

	QUALITY MANAGEMENT SYSTEM	POLICY 09#6		
	“ACBA-CREDIT AGRICOLE BANK” CJSC DIVIDEND POLICY	<i>Approval date 06/02/19</i>	<i>Edition 9</i>	<i>Page 1 of 4</i>

PURPOSE

“ACBA-CREDIT AGRICOLE BANK” CJSC dividend policy (hereinafter Policy of dividends) has been developed according to the Legislation of RA and “ACBA-CREDIT AGRICOLE BANK” CJSC (hereinafter Bank) Regulation. By this document the principles of dividend policy, the conditions of payment of dividends of the Bank’s shares, the rules of calculating and payment of dividends, including the dates, place and form of payment are defined.

APPLICATION SCOPE

Dividend Policy is employed by the governing bodies of the Bank and by other interested persons.

RELATED DOCUMENTS

DEFINITIONS AND CONCEPTS

CHAPTER 1. PRINCIPLES OF THE POLICY OF DIVIDENDS

1.1. The policy of dividends is a part of the general policy of the Bank’s profit management.

1.2. When defining the amount of the Bank’s dividends, the policy of dividends is based on increasing the financial stability, capitalization and liquidity of the Bank, balancing the interests of the Bank and its shareholders, ensuring the profitability of invested capital, protection of the shareholders’ rights and increasing of their prosperity.

1.3. Making a decision on the payment of the dividends is the authority of the general meeting (hereinafter General meeting) of the Bank’s shareholders.

1.4. When making a decision on the amount and payment of dividends, the current and foreseen levels of liquidity and solvency of the Bank, the projects for the upcoming year and the necessary financial means for their realization are taken into account.

1.5. In the case of absence of limitations mentioned in Chapter 4 of this document, the bank is obliged to pay the announced dividends fully and in time based on the decision of the General meeting. According to the acting legislation of RA, the Bank is responsible for not fulfilling the mentioned obligation towards its shareholders.

CHAPTER 2. THE TERMS OF PAYMENT OF THE DIVIDENDS

2.1. The terms of payment of the dividends to the Bank’s shareholders are:

- a) the availability of net profit in the Bank gained by the results of the previous financial period.
- b) the absence of limitations for paying dividends defined in chapter 4 of this document,
- c) the existence of decision of the Bank’s Board that includes the suggestions on the amount and the order on paying dividends,
- d) the existence of decision of the General meeting on the payment (announcement) of dividends received during the financial period.


2.2. In the present document the financial period is defined as the period of time for which the dividends are paid.

CHAPTER 3. THE DEFINITION OF DIVIDENDS

3.1. The dividends are a part of the Bank’s profit. Dividends are expressed by the sum of money on one share.

3.2. According to the acting legislation of RA the dividends are paid to the shareholders from the profit, after deducting taxes (net profit), which is calculated on the basis of Bank’s financial statements, that meet the requirements of legislation.

3.3. By the results of previous financial period the amount of dividend of one common stock is defined as the ratio of the amount of paid dividends of common stocks to the number of the common stocks distributed by the Bank (on the day of making the list of the persons eligible to get dividends), It is calculated in the following way:

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Do=Dc/Qss

Where: Do is the amount of dividend of one common stock

Dc is the total amount of paid dividends of all the distributed common stocks

Qss is the number of all common stocks distributed by the Bank

3.4. The total amount of dividends paid to the shareholders is calculated by multiplying the amount of dividend of one common stock by the number of common stocks belonging to the given shareholder.

CHAPTER 4. THE LIMITATIONS ON DIVIDEND PAYMENT

4.1. According to the acting legislation of RA it is restricted to pay dividends to the shareholders, if in the mentioned period of time the losses (damage) of the Bank are equal or exceed the amount of available not distributed net profit.

4.2. The Central Bank may restrict the allocation of dividends by the Bank, including the payment of any income (allowance) in another way to the privileged shareholders or other participants of the Bank, if:

a) allocation of dividends will or may lead to deterioration of the financial situation of the Bank, and/or,

b) as a result of allocation of dividends, the Bank violates or may violate at least one economic standard and/or,

c) the Bank has violated or as a result of allocation of dividends will violate the threshold(s), specified above the high (low) limits of the main economic standards.

4.3. The procedure of restricting the allocation of dividends is established by the Central Bank.

4.4. The Bank notifies the Central Bank of allocation of dividends in advance. The procedure and terms of notification are established by the Central Bank.

CHAPTER 5. THE ORDER ON MAKING A DECISION ON DIVIDEND PAYMENT AND THE DATES OF PAYMENT

5.1. According to the Regulation of the Bank, the General meeting has the right to pay dividends exceptionally by annual results.

5.2. The General meeting makes the decision on annual dividend payment, on the amount and the way of paying dividends by the proposal of the Bank's board.

5.3. The General meeting has the right to make a decision on not paying dividends.

5.4. The date of payment of annual dividends is defined by the General meeting's decision on dividend payment.

5.5. When paying dividends none of the shareholders has any privileges with respect to the dates of payment.

5.6. In the case of not being paid in the dates defined by the decision of General meeting, the dividends are being accumulated and are being paid to the shareholder by his/her first request.

CHAPTER 6. THE ORDER ON DIVIDEND PAYMENT

6.1. For each payment of dividends the Bank's board makes a list of those shareholders eligible for getting dividends. The list should include the names of those shareholders of the Bank, who were already involved in the Bank's shareholders' register on the day of making the above mentioned list.

6.2. After the conclusion of its financial results, the Bank may increase the equity capital by increasing the nominal cost of distributed shares, by transferring one part of the profit to the equity capital.


6.3. The dividends, announced by Bank are paid in AMD.

6.4. The dividends are paid to the Bank's shareholders in cash or by transferring money to their Bank accounts.

6.5. The payment of dividends to the individual or legal entity shareholder is the receipt of corresponding sum of money in cash from the Bank's account, by representing the passport, or is the transfer of that amount to the shareholder's Bank account, according to the shareholder's Banking requisites, that are registered in the Central Depository.

6.6. The Bank and its authorized persons are not responsible for not paying dividends to those shareholders that have not provided proper Banking requisites to the Central Depository and the Bank.

6.7. In case, when the shareholder has incorrectly represented his/her Banking requisites for getting

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dividends, Bank is not responsible for the shareholder's losses. After the dividends that have been incorrectly transferred because of the reasons mentioned in this section, are returned to the Bank, they are retransferred to the shareholder using the corrected requisites presented by the shareholder in a written document.

6.8. The dividends are not paid for own shares repurchased by the Bank.

6.9. The dividends are paid to the shareholders after deducting the taxes on them as defined by the acting Legislation of RA.

6.10. According to the acting Legislation of RA, the Bank is a tax agent, when paying the dividends to its shareholders for their shares.

CHAPTER 7. TRANSITIONAL PROVISIONS

7.1. The present document goes into effect from 20 February 2019.

7.2. After the present document goes into effect, the "ACBA-CREDIT AGRICOLE BANK" CJSC dividend policy approved by the Board of the Bank on 27 February 2018, is declared void.

