdivisions of the Bank
Other provisions	
Related documents	



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Concluded with "ID Bank" CJSC**

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## 1. DEFINITIONS

- 1.1 **Bank** – "ID Bank" CJSC
- 1.2 **Borrower** - the person who has entered into a loan agreement with the Bank or has expressed an intention to enter into such an agreement, including the co-borrower,
- 1.3 **Coborrower** – the person who has entered into a loan agreement with the Bank together with the Borrower or has expressed an intention to enter into such an agreement,
- 1.4 **Parties** – the parties to the loan agreement,
- 1.5 **Master Loan Agreement** – an agreement concluded between the Bank and the Borrower, pursuant to which the Bank expresses its willingness to provide to the Borrower, within its framework, subsequent or accompanying loans, credit lines and other credit instruments,
- 1.6 **Pledge Agreement** - an agreement concluded between the Bank and the Pledger to secure fulfillment of the obligations set forth in the Master Loan Agreement,
- 1.7 **Guarantee Agreement** - an agreement entered into between the Bank and the Guarantor to secure the obligations under the **Master Loan Agreement**,
- 1.8 **Collateral Agreement** - the Pledge and Guarantee Agreements together,
- 1.9 **Pledger** - the person who has entered into the Pledge Agreement,
- 1.10 **Guarantor** – the person who has concluded the Guarantee Agreement,
- 1.11 **Loan Agreement or Agreement** - an agreement concluded between the Bank and the Borrower subject to these terms and conditions by means of an offer and acceptance,
- 1.12 **Application-Offer** - a loan application submitted by the Borrower for the conclusion of the Agreement. If the Bank accepts the submitted application, loan-related legal relations shall arise between the Bank and the person who submitted the offer, and the loan agreement shall be deemed concluded,
- 1.13 **Loan Acceptance** - a confirmation provided by the Bank of acceptance of the Application-Offer submitted by the Borrower for the purpose of concluding the Agreement, which together with the Application-Offer constitutes the Loan Agreement,
- 1.14 **Loan** - a loan (including a credit line) provided on the basis of the Borrower's Application-Offer under the Master Loan Agreement, except for a mortgage loan within the meaning of the RA Law On Housing Mortgage Lending, as well as consumer loan secured by gold,
- 1.15 **Lending Conditions** - the terms and conditions of providing and servicing a loan approved and published by the Bank, including packages and their amendments (information bulletins). The Lending Conditions of the respective type of loan shall be an integral part of the concluded Loan Agreement,
- 1.16 **Loan Account** - An account to be opened or already opened by the Bank in the name of the Borrower for the purpose of providing the loan and registration of the Borrower,
- 1.17 **Consumer Loan** - Consumer Loan provided in accordance with the RA Law On Consumer Lending,
- 1.18 **IBRR** – the reference rate of "ID Bank" CJSC is a variable, which comes into effect 30 calendar days after its publication on the Bank's official website ([www.idbank.am](http://www.idbank.am)). The (IBRR) calculation methodology, as well as the frequency of amendments are published on the official website of the Lender: (<https://www.idbank.am/retail/IDBank-reference-rate-ibrr/>)

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## 2. GENERAL CONDITIONS OF LENDING

### 2.1 Procedure for concluding loan agreement and terms of servicing the loan

2.1.1 The Borrower, who is a party to the Master Loan Agreement, submits an Application-Offer to the Bank to obtain a loan under the Master Loan Agreement. The Bank's loan acceptance (including attached and inseparable annexes) shall be sent to the e-mail address specified by the Borrower from the Bank's loan.payment@idbank.am e-mail address. Meanwhile, from the moment of receipt of the acceptance, the Application-Offer shall be deemed duly accepted and the agreement shall be deemed concluded.

If the Bank's loan Acceptance contains terms and conditions different from those proposed in the Application-Offer, it shall constitute a new offer (which includes the Application-Offer submitted by the Borrower to the extent not contradicting this Acceptance), and if the Borrower on the day of receipt of the Acceptance has used the Loan amount or its part transferred to its account, or has not notified the Bank of the refusal of the loan Acceptance sent by the Bank to its e-mail address, then it shall be deemed accepted by the Borrower, and the Agreement on providing the Loan under new terms shall be deemed concluded. At the same time, the Borrower expresses its will in the above mentioned manner, guided by Part 3, Article 294 of the RA Civil Code. Otherwise, the agreement shall be deemed not concluded.

The Loan Agreement concluded in the manner prescribed by this clause shall include the Application-Offer submitted by the Borrower, the Loan Acceptance, these rules and the Lending Conditions for the respective type of the Loan, as well as, if provided for by the Lending Conditions or these rules, other documents.

2.1.2 On the date of sending the Loan Acceptance, the Loan shall be provided by transfer to the Borrower's Loan Account. The date of providing the Loan shall be the date of display of the amount transferred to the Borrower's Loan Account.


2.1.3 The Bank provides the Loan to the Borrower under the Master Loan Agreement, according to the procedure and on the terms and conditions established by the Master Loan Agreement and the Loan Agreement.

2.1.4 Under the Loan Agreement the Bank provides to the Borrower a loan, and the Borrower undertakes to repay the loan and pay interest thereon on the terms and conditions stipulated by the Loan Agreement, to pay other payments established by the terms and conditions of the Loan, and to fulfill other obligations arising from the concluded Loan Agreement.

2.1.5 Calculation (accrual) of interest for the use of the loan shall be performed every day starting from the day of the Loan issuance. The interest rate on the Loan shall be calculated against the actual loan balance. Moreover, in the event of an overdue debt, the calculation of interest continues until the Loan maturity date, while after the Loan maturity date, interest is calculated against the actual balance of the Loan in accordance with the interest rate defined in Article 411 of the Civil Code of the Republic of Armenia.

2.1.6 ***LOAN PAYMENTS IN FOREIGN CURRENCY ARE CALCULATED ON THE BASIS OF THE EXCHANGE RATE SET BY THE BANK. Moreover, the changes in the exchange rate of foreign currency may affect the repayment of the loan.***

2.1.7 If the loan repayment day stipulated by the loan repayment schedule, which is an integral part of the Loan Agreement, falls on Saturday or Sunday, the repayment is accordingly made on the first working day of the week following these days, and if the repayment day is a non-working day as defined by the RA legislation, except for the days specified in this clause, the repayment is made on the next working day.

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- 2.1.8 In case of payments (their part) arising from the Agreement, including, but not limited to, the Loan amount, interest, other payments, the procedure of payment of which is defined by the repayment schedule, which is an integral part of the Agreement, which together with the Loan acceptance is sent to the Borrower to its e-mail address in the manner prescribed by these rules.
- 2.1.9 Borrowers' Loan term and interest are calculated using the "365 calendar days in a year" principle.
- 2.1.10 While performing loan obligation towards the Lender, the repayments shall be accepted in the following order: a) cost of confiscation, including litigation expenses (if applicable), b) interest penalty, c) penalty for principal loan amount, d) interest, e) service fee and commissions /if applicable/ and f) principal loan amount. The Lender is entitled to unilaterally change the order of repayments mentioned in this provision at any time. At the same time, in case of overdue liabilities as a result of failure to perform or improper performance of loan obligations, the repayments shall be first accepted for performance of overdue obligations and only then in the order provided by this provision in terms of loan obligations provided by the schedule.
- 2.1.11 The Lender's claim at the time of actual satisfaction shall include expenses related to preservation and foreclosure of the property, penalties and losses, service fees and commissions, interest, principal amount of the loan.
- 2.1.12 The Lender has the right to unilaterally change at any time the Loan interest rate, as well as the terms and conditions stipulated by this agreement, notifying the Borrower in advance 7 (seven) working days in advance (by the method of communication selected under the Loan Agreement).

At the same time, in case of changing the interest rate calculated using the IBRR component, the fixed interest rate included in the calculation of the interest rate shall be changed accordingly in the specified order, for example, if the agreement sets the interest rate on the loan for the first 12 months at 12%, followed by the IBRR + 3%, then in case of an increase of the interest rate by 2%, the interest rate will be changed and set at 14 (12%+2%) percent for the first 12 months, followed by IBRR + 5 (3%+2%) percent. **As a result of said change, the maximum limit provided for in the Loan Agreement may be changed.**

- 2.1.13 In case the Bank unilaterally changes the payments (part thereof) established in accordance with the loan and interest repayment schedule set forth in the Agreement, the Bank shall notify the Borrower in writing /by e-mail, if provided for by the Loan Agreement/ with the attachment of the amended repayment schedule, and the Borrower unconditionally undertakes to make the relevant payments in accordance with the amended repayment schedule. The amended repayment schedule shall be an integral part of the Agreement from the moment of sending it to the Borrower.
- 2.1.14 By signing the Application-Affer for providing the loan, the Borrower/Coborrower (if available) gives unconditional consent that the Lender may, in the event of default or improper performance of any of its obligations under this agreement by the Borrower, charge a debt-appropriate amount from the Borrower's/Coborrower's accounts without acceptance with no additional notice. In this instance, the Lender shall perform the charges on a non-acceptance basis by the end of the banking day of making payments provided for by the loan repayment schedule of the Loan Agreement.

At the same time, payments are collected without acceptance from the account in the loan currency, and if there are no funds on it - from another currency account at the choice of the Bank.

- 2.1.15 The Parties hereby accept and acknowledge that the Loan interest rate has been established taking into account the Borrower's solvency, responsibility for the proper fulfilment of obligations, and hereby agree that in the event that the Borrower fails to repay the loan in accordance with the loan repayment schedule for the 1st, 2nd and 3rd time for 10 (ten) consecutive days and more within the term defined


by the Agreement, the Bank has the right to unilaterally increase the annual interest rate by 1 (one) percentage point each time if the overdue liability (amount and/or interest on the unpaid loan or their total amount) exceeds AMD 10,000 (ten thousand).

In case the Borrower has subjectively classified loan obligations in the Bank and/or other banks and/or credit organizations, the Bank has the right to unilaterally increase the annual interest rate and set it in the amount of twice the reference rate of the bank interest set by the Central Bank of the Republic of Armenia. The Lender shall notify the Borrower of the change made in this clause within 7 days after the change.

After increasing the interest rate in the manner prescribed in this provision, the Bank has the right to unilaterally reduce the interest rate based on the Borrower's application if the loan has been repaid without default within 6 (six) consecutive months after the interest rate increase.

**2.1.16** The Borrower, by signing this Application-Offer for the credit line, agrees that the Lender has the right to terminate the Borrower's right to use the unused part of the credit line by notifying the Borrower in writing within 3 /three/ business days from the date of termination, in the following cases:


- 2.1.16.1. In case of fluctuations of the US dollar exchange rate by more than 5 (five) percent published by the Central Bank of the Republic of Armenia, and/or in case of fluctuations of more than 3 (three) percent of the pawnshop REPO rate published by the Central Bank of the Republic of Armenia in comparison with the moment of conclusion of this agreement,
- 2.1.16.2. In the event of fluctuations of more than 2 (two) percentage points within one year, in the general base interest rate used as the basis for the floating interest rate published by the Bank,
- 2.1.16.3. In case of fluctuations in the exchange rate of the Russian rouble published by the Central Bank of the Republic of Armenia by more than 10 (ten) percent in comparison with the moment of conclusion of the agreement,
- 2.1.16.4. Compared to the moment of conclusion of this Agreement, fluctuations in the prices of oil (BRENT) and gold on the international market by more than 20 (twenty) percent,
- 2.1.16.5. In case of publication of negative GDP of the Republic of Armenia,
- 2.1.16.6. In case of revocation of the license of a commercial bank of the Republic of Armenia by the Central Bank of the Republic of Armenia,
- 2.1.16.7. In case of growth of the published unemployment rate in Armenia by more than 10 (ten) percent,
- 2.1.16.8. In the event of a decrease in the published indicator of money transfers from abroad to the Republic of Armenia by more than 10 (ten) percent,
- 2.1.16.9. In the event of a declaration of war or military actions on the territory of the Republic of Armenia or a neighboring country,
- 2.1.16.10. In the event of a declaration of a state of emergency by the RA,
- 2.1.16.11. In case of calling early parliamentary elections in Armenia,
- 2.1.16.12. In case of applying for recognition of the Borrower as a bankrupt (compulsory or voluntary),
- 2.1.16.13. In case the Borrower applies for self-bankruptcy,
- 2.1.16.14. If the Borrower is involved as a suspect or accused in any criminal case and/or if a criminal prosecution is announced against him/her,
- 2.1.16.15. In case of satisfaction of the claim for recovery from the Borrower of the amount exceeding AMD 1 million,
- 2.1.16.16. In case the Borrower is sentenced to imprisonment, in case he/she is found guilty by the court under the Criminal or Civil Code, as a result of which the claim exceeds AMD 1 million, or a decision on penal custody is made,

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- 2.1.16.17. In case of conducting transactions with money laundering typologies or inclusion in the money laundering lists,
- 2.1.16.18. In case of deterioration of the overall macroeconomic situation.
- 2.1.16.19. In case of deterioration in the Borrower's financial situation, according to the results of the monitoring carried out by the Lender,
- 2.1.16.20. If the Lender is unable to contact the Borrower by the phone number provided by the latter, for updating data or for other purposes.
- 2.1.17 The Borrower also agrees that the elimination of the conditions provided by this provision cannot be a basis for restoring the Borrower's right to use the unused part of the credit line, except in the case of limiting the use of the unused part of the credit line as stipulated by the subclause 2.1.16.20., when as a result of the successful communication with the Borrower, the latter's data is updated (including provision of a new available phone number) or the purpose for which the Lender tried to contact the Borrower is fulfilled.
- 2.1.18 The Bank has the right to unilaterally change the nominal annual interest rate on the loan increasing it to twice the amount of bank interest established by the Central Bank of the Republic of Armenia in the cases provided for in provision 2.1.16 of these rules, by notifying the Borrower in advance 7 (seven) working days/by the method of communication chosen by the Borrower/.
- 2.1.19 The Borrower understands, acknowledges and accepts the terms and consequences of terminating the possibility of using the credit line under clauses 2.1.16 and 2.1.17 of this agreement, as well as changes in the annual nominal interest rate on the loan, and also gives unconditional consent to their application.
- 2.1.20 The Bank has the right to unilaterally change at any time the terms of the Loan, the amount of commissions or service fees, notifying the Borrower in advance 7 (seven) working days in advance (by the method of communication preferred by the Borrower).
- 2.1.21 In case of providing a credit line in a foreign currency, if the amounts utilized under the Credit Line are not repaid within the terms stipulated by the Agreement, the Bank shall have the right to write off the currency in the amount to be charged from the Borrower's foreign currency account/accounts with the Bank, and in the event of a lack of the necessary funds, from accounts in other currencies, in which case currency conversion shall be carried out at the relevant exchange rate established at the Bank at that time.
- 2.1.22 The actual annual interest rate and the Total Expenditure provided for in the credit line agreement are calculated as of the moment of conclusion of the Agreement, are indicative in nature and may be changed during the term of the Agreement depending on the repayment of the Used Amounts and Interest by the Borrower during the grace period, as well as changes in the elements included in its calculation.


**2.1 During the term of the agreement the Bank shall have the right to:**

- 2.2.1. Exercise control over all of the Borrower's accounts and other funds throughout the term of this agreement.
- 2.2.2. Perform loan debt repayments from the Borrower's accounts with the Lender or third parties specified by the Borrower (with the latter's written agreement) at the end of the repayment day provided by this agreement and on subsequent overdue days at the exchange rate defined by the Lender as of the given day.

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- 2.2.3. In case of breach of any of the provisions of the Agreement by the Borrower, or non-fulfillment or partial fulfillment of the Borrower's obligations within the terms specified in the Agreement, as well as in case of detection of deterioration of the Borrower's financial situation, take all necessary actions provided for by the legislation of the Republic of Armenia and the Agreement (collection from the accounts on a non-acceptance basis, sale of the subject of pledge, termination of further lending, demanding early repayment of the entire Loan amount, etc.) to ensure fulfillment of the Borrower's obligations.
- 2.2.4. Require the Borrower to provide all necessary documents on the intended use of the loan, financial condition and solvency.
- 2.2.5. During the term of the Agreement, regularly update information on the Borrower, if necessary, semi-annually or at other intervals determined by the Borrower, require the Borrower to provide the relevant documents and data.
- 2.2.6. In case of delayed fulfillment or partial fulfillment of loan obligations by the Borrower, based on the need to protect its rights and legitimate interests, provide the court with information on the loan account and other accounts of the Borrower, Co-Borrower, Guarantors in accordance with the procedure established by law,
- 2.2.7. Receive compensation from the insurance company in case of occurrence of an insured event to the Borrower and/or Coborrower /the clause applies to insurance claims covered by the Loan Agreement/.
- 2.2.8. Provide and receive information on the Borrower's loan obligations and other information on the Borrower, credit report to and from the loan registry of the RA Central Bank, "ACRA Credit Reporting" CJSC credit bureau and other authorized state and non-state institutions, organizations throughout the term of the agreement.
- 2.2.9. IF THE BORROWER FAILS TO PERFORM OR PARTIALLY PERFORMS ITS OBLIGATIONS WITHIN THE TERM DEFINED BY THE REPAYMENT SCHEDULE, THE LENDER SHALL PROVIDE THAT INFORMATION ABOUT THE BORROWER TO THE CREDIT BUREAU WITHIN 3 /THREE/ BUSINESS DAYS.
- 2.2.10. Require the Borrower to submit additional documents during the term of the Agreement, including, among others, necessary documents established by the Bank's internal legal acts for assessment of solvency and creditworthiness, etc.,
- 2.2.11. Transfer (assign) the right (claim) belonging to it on the basis of the loan agreement under the transaction to a third party without the consent of the Borrower. The Borrower hereby confirms that in case of lending with application of these rules the identity of the Lender is of no importance for him,
- 2.2.12. To demand from the Borrower proper fulfillment of obligations under the Loan Agreement,
- 2.2.13. Evaluate the intended use of the Loan at its sole discretion,
- 2.2.14. Perform monitoring to determine the level of creditworthiness of the Borrower, as well as the condition of the pledge,
- 2.2.15. Refuse to provide the Loan in full or in part and/or demand early repayment of loan obligations if changes have occurred or data has become known, which, in the Bank's assessment, affects the creditworthiness or casts doubt on further servicing of the loan,
- 2.2.16. Suspend the Borrower's right to use the credit line by notifying the Borrower in a written form within 3 /three/ business days after such suspension in case of emergence of such circumstances which clearly indicate that the funds provided to the Borrower will not be returned on time and/or the Borrower has overdue liabilities and/or the Borrower's property is under arrest,
- 2.2.17. Eliminate or partially eliminate the termination of the Borrower's right to use the credit line if the Borrower provides the Lender with reasonable financial and other documents acceptable to the latter on the possibility of servicing the credit line, there is no Debt amount to be paid, and the Borrower has no overdue liabilities,



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2.2.18. Exercise other rights established by the Loan Agreement and the Master Loan Agreement.

**2.3 During the term of the agreement, the Lender undertakes to:**

2.3.1. Perform the loan processing in accordance with the terms of the Agreement, record the loan flow, repayments, interest payments on time and in the defined order, provide necessary information upon Borrower's request.

2.3.2. Maintain confidentiality of this agreement in an order defined by RA legislation.

**2.4 During the term of the agreement, the Borrower has the right to:**

2.4.1. At its own initiative, repay the loan and other payments that are part of the Agreement, either partially or fully, before the deadlines established by the repayment schedule of the loan and other payments, as well as the actual amount of interest accrued on it.

2.4.2. Obtain from the Lender a reference of loan movement in case of payment of the commission established by the Bank's tariffs, except for the information subject to mandatory disclosure to the Borrower under the legislation of the Republic of Armenia.

2.4.3. Unilaterally terminate this agreement without any reason within 7 (seven) business days following its conclusion (reflection period) by returning the received loan amount in full and paying interest calculated in accordance with the actual annual interest rate provided by this agreement./applies to loans up to AMD 15 mln/

2.4.4. Perform (repay) at any time the obligations under the Agreement ahead of time. Given that, as well as in case of early repayment, the total cost of Borrower lending is reduced proportionally and no means of responsibility (penalty or other means to worsen the Borrower's state) may be applied to the Borrower. Payments subject to proportional reduction from the total Borrower lending cost include insurance expenses and do not include the fees for account opening, annual card maintenance, application review, as well as upfront fee, payment for loan withdrawal and monthly loan service fee. /applies to loans up to AMD 15 mln/

2.4.5. The Borrower and the Coborrower hereby agree that they may, together or separately, apply to the Bank with a request to change the repayment schedule (including the Repayment Date). At the same time, if one of the parties submits such an application, the latter undertakes to inform the other about it and provide all the changed documents and information. The Parties agree that the Bank is not responsible for any of their actions.


**2.2 During the term of the agreement the Borrower undertakes to:**

2.5.1. Repay the Loan and the interest in accordance with the Loan Agreement and within the specified deadlines, as well as commissions and other amounts payable under the terms of lending,

2.5.2. Not to take any actions, including the acceptance of loan, guarantee, and other obligations, that may negatively affect the fulfillment of the obligations assumed under the Agreement,

2.5.3. During the term of the Loan, the Borrower undertakes not to assume obligations to other banks or credit organizations exceeding the amount established by the Bank's acceptance without the Bank's prior written consent; otherwise, the Bank has the right to unilaterally increase the annual interest rate on the existing loan by the amount specified in the Bank's acceptance, notifying the Borrower at least 10 working days in advance. In this case, in the event of a change in the interest rate calculated with the IBRR component, the amounts of the fixed interest rate included in the interest rate calculation will be adjusted accordingly, and the specified maximum limit may be changed. /Applicable if such a requirement is included in the loan acceptance/,

2.5.4. In case of violation of obligations assumed under the loan agreement, at the request of the Bank, pay the latter a penalty (fine and penalty fee) and interest for violation of monetary obligations stipulated in the Loan Agreement,

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2.5.5. Use the loan exclusively for the purposes defined in the Loan Agreement,

2.5.6. Immediately notify the Bank of any breaches of its obligations under the Loan Agreement, as well as of any significant changes in circumstances,

2.5.7. Upon receipt of a written request for early fulfillment of obligations assumed under the Loan Agreement, in accordance with the established procedure and within the established time limits, fulfill the obligations ahead of schedule and in full,

2.5.8. Fulfill other obligations stipulated by the Loan Agreement,

2.5.9. In all cases when any condition is unilaterally changed by the Bank in accordance with the Agreement, and the Borrower does not agree with the amended condition, the latter has the right to repay the Loan ahead of schedule, and in the case of consumer loans, without paying fines.

2.5.10. The Borrower has no right to transfer the debt or part thereof assumed under the Agreements to a third party without the written consent of the Bank.

### **2.3 Loan rejection, requirement of early repayment of loan obligations and a unilateral change in the interest rate:**

2.6.1. The Bank, at its discretion, may require early and full fulfillment of obligations (including, but not limited to, interest, penalties (fines and penalties), refuse to provide a loan, and unilaterally change the interest rate on the Loan, in the following cases:

2.6.2. If the Borrower has not fulfilled or improperly fulfilled the obligations arising from the Loan Agreement, including, but not limited to, failure to repay the Loan amount within the prescribed period and/or non-payment of Interest, service payments, penalties and/or if these delays/ deferrals are of a regular nature, or fails to fulfill the requirements for notifying the Bank or any other obligations established by law, or

2.6.3. In the event of any judicial or other legal proceedings or any other change in circumstances that raise doubts about the Borrower's ability to timely repay the debt to the Bank, or

2.6.4. The Borrower's property or a significant part of it has been transferred or may be transferred to third parties free of charge or on substantially unfavorable terms for the Borrower, or

2.6.5. The Borrower's property or a significant part of it has been or may be subject to seizure or restriction in accordance with the law, or

2.6.6. The court has declared the Borrower bankrupt (insolvent) or bankruptcy proceedings have been initiated against him, or


2.6.7. The Borrower has overdue obligations to the Bank, other financial institutions (other banks, credit organizations, insurance companies, etc.), state or municipal budgets, or

2.6.8. The Borrower's financial state has deteriorated, or there are such trends, or circumstances that clearly indicate that the Loan will not be repaid on time (including prerequisites for bankruptcy), or

2.6.9. Civil, criminal or administrative cases, administrative and other proceedings have been initiated against the Borrower, or

2.6.10. It has been discovered that the Borrower provided the Bank with distorted, false, fabricated, misleading, or unreliable information or documents, or concealed the information that is of significant importance for the provision of the Loan, or did not inform the Bank about significant changes in circumstances, or does not provide/did not provide the information (documents, reports) stipulated by the Agreement, or violated the deadline for their submission, or

2.6.11. The Borrower has breached financial obligations arising from other transactions entered into with the Bank, or

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2.6.12. According to the received information, the salary, which is the basis for providing the Loan, or other payments equivalent to it are no longer being transferred or will not be transferred to the bank account, including the card account, of the Borrower serviced by the Bank, or

2.6.13. The loan submitted for financing, refinancing was not financed, or the financing was terminated, or

2.6.14. According to the Bank's assessment, the Borrower used the Loan for purposes other than intended, or

2.6.15. The Borrower obstructed inspections conducted by representatives of the Bank, or did not ensure the possibility of monitoring the intended use of the Loan, or

2.6.16. There are other grounds provided for in the loan agreement and/or the legislation of the RA.

2.6.17. Any violations or any changes in circumstances committed by the Borrower and/or the person providing the Collateral, as specified in clause 2.6.1 of the lending rules, are considered material to the Bank.

2.6.18. From the moment the circumstances specified in clause 2.6.1 of the lending rules arise, the Bank has the right to demand early and full fulfillment of obligations from the Borrower, refuse to provide a Loan or part thereof, and change the interest rate on the Loan, regardless of whether the violations committed at the time of the relevant action have been eliminated or not.

2.6.19. The Bank retains the right to apply to the Borrower any liability measures specified in the Loan Agreement and/or these rules for the relevant violation, even if the Bank refuses to provide a loan, makes a demand for early fulfillment of obligations, or modifies the interest rate.

2.6.20. In the event of the circumstances specified in clause 2.6.1 of the lending rules, the Bank, in case of exercising its right to demand early repayment of the Loan, notifies the Borrower in writing of the early and complete fulfillment of obligations under the Loan Agreement (including payment of interest and penalties (fines and penalties)).

2.6.21. Should the Borrower fail to fulfill, or partially fail to fulfill, the Bank's demand for payment in line with these rules and/or the Loan Agreement, all payments will be deemed past due, the obligation will be considered violated, and the Borrower shall be responsible for their non-fulfillment in the manner, on the terms and in the amounts provided for in the Loan Agreement and/or these rules.

2.6.22. If the Bank requires the Borrower to fulfill its obligations ahead of schedule and in full, the Bank shall have the right to immediately, without the Borrower's additional consent, write off the amount owed from the funds available on all its bank accounts with the Bank, subject to the procedure provided for in these rules.

### 3. ENSURING THE FULFILLMENT OF OBLIGATIONS


3.1 The Borrower acknowledges that the loan will be provided on the basis of the Collateral Agreement on the terms of pledging and/or guarantee.

3.2 The following requirements are applicable when Real Estate is pledged as security under the Master Loan Agreement:

3.2.1. The subject of pledge does not pass into the possession of the Pledge Holder and remains in the possession and management of the Pledger.

3.2.2. In case of the Borrower's failure to fulfill its obligations, the Lender has the right, both through judicial proceedings and without recourse to court, to foreclose and sell the subject of pledge in the manner prescribed by Article 249 of the Civil Code of the RA and the concluded pledge agreement.

3.2.3. In case of selling the Real Estate without recourse to court, the costs associated with confiscation will amount to approximately AMD 45,000 for the state registration of the Bank's rights as the new owner of the

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property, in case of direct sale of Real Estate, there will be an additional payment of AMD 20,000 for the notarization of the sale agreement, and in the case of sale through a public auction, a commission set by the auction organizer will be charged.

3.2.4. In the case of the sale of real estate through a compulsory electronic auction as a result of foreclosure in court, the enforcement costs are deducted from its sale price, and if the sale price exceeds the balance of the obligation, the income tax established by the Tax Code of the Republic of Armenia is also deducted.

#### 4. "PAYMENT BREAK" PROGRAM

4.1 The Borrower hereby acknowledges and accepts that the "Payment Break" program gives him the right to:

4.2.1. Defer (skip) the next payment scheduled under the Loan repayment schedule once a year, but no more than three times during the term of the Loan.

4.2.2. Extend the loan term up to 6 /six/ months once during the entire term of the Loan.

4.2 The Borrower may use the option of deferring the next payment no earlier than 6 months after the issuance of the Loan and the option to extend the term of the Loan no earlier than 12 months.

4.3 The Borrower may use the opportunity to extend the term of the Loan if he/she has concluded a Master Loan Agreement with the Bank, of which the Agreement is an integral and constituent part. In this case, the term of the Loan may be extended up until the expiration of the Master Loan Agreement.

4.4 The Borrower cannot use the "Payment Break" program during the month preceding the Loan maturity date.


4.5 In the event of compliance with the conditions established by the agreement, the Borrower submits an application to the Bank to join the Payment Break program.

4.6 The Borrower acknowledges and accepts that at the time of applying to join the Program, the Borrower must not have any overdue loan obligations classified differently from standard (loan, credit line, overdraft, issued guarantee, etc.), and during the 12 months preceding the application date, there should be no delay in the amount of exceeding 30 days and consecutive delays exceeding 15 days for overdue loan obligations.

4.7 In the event of another payment deferral, the amount (loan amount, interest, and other payments) for which the payment was deferred, and in the case of an extension of the Loan term - the remaining loan balance and accrued interest, and other payments are distributed over the remaining Loan term.

4.8 The Borrower acknowledges and accepts that joining the "Payment Break" program and the actions specified in clause 4.7 will necessarily lead to a change in the repayment schedule, which is an integral part of the Loan Agreement, and the Borrower undertakes to repay the Loan in accordance with the amended schedule in the event of such a change.

4.9 The Borrower gives his/her unconditional consent for the amended schedule to be sent to him/her via the email specified in the Agreement or provided by the Borrower to the Bank, which is considered as confirmation/acceptance by the Bank of the application submitted by the Borrower. The Borrower acknowledges, accepts, and certifies that the Agreement is considered amended in accordance with the schedule from the moment the latter is sent to the Borrower's email.

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## 5. RESPONSIBILITY

5.1 In the event of the Borrower's violation of the terms of partial or full repayment (return) of the Loan and Interest or obligations arising from the Loan Agreement, interest and/or penalties shall be charged in the amount specified in the Loan Agreement until the overdue obligation is fulfilled.

5.2 Fines and penalties applied in case of non-fulfillment or improper fulfillment of obligations are established by the Lending conditions.

5.3 The Borrower is responsible for the concealed, inaccurate, false, fabricated, or distorted information provided to the Bank in the amount of 1 /one/ percent of the Loan amount.

5.4 Payment of penalties (fines and penalties) and interest does not release the Borrower from fulfilling its obligations, nor can it in any way limit the Bank's right to demand early performance of obligations.

5.5 The Borrower is responsible for the non-fulfillment or improper fulfillment of obligations undertaken in accordance with the legislation of the RA and the Loan Agreement, regardless of the absence of fault and/or the impact of force majeure - extraordinary and unforeseen circumstances. With the written consent of the Bank, the relevant deadlines set by the Loan Agreement may be extended for the duration of force majeure. The Borrower may be exempted solely from the obligation to pay fines and penalties, but not from the fulfillment of obligations assumed under the Loan Agreement.

5.6 In case of non-fulfillment or improper fulfillment of obligations under the Agreement, the Borrower undertakes to compensate the Bank for all types of additional expenses incurred by the Bank.


5.7 The maximum annual penalty amount established by the Agreement shall not exceed four times the calculated bank interest rate set by the Central Bank of the RA, unless otherwise provided by law. The total amount of all penalties defined by the Agreement shall not exceed the principal amount of the debt currently outstanding.

## 6. COMMUNICATION

6.1 Any requests, notifications, or other messages required or provided for in the loan agreement, which do not involve the provision of information subject to mandatory disclosure under the legislation of the RA, shall be sent by the Bank to the other party at the Bank's discretion - by courier or postal mail, email, or short message (SMS) using the appropriate means of communication known to the Bank at the latest, or delivered on the premises of the Bank or published on the official website of the Bank.

6.2 Information subject to mandatory disclosure to the Borrower under the legislation of the RA, including statements that must be provided, shall be delivered in the manner preferred by the Borrower as specified in the Loan Agreement, through the appropriate means of communication based on the latest information known to the Bank.

6.3 The Borrower shall immediately notify the Bank in writing of any changes to their information. The Borrower bears the risk of all legal consequences resulting from the failure to provide the Bank with information about changes.

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## 7. RESOLUTION OF DISPUTES

7.1. Disputes and disagreements arising from the Loan Agreement shall be resolved through the judicial system of the RA in accordance with the legislation of the RA, unless the parties have reached an agreement on resolving disputes through arbitration.

7.2. All other issues not provided for in the Loan Agreement or these rules shall be governed by the legislation of the Republic of Armenia.

7.3. The Parties, exercising their right provided for in article 297 (part 2) of the Civil Procedure Code of the Republic of Armenia, hereby agree that the examination of all disputes arising from this Agreement (regardless of the amount) shall be carried out in a simplified procedure.

7.4. By signing the Application-Offer of the Loan, the Borrower hereby confirms that he/she is aware of the peculiarities of the simplified procedure, and the agreement provided for in this clause arises from his/her interests.

7.5. Claims arising from the loan agreement may be submitted to to the Financial System Mediator, which resolves disputes arising between the Parties in accordance with the procedure established by the RA Law On the Financial System Mediator. Moreover, if the amount of the property claim does not exceed 250,000 (two hundred fifty thousand) AMD or its equivalent in foreign currency, the decisions of the Financial System Mediator may not be challenged by the Bank.

## 8. FINAL PROVISIONS


8.1 Loan agreements take effect upon conclusion and remain in force until the Borrower has fully performed their obligations arising from the Loan Agreement.

8.2 Upon receipt of a loan by the Bank's employees in accordance with the procedure established by these rules, the conditions established by the Bank's internal legal acts also apply.

8.3 These Rules are published on the Bank's website and may be periodically amended by the Bank unilaterally from the moment the amended rules are published, unless the Bank sets later dates for the changes to take effect.

8.4 Amendments and/or additions to the agreement may be made by mutual agreement of the parties, except in cases provided for by the Loan Agreement and/or these rules.

8.5 The Bank notifies the Borrower of changes to the terms and conditions of these rules in the manner prescribed by law and the Loan Agreement. The Borrower has the right to reject the specified changes and additions before they come into effect by terminating the Loan Agreement concluded with the Bank and fully fulfilling the obligations undertaken. If the Borrower has not terminated the Loan Agreement concluded with the Bank before the changes and additions come into effect and has fulfilled the obligations assumed under the Loan Agreement, in this case, the introduced changes and additions fully apply to the relationships arising from the Loan Agreement, unless otherwise established by the Bank.

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8.6 By entering into the Loan Agreement, the Borrower gives the Bank its consent to record telephone calls made between them for the purpose of ensuring proper service and security. These recordings have evidentiary value and are used as acceptable and appropriate evidence in the event of disputes between them.

8.7 By entering into the Loan Agreement, the Borrower gives the Bank its consent to conduct video and audio recordings while servicing the Borrower on the Bank's premises. These recordings have evidentiary value and are used as acceptable and appropriate evidence in case of disputes between them.

8.8 In case of conflict between these rules and the Loan Agreement, preference shall be given to these rules unless otherwise specified by a mutual written agreement of the parties.