

**ARMECONOMBANK OJSC**

**ANNUAL CORPORATE GOVERNANCE  
STATEMENT**

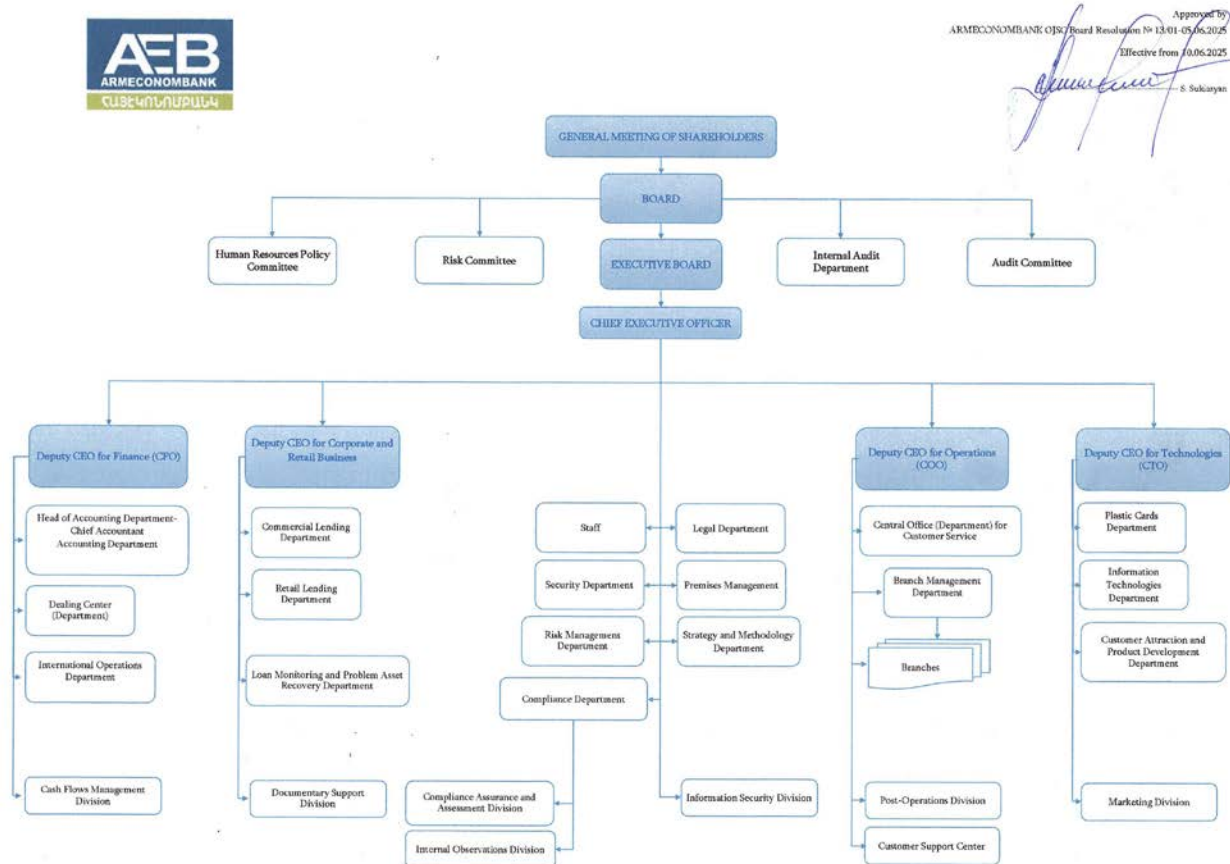
YEREVAN 2025

## 1. ADMINISTRATIVE ORGANIZATIONAL STRUCTURE OF ARMECONOMBANK OJSC

**NAME: ARMECONOMBANK OJSC**

**ADDRESS: 23/1 AMIRYAN ST., YEREVAN 0002, REPUBLIC OF ARMENIA**

**WEBSITE: [www.aeb.am](http://www.aeb.am)**



## 2. INTRODUCTORY MESSAGE FROM THE CHAIRMAN OF THE BOARD

The message from the Chairman of the Board can be found in the Annual Report:

[https://www.aeb.am/uploads/hashvetvutyun\\_tarekan\\_2023.pdf](https://www.aeb.am/uploads/hashvetvutyun_tarekan_2023.pdf)

The information provided in this Statement is composed as at the end of 2024 (reporting year).

### 3. CORPORATE STRUCTURE OF ARMECONOMBANK OJSC

Pursuant to the provisions of ARMECONOMBANK OJSC (hereinafter referred to as "Bank") Charter and Corporate Governance Code, the Bank has established the following corporate structure:

- a) General Meeting of Shareholders;
- b) Board,
- g) executive authority: Chief Executive Officer who also acts as the Chairman of the Executive Board, and Executive Board.

The significant shareholders of the Bank:

- 1. Sukiasyan, Saribek Albert, holds 3,513,048 shares which represent 28.99% of the Bank's charter capital.
- 2. Sukiasyan, Khachatur Albert, holds 1,508,910 shares which represent 12.45% of the Bank's charter capital.
- 3. Sukiasyan, Edward Albert, holds 1,576,768 shares which represent 13.01% of the Bank's charter capital.

### 4. THE GENERAL MEETING OF SHAREHOLDERS (GM)

- 4.1. In the accounting year, the Annual General Meeting and 3 extraordinary meetings were held. The Annual General Meeting was held in-person, and the extraordinary meetings were conducted poll by poll.
- 4.2. The Annual General Meeting was held on 21.06.2024, and the extraordinary general meetings were held on 16.02.2024, 19.04.2024, and 25.11.2024.
- 4.3. Pursuant to the Procedure for Preparation and Holding of ARMECONOMBANK OJSC General Meeting, the shareholders entitled to attend GM were notified by mail / email / delivery in person / announcement published in national newspaper (Aravot Daily newspaper) by 31.05.2024, 17.01.2024, 20.03.24, 25.09.2024, respectively, that is no later than 21 days prior to GM (no later than 30 days prior to general meetings conducted by poll). The Agenda and appropriate documents were sent to the persons entitled to attend GM and made available at the Bank's website, Head Office and branches.:

The manner of providing the Agenda and the information and documents pertaining to GM to the persons entitled to attend GM is established by the Bank's Charter (Paragraph 6.8) as available at the Bank's website:

[https://www.aeb.am/uploads/kanonadrutyun\\_aeb.pdf](https://www.aeb.am/uploads/kanonadrutyun_aeb.pdf)

- 4.4. The shareholders had the opportunity to attend through authorized representatives in accordance with the applicable law.
- 4.5. Pursuant to the procedure set by Paragraph 6.15 of the Bank's Charter, cumulative voting was carried out.
- 4.6. The Agenda, voting results, and minutes of GM are available at the Bank's website:  
<https://www.aeb.am/hy/owners/> .

## 5. THE BOARD

### ***Functions of the Board***

The exclusive and delegated authorities of the Board as established by paragraphs 6.14-6.28 of the Bank's Charter are available at Bank's website:

[https://www.aeb.am/uploads/kanonadrutyun\\_aeb.pdf](https://www.aeb.am/uploads/kanonadrutyun_aeb.pdf)

### ***Composition of the Board***

As at 31.12.2024, the Board consisted of 7 members including 7 non-executive and two independent members.

BOARD				
Position and name	Executive	Non-executive	Independent	Member of the Board since
1. Chairman, <u>Saribek Sukiasyan</u>	-	<i>Non-executive</i>	-	1997թ.
2. Member, <u>Aram Khachatryan</u>	-	<i>Non-executive</i>	-	2023թ.
3. Member, <u>Ruben Hayrapetyan</u>	-	<i>Non-executive</i>	-	2014թ.
4. Member, <u>Luiza Petrosyan</u>	-	<i>Non-executive</i>	-	2013թ.
5. Member, <u>Per Fischer</u>	-	<i>Non-executive</i>	<i>Independent</i>	2018թ.
6. Member, <u>Hrant Suvaryan</u>	-	<i>Non-executive</i>	<i>Independent</i>	2020թ.
7. Member, <u>Aram Melikyan</u>	-	<i>Non-executive</i>	-	2012թ.

Brief biographies of the members of the Board including the particulars thereof, and information on resignation and discharge of the members of the Board during the year, their functions, and membership in Board committees is presented below:

**Chairman of the Board, *Saribek Sukiasyan***

<b>Date of birth</b>	07.09.1965
<b>Citizenship</b>	Republic of Armenia
<b>Education</b>	<p><b>2000:</b> Academic Degree of Candidate of Economics (granted by the resolution of the Expert Council at Economic Survey Institute).</p> <p><b>1991:</b> One-year in-absentia attendance at Economics Faculty for training of Agriculture Managers and Experts, Qualification of Agricultural Venture Organizer-Economist.</p> <p><b>1982-1990:</b> Yerevan Animal Husbandry and Veterinary Institute, Breeding Engineer.</p>
<b>Profession / Major qualification</b>	Economist, Candidate of Economics
<b>Principal position</b>	Chairman of ARMECONOMBANK OJSC Board
<b>Status of independence as a member of the Board</b>	-
<b>Date of appointment</b>	27.06.1998
<b>Time in office by date</b>	1 years
<b>Career length</b>	34 years
<b>Years with the Bank</b>	28 years
<b>Resignation or discharge during the year</b>	-
<b>Career record for the past 3 years</b>	<b>1998 to present:</b> ARMECONOMBANK OJSC, Chairman of the Board
<b>Direct or indirect shareholding in the Bank</b>	ARMECONOMBANK OJSC: 28.99% - AMD 7,307,139,840 common shares, 49.91% - AMD 3,178,575,000 preference shares.
<b>Memberships in Board committee(s) at the Bank or other companies</b>	-
<b>Personal duties, functions, and objectives</b>	General supervision / management
<b>Employment with other companies / boards, offices held in other companies, which are related to the duties of a board member</b>	Vice-President of SIL Group LLC, pro bono

**Member of the Board (Deputy Chairman of the Board), *Aram Khachatryan***

<b>Date of birth</b>	29.08.1983
<b>Citizenship</b>	Republic of Armenia
<b>Education</b>	<p><b>2006 - 2008:</b> Yerevan State Engineering University, Engineering Management, M.A. in Engineering.</p> <p><b>2000 - 2004:</b> Yerevan State Engineering University, Economics and Management of Ventures (in Telecom Industry), B.S. in Engineering, Diploma of Excellence.</p>
<b>Profession / Major qualification</b>	Engineer Economist
<b>Principal position</b>	ARMECONOMBANK OJSC, Deputy Chairman of the Board
<b>Status of independence as a member of the Board</b>	-
<b>Date of appointment</b>	09.06.2023
<b>Time in office by date</b>	1 years
<b>Career length</b>	19 years
<b>Years with the Bank</b>	19 years
<b>Resignation or discharge during the year</b>	-
<b>Career record for the past 3 years</b>	<p>2017- 2023: ARMECONOMBANK OJSC, Chief Executive Officer</p> <p>09.06.2023 to present: ARMECONOMBANK OJSC, Member of the Board, Deputy Chairman of the Board</p>
<b>Direct or indirect shareholding in the Bank</b>	ARMECONOMBANK OJSC: AMD 4,409,600, 0.02%
<b>Memberships in Board committee(s) at the Bank or other companies</b>	<p>Risk Committee</p> <p>Human Resources Policy Committee</p>
<b>Personal duties, functions, and objectives</b>	Executes the functions prescribed by Paragraph 6.22 of the Charter.
<b>Employment with other companies / boards, offices held in other companies, which are related to the duties of a board member</b>	-

**Member of the Board, *Ruben Hayrapetyan***

<b>Date of birth</b>	24.06.1980
----------------------	------------

<b>Citizenship</b>	Republic of Armenia
<b>Education</b>	1996 - 2000: Armenian Agricultural Academy, Economics Faculty, Economist
<b>Profession / Major qualification</b>	Economist
<b>Principal position</b>	ARMECONOMBANK OJSC, Member of the Board
<b>Status of independence as a member of the Board</b>	-
<b>Date of appointment</b>	02.08.2014
<b>Time in office by date</b>	1 years
<b>Career length</b>	23 years
<b>Years with the Bank</b>	23 years
<b>Resignation or discharge during the year</b>	-
<b>Career record for the past 3 years</b>	09.11.2010-24.05.2013: ARMECONOMBANK OJSC, Head of Lending and Resource Attraction Department 07.06.2011-24.05.2013: ARMECONOMBANK OJSC, Member of the Executive Board 24.05.2013-22.05.2014: ARMECONOMBANK OJSC, Deputy Chief Executive Officer 23.05.2014-29.06.2014: ARMECONOMBANK OJSC, Advisor to Chief Executive Officer 30.06.2014 to present: ARMECONOMBANK OJSC, Member of the Board
<b>Direct or indirect shareholding in the Bank</b>	ARMECONOMBANK OJSC: AMD 1,435,200, 0.01%
<b>Memberships in Board committee(s) at the Bank or other companies</b>	Audit Committee Risk Committee Human Resources Policy Committee
<b>Personal duties, functions, and objectives</b>	Executes the functions prescribed by Paragraph 6.22 of the Charter.
<b>Employment with other companies / boards, offices held in other companies, which are related to the duties of a board member</b>	-

**Member of the Board, Secretary of the Board, *Luiza Petrosyan***

<b>Date of birth</b>	19.09.1982
<b>Citizenship</b>	Republic of Armenia
<b>Education</b>	1999 - 2004: Yerevan State Institute of Economy, Department for Mathematical Methods and Transaction Survey in Economics.
<b>Profession / Major qualification</b>	Economist Mathematician
<b>Principal position</b>	ARMECONOMBANK OJSC, Member of the Board, Secretary of the Board
<b>Status of independence as a member of the Board</b>	-
<b>Date of appointment</b>	23.07.2013
<b>Time in office by date</b>	1 years
<b>Career length</b>	20 years
<b>Years with the Bank</b>	20 years
<b>Resignation or discharge during the year</b>	-
<b>Career record for the past 3 years</b>	01.02.2011-13.06.2013: ARMECONOMBANK OJSC, Deputy Head of International Operations Department 14.06.2013 to present: ARMECONOMBANK OJSC, Member of the Board, Secretary of the Board
<b>Direct or indirect shareholding in the Bank</b>	ARMECONOMBANK OJSC: AMD 2,860,000, 0.01%
<b>Memberships in Board committee(s) at the Bank or other companies</b>	Audit Committee Risk Committee Human Resources Policy Committee
<b>Personal duties, functions, and objectives</b>	Executes the functions prescribed by Paragraph 6.22 of the Charter.
<b>Employment with other companies / boards, offices held in other companies, which are related to the duties of a board member</b>	-

**Member of the Board, *Per Fischer***

<b>Date of birth</b>	19.09.1949
----------------------	------------



<b>Citizenship</b>	Germany
<b>Education</b>	1978: Graduated from the University of Göttingen, Slavic Department 1985: graduated from the University of Hamburg, Department of Economics; Major: Economics.
<b>Profession / Major qualification</b>	Economist
<b>Principal position</b>	ARMECONOMBANK OJSC, Member of the Board
<b>Status of independence as a member of the Board</b>	Independent
<b>Date of appointment</b>	29.06.2018
<b>Time in office by date</b>	1 years
<b>Career length</b>	35 years
<b>Years with the Bank</b>	9 years
<b>Resignation or discharge during the year</b>	-
<b>Career record for the past 3 years</b>	<p><b>2003 – 2017:</b> German-Ukrainian Forum, Board Member, Treasurer.</p> <p><b>2003 – 2019:</b> Commerzbank Eurasia, Board Member.</p> <p><b>2007 to present:</b> German-Russian Forum, Board Member, Treasurer.</p> <p><b>2010 – 2017:</b> German-Turkmen Forum Member.</p> <p><b>2014 to present</b> - Centerinvestbank (Rostov-on-Don, RF), Board Member, Independent Director</p> <p><b>2015 – 2019:</b> OSCE Trilateral Contact Group, Coordinator of the Working Group on Economic Issues and Rehabilitation.</p> <p><b>2016 – 2019:</b> Belarusbank (Minsk, Belarus), Supervisory Board Member, Independent Director.</p> <p><b>2018 to present:</b> ARMECONOMBANK OJSC, Member of the Board</p>
<b>Direct or indirect shareholding in the Bank</b>	
<b>Memberships in Board committee(s) at the Bank or other companies</b>	<p>Audit Committee</p> <p>Risk Committee</p>
<b>Personal duties, functions, and</b>	Executes the functions prescribed by Paragraph 6.22 of the

<b>objectives</b>	Charter, coordinates the implementation of international expertise in the banking operations.
<b>Employment with other companies / boards, offices held in other companies, which are related to the duties of a board member</b>	Board Member, Independent Director at Centerinvestbank (Rostov-on-Don, RF)

**Member of the Board, *Hrant Suvaryan***

<b>Date of birth</b>	07.07.1958
<b>Citizenship</b>	Republic of Armenia
<b>Education</b>	1974 - 1979: Yerevan Institute of People's Economy 1985: Completed Post-Graduate Study at Normatives and Planning Research Institute affiliated with USSR State Planning Authority.
<b>Profession / Major qualification</b>	Economist
<b>Principal position</b>	ARMECONOMBANK OJSC, Member of the Board
<b>Status of independence as a member of the Board</b>	-
<b>Date of appointment</b>	30.06.2020
<b>Time in office by date</b>	1 years
<b>Career length</b>	44 years
<b>Years with the Bank</b>	5 years
<b>Resignation or discharge during the year</b>	-
<b>Career record for the past 3 years</b>	2002 - 2020: Central Bank of Armenia, Head of Financial Control Department 2020 to present: ARMECONOMBANK OJSC, Member of the Board
<b>Direct or indirect shareholding in the Bank</b>	-
<b>Memberships in Board committee(s) at the Bank or other companies</b>	Audit Committee Risk Committee Human Resources Policy Committee
<b>Personal duties, functions, and objectives</b>	Executes the functions prescribed by Paragraph 6.22 of the Charter.

Employment with other companies / boards, offices held in other companies, which are related to the duties of a board member	-
--	---

**Member of the Board, *Aram Melikyan***

Date of birth	27.04.1963
Citizenship	Republic of Armenia
Education	<b>1980 - 1984:</b> Yerevan Institute of People's Economy, Planning and Economics Faculty, Materials and Equipment Supply Division, Major: Economics.
Profession / Major qualification	Economist
Principal position	ARMECONOMBANK OJSC, Member of the Board
Status of independence as a member of the Board	-
Date of appointment	01.08.2012
Time in office by date	1 years
Career length	38 years
Years with the Bank	18 years
Resignation or discharge during the year	-
Career record for the past 3 years	<b>2016-2023</b> ARMECONOMBANK OJSC, Member of the Board. 2023-2024: ARMECONOMBANK OJSC, Advisor to Chief Executive Officer <b>21.06.2024 to present:</b> ARMECONOMBANK OJSC, Member of the Board
Direct or indirect shareholding in the Bank	ARMECONOMBANK OJSC: AMD 5,033,600, 0.02%
Memberships in Board committee(s) at the Bank or other companies	-
Personal duties, functions, and objectives	1. General supervision of Executive Board activities 2. General supervision of corrective actions related to issues/risks identified by internal and external auditors.

	3. General supervision of resource attraction and placement. 4. General supervision of accounting operations and policies. 5. General supervision of the Bank's strategy.
<b>Employment with other companies / boards, offices held in other companies, which are related to the duties of a board member</b>	-

### **Activities of the Board**

During 2024, the Board has held 28 meetings including 0 by poll.

The members of the Board have attended the meetings as below:

Position and name	Attendance in person	Attendance by poll	Number of meetings qualified to attend
1. Chairman, <u>Saribek Albert Sukiasyan</u>	21	0	28
2. Member, <u>Aram Khachatryan</u>	26	0	28
3. Member, <u>Ruben Hayrapetyan</u>	27	0	28
4. Member, <u>Luiza Petrosyan</u>	28	0	28
5. Member, <u>Per Fischer</u>	21	0	28
6. Member, <u>Hrant Suvaryan</u>	22	0	28
7. Member, <u>Aram Melikyan</u>	11	0	13

### **Board Performance Evaluation**

The Board has adopted an evaluation policy set forth in the Procedure for Arrangement of Board Activities. The Board has performed self-evaluation in accordance with the evaluation standards, policy, and procedures provided in the aforementioned Rules.

Principal result of the evaluation:

The performance of the Board in 2023 was rated Fairly Satisfactory.

## 6. COMMITTEES AT THE BOARD

Audit Committee, Risk Committee, and Human Resources Policy Committee function at the Bank.

### **Audit Committee**

The Bank has Audit Committee.

## 7. EXECUTIVE AUTHORITY

The executive authority of the Bank consists of 9 members of the Executive Board:

### **Chairman of the Executive Board / CEO, Artak Arakelyan**

<b>Date of birth</b>	28.05.1981
<b>Education</b>	<b>2003 - 2004:</b> Institute of Economic Research at the Ministry of Finance and Economy of Armenia, Candidate of Economic Sciences. <b>1998-2003:</b> Yerevan State Institute of Economy
<b>Career length</b>	20 years
<b>Major qualification</b>	Economist, Economic Sciences
<b>Years with the Bank</b>	20 years
<b>Memberships in Board committee(s) at the Bank or other companies</b>	-
<b>Personal duties and objectives</b>	<ul style="list-style-type: none"> <li>✓ manages the Bank's property including financial assets, and concludes transactions on behalf of the Bank;</li> <li>✓ represents the Bank in Armenia and abroad;</li> <li>✓ acts without a power of attorney;</li> <li>✓ issues power of attorney;</li> <li>✓ duly signs agreements and labor contracts;</li> <li>✓ submits the candidacy of his deputies to the approval of the Board;</li> <li>✓ submits the Regulation of the Executive Board to the approval of the Board;</li> <li>✓ within the limits of his authorities issues orders, instructions, mandatory directions, and monitors the execution thereof;</li> <li>✓ distributes the responsibilities between the deputy chairmen and members of the Executive Board;</li> </ul>

	<ul style="list-style-type: none"> <li>✓ hires and dismisses employees in the manner prescribed by applicable law;</li> <li>✓ applies incentives and disciplinary action to the employees in accordance with the procedure approved by the Board;</li> <li>✓ deals with other matters referred to his authority by the Charter of the Bank.</li> </ul>
--	--

***Deputy Chairman of the Executive Board / Deputy CEO, Artashes Haroutyunyan***

<b>Date of birth</b>	16.02.1983
<b>Education</b>	<p><b>2004:</b> Yerevan State Institute of Economy, Faculty for Mathematical Methods and Transaction Survey in Economics, qualification of Economist-Mathematician.</p> <p><b>2013:</b> Global Association of Risk Professionals, FRM qualification</p> <p><b>2016:</b> Chartered Financial Analyst (CFA) qualification</p>
<b>Career length</b>	18 years
<b>Major qualification</b>	Economist Mathematician, FRM, CFA
<b>Years with the Bank</b>	17 years
<b>Memberships in Board committee(s) at the Bank or other companies</b>	-
<b>Personal duties and objectives</b>	Executes the functions prescribed by Paragraph 6.32 of the Charter.

***Deputy Chairman of the Executive Board / Deputy CEO, Ruben Badalyan***

<b>Date of birth</b>	13.05.1979
<b>Education</b>	<b>1995 - 2000:</b> Yerevan Institute of People's Economy, Financial Accounting Faculty.
<b>Career length</b>	22 years
<b>Major qualification</b>	Economist
<b>Years with the Bank</b>	22 years
<b>Memberships in Board committee(s) at the Bank or other</b>	-

<b>companies</b>	
<b>Personal duties and objectives</b>	Executes the functions prescribed by Paragraph 6.32 of the Charter.

***Deputy Chairman of the Executive Board / Deputy CEO, Onik Chichyan***

<b>Date of birth</b>	19.03.1977
<b>Education</b>	1996 - 2000: Armenian Agricultural Academy, Economics Faculty, Accounting and Audit, Economist.
<b>Career length</b>	23 years
<b>Major qualification</b>	Economist
<b>Years with the Bank</b>	22 years
<b>Memberships in Board committee(s) at the Bank or other companies</b>	-
<b>Personal duties and objectives</b>	Executes the functions prescribed by Paragraph 6.32 of the Charter.

***Deputy Chairman of the Executive Board / Deputy CEO, Astghik Manrikyan***

<b>Date of birth</b>	30.09.1982
<b>Education</b>	<b>2007 - 2009</b> The European Carolus Magnus University, Business Administration, Master's Degree. <b>2003-2005:</b> Yerevan State University, Oriental Studies Faculty, Master's Degree, Excellency Diploma <b>1999-2005:</b> Yerevan State University, Oriental Studies Faculty, Bachelor's Degree, Excellency Diploma
<b>Career length</b>	19 years
<b>Major qualification</b>	Economist, Orientalist
<b>Years with the Bank</b>	19 years
<b>Memberships in Board committee(s) at the Bank or other companies</b>	-
<b>Personal duties and objectives</b>	Executes the functions prescribed by Paragraph 6.32 of the Charter.

***Deputy Chairman of the Executive Board / Deputy CEO, Arpine Pilosyan***

<b>Date of birth</b>	11.02.1983
<b>Education</b>	<p>2000-2004: Yerevan State University, Yerevan State University, Economics Faculty, Bachelor's Degree.</p> <p>2004 - 2006: Armenian State Academy of Management, Economics and Management, Master's Degree, Diploma of Excellence.</p> <p>2023: Executive MBA (general management) program at UK Sheffield University</p> <p>2020: Level 7 Diploma from CMI Chartered Management Institute (CMI7)</p>
<b>Career length</b>	19 years
<b>Major qualification</b>	Economist
<b>Years with the Bank</b>	19 years
<b>Memberships in Board committee(s) at the Bank or other companies</b>	-
<b>Personal duties and objectives</b>	Executes the functions prescribed by Paragraph 6.32 of the Charter.

***Member of the Executive Board, Nona Galstyan***

<b>Date of birth</b>	13.01.1977
<b>Education</b>	<b>1998:</b> Yerevan State University, General Economics Faculty, Economist
<b>Career length</b>	25 years
<b>Major qualification</b>	Economist
<b>Years with the Bank</b>	23 years
<b>Memberships in Board committee(s) at the Bank or other companies</b>	-
<b>Personal duties and objectives</b>	Executes the functions prescribed by Paragraph 6.32 of the Charter.



***Member of the Executive Board, Hayk Avetisyan***

<b>Date of birth</b>	20.12.1979
<b>Education</b>	<p><b>2004:</b> Academic Degree of Candidate of Economics</p> <p><b>2001-2004:</b> Yerevan State Institute of Economy, Post-graduate</p> <p><b>1996 - 2001:</b> Yerevan State Institute of Economy, Engineering and Economics Faculty, Division for Mathematical Methods and Transaction Survey in Economics, qualification of Economist-Mathematician, Diploma of Excellence.</p>
<b>Career length</b>	20 years
<b>Major qualification</b>	Economist Mathematician
<b>Years with the Bank</b>	20 years
<b>Memberships in Board committee(s) at the Bank or other companies</b>	-
<b>Personal duties and objectives</b>	Executes the functions prescribed by Paragraph 6.32 of the Charter.

***Member of the Executive Board, Vrezh Jhangiryan***

<b>Date of birth</b>	29.03.1980
<b>Education</b>	<p><b>2000 - 2002:</b> Yerevan State University, Law Faculty, Master's Degree.</p> <p><b>1996 - 2000:</b> Yerevan State University, Law Faculty, Lawyer, Bachelor's Degree, Diploma of Excellence.</p>
<b>Career length</b>	24 years
<b>Major qualification</b>	Lawyer
<b>Years with the Bank</b>	12 years
<b>Memberships in Board committee(s) at the Bank or other companies</b>	-
<b>Personal duties and objectives</b>	Executes the functions prescribed by Paragraph 6.32 of the Charter.

## 8. INTERNAL AUDIT

The internal audit in the Bank is carried out by Internal Audit Department which is accountable to the Board.

## 9. CORPORATE SECRETARY

The Bank has no Corporate Secretary. The respective functions are assigned to Luiza Petrosyan, Member of the Board, Secretary of the Board. The Secretary of the Board carries out her functions pursuant to the Regulation of the Board as approved by the Meeting.

## 10. EXTERNAL AUDIT

The external auditor of the Bank is selected every year through a tender in accordance with the existing procedure. Grant Thornton CJSC has won in the tender for the Auditor for 2024, and has been carrying out external auditor's functions since 2019.

Pursuant the Code, the Bank has introduced standards to determine the independence of the external auditor from the Bank.

## 11. ANNUAL REPORT

The Annual Report of the Bank was submitted to and approved by the General Meeting of Shareholders on 21.06.2024.

The Annual Report includes all of the information required by the Code and is available at the Bank's website:

[https://www.aeb.am/uploads/hashvetvutyun\\_tarekan\\_2023.pdf](https://www.aeb.am/uploads/hashvetvutyun_tarekan_2023.pdf).

Executed on 05.05.2025.

---

Chairman of the Board

---

Chief Executive Officer

## Chapter I: Basic rights of participants, equal treatment of participants and obligations of significant participants

### PRINCIPLE I: 1. The right of a shareholder to participate in the management of the organization

*The organization is obliged to ensure equal and fair treatment of all owners of shares of the same type (category) in order for them to effectively exercise their rights to participate in the management of the organization and vote, to form a substantiated position on the issues included in the agenda of the meeting and to make an informed decision.*

#### Declaration

	Provision	Status of compliance			Explanation
I.1.1.	Participants are duly notified of the date, place, format and agenda of the general meeting at least 21 days before the date of convening the meeting, and also have the opportunity to familiarize themselves with the draft decisions to be considered at the general meeting, documents and other necessary information.	Compliant	Partially compliant	Non-compliant	
I.1.2.	The venue and date (time) of the the general meeting do not limit a shareholder's participation in the general meeting.	Compliant	Partially compliant	Non-compliant	
I.1.3.	The rules and procedures for conducting the general meeting ensure equal treatment of the owners of shares of the same type (category).	Compliant	Partially compliant	Non-compliant	
I.1.4.	The rules for conducting the general meeting ensure the proper counting and recording of votes at the general meeting, as well as the timely publication of voting results.	Compliant	Partially compliant	Non-compliant	
I.1.5.	The rules and procedures for conducting the meeting are published on the Organization's website.	Compliant	Partially compliant	Non-compliant	
I.1.6.	Regardless of the voting order, shareholders' votes are given equal importance.	Compliant	Partially compliant	Non-compliant	
I.1.7.	At the General Meeting, shareholders have the opportunity to ask questions to the members of the Board and executive body, as well as to the auditor, and receive answers.	Compliant	Partially compliant	Non-compliant	
I.1.8.	During the General Meeting, shareholders have the opportunity to communicate with each other in order to make a decision on the matters to be voted upon or to clarify the essence of the matter.	Compliant	Partially compliant	Non-compliant	
I.1.9.	The Organization maintains an effective balance between in-person and remote meetings.	Compliant	Partially compliant	Non-compliant	The convening of joint in-person and remote meetings is determined by the scope of the matters being considered and the bank does not pursue a specific goal of balancing their numbers.

## PRINCIPLE I.2. Shareholder's right to nominate candidates for members of the Organization's board

*The Organization's corporate governance system should facilitate effective stakeholder participation in the process of nominating candidates for board members and electing board members.*

### Declaration

	Provision	State of compliance			Explanation
I.2.1.	The Participants receive complete and sufficient information within a reasonable time frame about the professional qualifications and experience of the candidates for board members, the positions held in the past and present, and whether they are significant shareholders of the Organization and the party (parties) affiliated thereto.	Compliant	Partially compliant	Non-compliant	

## PRINCIPLE I.3. Remuneration policy for members of the Organization's Board and executive body

*The participants must have the opportunity to express an opinion on the remuneration of the Board and the executive body, including through voting at the General Meeting.*

### Declaration

	Provision	Status of compliance			Explanation
I.3.1.	The Organization has a Board and executive body remuneration policy and procedures that reflect the link between the Board and executive body remuneration and the Organization's long-term performance, including sustainability targets.	Compliant	Partially compliant	Non-compliant	The remuneration policy of the Board and the executive body is implemented in accordance with the following internal legal acts defining the general remuneration policy for the Bank's personnel: Procedure for ARMECONOMBANK OJSC Human Resources Policy (Internal Discipline Rules, Procedure for ARMECONOMBANK OJSC Motivation and Penalties
I.3.2.	The remuneration policy, remuneration schemes and amendments to them for the Board and the executive body shall be approved by the general meeting upon the proposal made by the Board, unless such authority for the executive body has been delegated to the Board.	Compliant	Partially compliant	Non-compliant	Pursuant to the Regulation of ARMECONOMBANK OJSC Board and the Bank Charter approved by the General Meeting of Shareholders, the remuneration of the members of the Board is determined by the Board.
I.3.3.	The Board and executive body remuneration policies are disclosed on the Organization's website.	Compliant	Partially compliant	Non-compliant	The Board and executive body remuneration policies are not disclosed on the Organization's website.

#### PRINCIPLE I.4. Participant's right to receive dividends

*The Organization must ensure equal and fair treatment for owners of shares of the same type (category) in participating in the distribution of the Organization's profits by receiving dividends.*

##### Declaration

#	Provision	Status of compliance			Explanation
I.4.1.	The Organization has a dividend payment policy and procedures to ensure its implementation.	Compliant	Partially compliant	Non-compliant	
I.4.2.	The Board has developed and approved the dividend payment policy.	Compliant	Partially compliant	Non-compliant	
I.4.3.	The dividend payment policy is published on the Organization's website.	Compliant	Partially compliant	Non-compliant	
I.4.4.	The procedures for payment of dividends ensure equal treatment of the owners of shares of the same type (category).	Compliant	Partially compliant	Non-compliant	

#### Principle I.5. Duties of a significant shareholder

*The organization must protect minority shareholders from any abuses committed in favor of significant shareholders or directly by significant shareholders.*

##### Declaration

#	Criteria	Status of compliance			Explanation
I.5.1.	A significant shareholder in the Organization discloses its potential significant interest in acting directly, indirectly, or on behalf of third parties in transactions concluded with the organization or in matters directly affecting the organization and does not participate in the decision-making related to the particular transaction or matter.	Compliant	Partially compliant	Non-compliant	
I.5.2.	A significant shareholder in the Organization discloses its relation to the members of the Board and executive body.	Compliant	Partially compliant	Non-compliant	

## Chapter II: The Board

### PRINCIPLE II.1. Key functions of the Board

*The Organization must be led by an effective and constructive Board, the role of which is to contribute to the long-term success of the organization, creation of value for participants, and support of organization's stakeholders.*

#### Declaration

#	Criteria	Status of compliance			Explanation
II.1.1	The Board performs the functions assigned thereto by the Code.	Compliant	Partially compliant	Non-compliant	

### PRINCIPLE II.2. Composition of the Board

*Board members must have a diverse range of complementary professional skills, education, and experience.*

*To ensure the effectiveness of the Board's activities and the objectivity and balance of its decisions, the Organization must ensure diversity in the Board's composition.*

#### Declaration

#	Provision	Status of compliance			Explanation
II.2.1.	The organization has established a diversity policy and diversity target indicators for the Board and executive body.	Compliant	Partially compliant	Non-compliant	Diversity policy in governing bodies is implemented within the framework of the selection and nomination process of relevant candidates. No separate target indicators for diversity are set.
II.2.2.	Board members have a diverse range of complementary professional skills, education, and experience.	Compliant	Partially compliant	Non-compliant	
II.2.3.	The number of representatives of each gender on the Board shall not be less than 30%.	Compliant	Partially compliant	Non-compliant	The number of women on the Board is less than 30%. No separate target indicators for diversity are set.

### PRINCIPLE II.3. Non-executive members of the Board

*Non-executive members of the Board must - through their constructive behavior - raise issues with the executive body, guide the strategic development of the Organization, and offer their advisory support to the executive body.*

#### Declaration

#	Provision	Status of compliance			Explanation
II.3.1.	Non-executive members of the Board constitute the majority on the Board.	Compliant	Partially compliant	Non-compliant	All of the members of the Board are non-executive members. According to the RA Law "On Banks and Banking Activities", the Chairman of the Board or a member of the Board cannot simultaneously be a member of the executive body or any other employee of the bank.
II.3.2.	Non-executive members of the Board bring new experience to the Board, understand the challenges at the Organization and support strategic development issues, monitor and evaluate the executive body and its performance, ensure the formation of internal control and risk management systems, the reliability of financial statements, and the formation of the Board's assessment practice.	Compliant	Partially compliant	Non-compliant	

### PRINCIPLE II.4. Independent members of the Board

*The board must consider nominating a sufficient number of independent board members who are capable of exercising independent judgment.*

#### Declaration

#	Provision	Status of compliance			Explanation
II.4.1.	1/3 of the Organization's Board members are independent members.	Compliant	Partially compliant	Non-compliant	
II.4.2.	The Board annually conducts an analysis of the compliance of the independent member with the independence criteria.	Compliant	Partially compliant	Non-compliant	

II.4.3.	Restrictions aimed at ensuring the independence of a Board member apply throughout the entire term of office of the Board member.	Compliant	Partially compliant	Non-compliant	
II.4.4.	The Board has established rules of conduct for an independent Board member and relationships or circumstances that may have a potential impact on the Board member's decisions, the neglect of which may cast doubt on the Board member's independence.	Compliant	Partially compliant	Non-compliant	The bank follows the provisions of the law and has not established rules of conduct for an independent Board member and relationships or circumstances that may have a potential impact on the Board member's decisions, the neglect of which may cast doubt on the Board member's independence.

### PRINCIPLE II.5. Chairman of the Board

*The Board is headed by a Chairman who is responsible for the effective functioning of the Board. The Chairman shall exercise independent and impartial judgment, promote transparency in the activities of the Board and the Organization, and encourage a culture of debate within the Board.*

*The Chairman shall promote constructive relationships between the executive and non-executive members of the Board and ensure that non-executive members of the Board receive timely, accurate and relevant information to make informed decisions.*

#### Declaration

#	Provision	Status of compliance			Explanation
II.5.1.	The Chairman of the Board conducts management of the Board and carries out the functions assigned to him/her by the Code.	Compliant	Partially compliant	Non-compliant	
II.5.2.	The Chairman of the Board is a non-executive member of the Board.	Compliant	Partially compliant	Non-compliant	
II.5.3.	The Chairman of the Board shall convene a meeting of the non-executive members of the Board at least once a year, without the participation of the executive members.	Compliant	Partially compliant	Non-compliant	

### PRINCIPLE II.6. Committees of the Board

*To support its activities, the Board forms specialized committees.*

#### Declaration



#	Provision	Status of compliance			Explanation
		Compliant	Partially compliant	Non-compliant	
II.6.1.	The committees have oversight and advisory roles. The Board is fully responsible for its decisions.	Compliant	Partially compliant	Non-compliant	
II.6.2.	The Board approves and discloses the mission, composition, scope of activities, and procedures of the committee.	Compliant	Partially compliant	Non-compliant	
II.6.3.	The committees are accountable to the Board and submit reports to it in a format and at a frequency determined by the Board.	Compliant	Partially compliant	Non-compliant	The Committees are advisory bodies at the Bank's Board, which submit recommendations to the Board on matters under consideration in order to increase the efficiency of the Board's work and the decisions it makes.
II.6.4.	The committees are provided with the necessary resources to carry out their duties.	Compliant	Partially compliant	Non-compliant	
II.6.5.	The Board has formed Audit Committee.	Compliant	Partially compliant	Non-compliant	
II.6.6.	Audit Committee includes only non-executive members of the Board.	Compliant	Partially compliant	Non-compliant	
II.6.7.	The majority of Audit Committee members are independent members of the Board.	Compliant	Partially compliant	Non-compliant	
II.6.8.	The Chairman of Audit Committee is an independent member of the Board.	Compliant	Partially compliant	Non-compliant	
II.6.9.	The Chairman of Audit Committee is elected by the Board.	Compliant	Partially compliant	Non-compliant	
II.6.10.	The positions of the Chairman of the Board and the Chairman of the Audit Committee shall not be held by the same person.	Compliant	Partially compliant	Non-compliant	
II.6.11.	The members of the Audit Committee have knowledge related to the organization's area of activity, and at least one has relevant financial knowledge and experience.	Compliant	Partially compliant	Non-compliant	
II.6.12.	The Audit Committee carries out the functions defined by the Code.	Compliant	Partially compliant	Non-compliant	

II.6.13.	The Board has formed an appointment commission.	Compliant	Partially compliant	Non-compliant	The Board has formed a Human Resources Policy Committee which carries out the functions of appointment commission.
II.6.14.	Appointment commission includes only non-executive members of the Board.	Compliant	Partially compliant	Non-compliant	The Board has formed a Human Resources Policy Committee which carries out the functions of appointment commission.
II.6.15.	The Board has formed a remuneration commission.	Compliant	Partially compliant	Non-compliant	The Board has formed a Human Resources Policy Committee which carries out the functions of remuneration commission.
II.6.16.	Remuneration commission includes only non-executive members of the Board.	Compliant	Partially compliant	Non-compliant	The Board has formed a Human Resources Policy Committee which carries out the functions of remuneration commission.

## PRINCIPLE II.7. Duties of the members of the Board

*Board members must act with full knowledge, in good faith, with due diligence and reasonableness, based on the best interests of the Organization and its participants, and taking into account the interests of the Organization's stakeholders.*

### Declaration

#	Provision	Status of compliance			Explanation
II.7.1.	A Board member acts within the scope of his/her authorities as defined by the legislation and the Organization's internal regulations.	Compliant	Partially compliant	Non-compliant	
II.7.2.	A Board member devotes sufficient time and effort to properly perform his/her duties.	Compliant	Partially compliant	Non-compliant	
II.7.3.	A Board member performs his/her duties personally.	Compliant	Partially compliant	Non-compliant	
II.7.4.	The board member shall declare having a personal direct or indirect interest in a transaction concluded or arrangements achieved by the Organization and shall not be present at the discussion and voting on the decision to conclude such transaction.	Compliant	Partially compliant	Non-compliant	

II.7.5.	The Organization insures the liability risk of the Board members at its own expense.	Compliant	Partially compliant	Non-compliant	The bank does not consider it expedient to insure the liability risk of the Board members.
---------	--	-----------	---------------------	---------------	--

## PRINCIPLE II.8. Ethical commitments of the Board

*The Board must adhere to high ethical standards.*

### Declaration

#	Provision	Status of compliance			Explanation
II.8.1.	The Board has a clear commitment to managing the Organization's corporate ethics and ensuring anti-corruption compliance.	Compliant	Partially compliant	Non-compliant	
II.8.2.	The Board has ensured the assessment of corruption risks inherent in the Organization and the formation of mechanisms aimed at their management.	Compliant	Partially compliant	Non-compliant	
II.8.3.	The Board has approved the organization's corporate code of conduct and corporate policies promoting ethical and anti-corruption behavior within the Organization.	Compliant	Partially compliant	Non-compliant	
II.8.4.	The Board ensures that the Organization provides employees and other stakeholders with appropriate opportunities to familiarize themselves with the Organization's corporate code of conduct and policies.	Compliant	Partially compliant	Non-compliant	

## PRINCIPLE II.9. Rights of Board members to receive information and professional advice

*In order to properly perform his/her duties, a Board member must have access to and be assured of receiving up-to-date, reliable and relevant information. If necessary, he/she must have the opportunity to engage external independent advice at the Organization's expense.*

### Declaration

#	Provision	Status of compliance			Explanation
II.9.1.	Board members are duly notified of the convening of meetings and receive the documents and information to be discussed under the meeting agenda within reasonable time frames.	Compliant	Partially compliant	Non-compliant	
II.9.2.	Board members have access to the Organization's corporate secretary.	Compliant	Partially compliant	Non-compliant	
II.9.3.	At the request of a non-executive member of the Board, an external advisor is engaged at the Organization's expense.	Compliant	Partially compliant	Non-compliant	

## PRINCIPLE II.10. Assessment of the Board

*The Board shall regularly assess its performance and determine the appropriateness of the combination of the experience and skills of its members.*

### Declaration

#	Provision	Status of compliance			Explanation
II.10.1.	The Council ensures its self-assessment as a whole.	Compliant	Partially compliant	Non-compliant	
II.10.2.	The Board ensures the individual performance assessment of the Board members, the Chairman, and the committees.	Compliant	Partially compliant	Non-compliant	
II.10.3.	The Board's activities are evaluated by an external assessor at least once every five years.	Compliant	Partially compliant	Non-compliant	The Board ensures its self-assessment.
II.10.4.	In the event that the Board's activities are assessed by an external assessor, a statement on the presence (absence) of the external assessor's connection with the Organization or the Board members shall be published in the Organization's corporate governance report.	Compliant	Partially compliant	Non-compliant	The Board's activities are not assessed by an external assessor, but if evaluated, the above requirement will be met.

II.10.5.	Information about the Board's assessment, including the results, is disclosed in the Organization's corporate governance report by a decision of the Board.	Compliant	Partially compliant	Non-compliant	
----------	---	-----------	---------------------	---------------	--

## PRINCIPLE II.11. Continuous professional development of the Board members and orientation of new Board members

*The Board must ensure that its knowledge and activities are adequate to the organization's growth and complexity.*

### Declaration

#	Provision	Status of compliance			Explanation
II.11.1.	The Council ensures the continuous professional development of its members.	Compliant	Partially compliant	Non-compliant	
II.11.2.	Introductory meetings/trainings are held for new Board members.	Compliant	Partially compliant	Non-compliant	

## PRINCIPLE II.12. Nomination of the members of the Board

*The processes for nominating and electing Board members must be transparent and regulated. The election of Board members must be based on objective criteria.*

### Declaration

#	Provision	Status of compliance			Explanation
II.12.1.	The processes for nominating and electing Board members are transparent and regulated.	Compliant	Partially compliant	Non-compliant	

II.12.2.	The composition of the Board is regularly updated to ensure that the Board's capabilities are sufficient to meet business challenges.	Compliant	Partially compliant	Non-compliant	
II.12.3.	The Board plans for its succession.	Compliant	Partially compliant	Non-compliant	
II.12.4.	In the event that an external advisor is engaged to seek Board members, information on such n advisor is disclosed and statement on the presence (absence) of any connection with the Organization or the Board members and the executive body shall be published in the Organization's corporate governance report.	Compliant	Partially compliant	Non-compliant	In the event that an external advisor is engaged to seek Board members, the Bank will disclose the required information in the corporate governance report.
II.12.5.	In the event that a current member of the Board is on the list of nominated candidates (re-elected), proper justification shall be submitted.	Compliant	Partially compliant	Non-compliant	

### Chapter III. Internal control and risk management system

#### PRINCIPLE III.1. Internal control

*The Organization must have effective internal control processes and procedures to ensure the integrity of the Organization's financial, non-financial, and accounting information, promote accountability and prevent fraud.*

##### Declaration

#	Provision	Status of compliance			Explanation
III.1.1.	The internal control framework of the Organization has been established.	Compliant	Partially compliant	Non-compliant	
III.1.2	The executive body of the Organization ensures the formation and maintenance of an effective internal control system within the established framework.	Compliant	Partially compliant	Non-compliant	

#### PRINCIPLE III.2. The risk management function in the Organization

*The Organization must have a risk management function that effectively and fully enables the implementation of the risk management strategy, ensures accountability and communication about the Organization's risks, and sets reasonable expectations for the Organization's achievement of its strategic objectives.*

##### Declaration

#	Provision	Status of compliance			Explanation
III.2.1.	The appointment of the Organization's risk management officer, termination of his/her authorities, approval of remuneration conditions, application of incentive and disciplinary measures are carried out by the executive body, with the consent of the Board.	Compliant	Partially compliant	Non-compliant	
III.2.2.	The Organization's risk management officer is not involved in operational processes.	Compliant	Partially compliant	Non-compliant	
III.2.3.	The knowledge and skills of the risk management officer are commensurate with the position held, and he/she clearly understands his/her role in the corporate governance system.	Compliant	Partially compliant	Non-compliant	

III.2.4.	The risk management officer carries out the his/her functions defined by the Code.	Compliant	Partially compliant	Non-compliant	
----------	--	-----------	---------------------	---------------	--

### PRINCIPLE III.3. Compliance assurance in the Organization

*The Organization must have a compliance function that effectively and comprehensively assesses the Organization's compliance risk and contributes to ensuring the Organization's compliance.*

#### Declaration

#	Provision	Status of compliance			Explanation
III.3.1.	The appointment of the Compliance Officer, termination of his/her authorities, approval of remuneration conditions, application of incentive and disciplinary measures are carried out by the executive body, with the consent of the Board.	Compliant	Partially compliant	Non-compliant	
III.3.2.	Compliance officer is not involved in operational processes.	Compliant	Partially compliant	Non-compliant	
III.3.3.	The knowledge and skills of the Compliance officer are commensurate with the position held, and he/she clearly understands his/her role in the corporate governance system.	Compliant	Partially compliant	Non-compliant	
III.3.4.	The Compliance Officer carries out the his/her functions defined by the Code.	Compliant	Partially compliant	Non-compliant	

### PRINCIPLE III.4. Internal audit in the Organization

*The Organization must have an internal auditor/internal audit department that provides independent and objective assurance and advice to the Organization's Board and the executive body on the adequacy and effectiveness of the Organization's internal control and risk management, and corporate governance systems, and supports the achievement of the Organization's goals and improvement of its operations.*

#### Declaration



#	Provision	Status of compliance			Explanation
III.4.1.	The internal auditor/internal audit department personnel are appointed by the Board. The internal auditor/internal audit department reports to the Board, and if there is an audit committee, to the latter.	Compliant	Partially compliant	Non-compliant	The bank has an Audit Committee, but Internal Audit Department reports to the Board.
III.4.2.	The Board/Audit Committee approves the annual plan of internal audit.	Compliant	Partially compliant	Non-compliant	
III.4.3.	The internal auditor/internal audit department employees are not members of the Organization's Board and the executive body or persons affiliated with them.	Compliant	Partially compliant	Non-compliant	
III.4.4.	The knowledge and skills of the internal auditor/internal audit department personnel are commensurate with the position held, and he/she/they clearly understand his/her/their role in the corporate governance system.	Compliant	Partially compliant	Non-compliant	
III.4.5.	The internal auditor/internal audit service is independent from the executive body.	Compliant	Partially compliant	Non-compliant	
III.4.6.	The internal auditor/internal audit service carries out the functions defined by the Code.	Compliant	Partially compliant	Non-compliant	
III.4.7.	The planning of the work of the internal auditor/internal audit unit is carried out based on risk assessment.	Compliant	Partially compliant	Non-compliant	

## Chapter IV. Information disclosure and transparency

### PRINCIPLE IV.1. information policy of the Organization

*The Organization must ensure its transparency, including the timely disclosure of up-to-date and reliable information on all material matters regarding its financial condition, performance, sustainability, ownership, and corporate governance.*

#### Declaration

#	Provision	Status of compliance			Explanation
IV.1.1.	The Organization has an information policy that at least stipulates the goals, principles, deadlines, periodicity, procedure and communication channels for the organization's disclosure of information, as well as the list of information subject to disclosure, if it exceeds that provided for by legislation.	Compliant	Partially compliant	Non-compliant	
IV.1.2.	Information dissemination methods ensure equal, timely, and cost-effective access to relevant information for participants and other stakeholders.	Compliant	Partially compliant	Non-compliant	
IV.1.3.	Periodic disclosures of information are accompanied by disclosure of information on significant developments in the Organization.	Compliant	Partially compliant	Non-compliant	
IV.1.4.	The Organization guarantees the preservation of confidential, internal information and its information security.	Compliant	Partially compliant	Non-compliant	

## PRINCIPLE IV.2. Reports of the Organization

*The organization's disclosure of information on Material Matters should include, but not be limited to, the publication of annual reports.*

### Declaration

#	Provision	Status of compliance			Explanation
IV.2.1.	The Organization's annual report includes messages from the Chairman of the Board and the head of the executive body.	Compliant	Partially compliant	Non-compliant	
IV.2.2.	The Organization's annual report includes the report by the executive body.	Compliant	Partially compliant	Non-compliant	
IV.2.3.	The Organization's annual report includes the financial statements and the audit organization's opinion on them.	Compliant	Partially compliant	Non-compliant	

IV.2.4.	The Organization's annual report includes the organization's goals and a sustainability report.	Compliant	Partially compliant	Non-compliant	The annual report does not include a sustainability report. The sustainability reporting system is in implementation phase.
IV.2.5.	The Organization's annual report includes the annual corporate governance report, including the annual corporate governance statement.	Compliant	Partially compliant	Non-compliant	The Annual Report includes a reference to the aforementioned documents.

### PRINCIPLE IV.3. External Auditor of the Organization

*The Organization must be subjected to an external audit by an independent, competent, and qualified audit organization in accordance with international standards of auditing, ethics, and independence to provide the Board and the shareholders with reasonable assurance that the Organization's financial statements present fairly, in all material respects, its financial position, financial results of operations and have been prepared in accordance with applicable financial reporting frameworks.*

#### Declaration

#	Provision	Status of compliance			Explanation
IV.3.1.	The Organization's financial statements undergo external audit.	Compliant	Partially compliant	Non-compliant	
IV.3.2.	The Organization has criteria and a procedure for selection of an external auditor/audit organization.	Compliant	Partially compliant	Non-compliant	
IV.3.3.	The Organization has established rotation periods for the audit organization and auditors in charge.	Compliant	Partially compliant	Non-compliant	
IV.3.4.	The audit organization is nominated by the Board and appointed (approved) by the general meeting.	Compliant	Partially compliant	Non-compliant	
IV.3.5.	The external auditor is accountable to the participants.	Compliant	Partially compliant	Non-compliant	
IV.3.6.	The audit organization inspects the Organization's internal control and risk management system.	Compliant	Partially compliant	Non-compliant	
IV.3.7.	The audit organization shall provide non-audit services not prohibited by law exclusively with the permission of the Board.	Compliant	Partially compliant	Non-compliant	

IV.3.8.	The Organization's Audit Committee holds regular meetings with the auditors without the participation of the members of the executive body.	Compliant	Partially compliant	Non-compliant	
---------	---	-----------	---------------------	---------------	--

## Chapter V. The relations of the Organization with stakeholders

### PRINCIPLE V.1. The stakeholders of the Organization in the corporate governance system

*The Organization must recognize the rights, roles, and interests of its stakeholders and encourage active collaboration between the Organization, participants, and stakeholders, aimed at creating value, including quality jobs, as well as building a sustainable and resilient organization.*

#### Declaration

#	Provision	Status of compliance			Explanation
V.1.1.	The Organization has a policy for communication with the stakeholders.	Compliant	Partially compliant	Non-compliant	Some provisions of the stakeholder communication policy are set out in the documents listed below: Procedure for ARMECONOMBANK OJSC Code of Conduct; Procedure for Admission, Consideration, and Resolution of ARMECONOMBANK OJSC Customers' Applications and Complaints; Work Procedure for Application of Business Conduct Rules with ARMECONOMBANK OJSC Customers and Guarantors; Staff for Compliance Standards of ARMECONOMBANK OJSC Employee Appearance and Conduct;
V.1.2.	The organization has developed and implemented a whistleblowing policy, procedures, and mechanisms so that stakeholders can raise their concerns about the Organization's illegal or unethical practices.	Compliant	Partially compliant	Non-compliant	Some provisions related to the stakeholder communication are set out in the documents listed below: Procedure for ARMECONOMBANK OJSC Code of Conduct; Procedure for Admission, Consideration, and Resolution of ARMECONOMBANK OJSC Customers' Applications and Complaints; Work Procedure for Application of Business Conduct Rules with ARMECONOMBANK OJSC Customers and Guarantors; Staff for Compliance Standards of ARMECONOMBANK OJSC Employee Appearance and Conduct;
V.1.3.	The Organization communicates with the stakeholders through a sustainability report;	Compliant	Partially compliant	Non-compliant	The sustainability reporting system is in implementation phase.