

Joint Stock Company

"PASHA Bank Georgia"

Charter

2022



Article 1.

General Provisions

1.1. PASHA Bank Georgia (hereinafter the "Bank") is a joint stock company established in accordance with Georgian legislation.

1.2. the "Bank" is a legal entity. Its rights and responsibilities are determined by the present Charter, by the Law of Georgia on Entrepreneurs (as amended from time to time), the Law of Georgia on Activities of Commercial Banks (as amended from time to time) and all other relevant laws and regulations, including the regulations issued by the National Bank of Georgia

1.3. The Bank has its company name, stamp and logotype (trademark), as well as other relevant requisites of a legal entity:

- Full name in English language: Joint Stock Company PASHA Bank Georgia;
- full name in Georgian language: სააქციო საზოგადოება „პაშა ბანკი საქართველო“.
- abbreviated name in English language: JSC PASHA Bank Georgia;
- abbreviated name in Georgian language: სს „პაშა ბანკი საქართველო“.

1.4. The legal address of the Bank is: 37M Ilia Chavchavadze Avenue, Vake District, Tbilisi, 0179, Georgia.

1.5. The e-mail address of the "Bank" is: info@pashabank.ge

1.6. The term of activity of the Bank is not limited in time.

1.7. The fiscal year of the Bank coincides with the calendar year. It consists of twelve months, starting from January 1 and ending on December 31. The period from the date of the Bank's registration until December 31 of the registration year makes one incomplete year.

1.8. The bank is established with the purpose of making a profit through repeated and independent entrepreneurial activity.

1.9. The Bank has assumed the rights and responsibilities of a legal person upon registration in the Entrepreneurs Registry maintained by the LEPL National Agency of Public Registry of the Ministry of Justice of Georgia.

1.10. The Bank has its independent balance sheet and is entitled to open settlement and other types of accounts (including foreign currency accounts) in Georgia and foreign countries.

1.11. The Bank can appear in legal transactions under its own name, acquire property and non-property rights, undertake obligations, be claimant or defendant in courts, arbitration courts and/or mediation courts or any other forum of any jurisdiction.

1.12. The Bank shall be responsible for its liabilities only within the limits of its property. "Bank" shall not be liable for its shareholder (s) 'liabilities. The bank is liable to creditors with all its property. Shareholders shall not be not liable for the Bank's liabilities.

1.13. The Bank may establish branches in Georgia as well as abroad based on the resolution of the Supervisory Board of the Bank. Such branches shall not constitute independent legal entities. The branches shall be established in accordance with the applicable legislation and instructions of the National Bank of Georgia.

Article 2.

Objectives of the Bank activities

2.1. While carrying out its activities the Bank shall be guided by the Law of Georgia on Entrepreneurs (as amended from time to time), the Law of Georgia on Commercial Banks (as amended from time to time), instructions, regulations and recommendations of the National Bank of Georgia, terms and conditions of license issued to the Bank for carrying out banking activities, and other laws and legislation of Georgia and this Charter. In case of absence of any regulation relevant for a particular field of banking activity under Georgian legislation, the Bank shall be guided by international best practices in the relevant field of banking activity.

2.2. Based on and in accordance with the terms and conditions of the license obtained from the National Bank of Georgia, the Bank shall be entitled to render a full range of banking services, both in Georgia and abroad, which includes, but is not limited to the following activities:

2.2.1. Attraction of interest-bearing and interest-free (demand, time and other) deposits and other repayable payment instruments;

2.2.2. Issuing loans, including consumer, mortgage, unsecured and other types of loans; engaging in factoring operations with and without the right of recourse; trade finance; issuance of guarantees, letters of credit and acceptance bills, including forfeits;

2.2.3. Purchase and sale of monetary instruments for the account of the Bank and the Bank's clients' (including cheques, promissory notes and depositary certificates), securities, futures, and options with debt instruments and/or interest rates, currencies, interest rate instruments, debt instruments, foreign exchange instruments, precious metals and gems;

2.2.4. Carrying out cash and non-cash transactions, providing cash collection services;

2.2.5. Issuance of payment tools and organization of their circulation (payment notes, cheques and bills of exchange);

2.2.6. Intermediary services in the financial market;

2.2.7. Carrying out operations, attracting and placement of funds on behalf of clients (trust operations);

2.2.8. Safekeeping and inventory of valuables, including securities;

2.2.9. Credit-information services;

2.2.10. Services related to any of the activities listed above;

2.2.11. Any other banking activity, which the Bank has the right to carry out within the framework of the legislation of Georgia.

2.3. In carrying out its activities, the Bank is obliged to comply with the economic limits and economic norms established by the National Bank of Georgia.

2.4. The Bank shall adhere to the rules and regulations set forth by the banking legislation of Georgia regarding the equity interests of the Bank in other legal entities.

Article 3.

Capital, contributions, shares and other securities

3.1. The permitted capital of "Bank" is 129 000 000 (one hundred and twenty nine million) GEL.

3.2. The allocated capital of "Bank" is 129 000 000 (one hundred and twenty nine million) GEL. At least once a year, the amount of capital allocated by the Bank is subject to publication in accordance with the rules established by the legislation.

3.3. The allocated capital of the Bank is divided into 129 000 000 (one hundred and twenty-nine million) ordinary shares. The nominal value of one ordinary share is 1.00 (one) GEL. Each ordinary share at the General Meeting of Shareholders of the Bank entitles its holder to one vote. The shares will be issued by the Bank only in case of full repayment of its nominal value. A shareholder or his representative may not exercise their right to vote if the General Meeting is considering satisfying a claim or entering into a transaction with that shareholder, if said shareholder has a conflict of interest in the matter or is otherwise directly related to it.

3.4. The procedure and timing of the monetary contribution shall be determined by decision of the General Meeting or the Directorate (if entitled to do so under this Charter and/or by decision of the General Meeting). If this term is not set, the shareholder must make the deposit within a reasonable time after the request of the Bank. The term of the contribution provided for in this paragraph shall not exceed 5 years (from the date of registration of the Bank or capital increase).

3.5. At the moment of registration of the Bank or increase of the capital, the shareholder must make a monetary deposit in the amount of at least 25 percent of the nominal value of the relevant issued share, and in the absence of nominal value - in the amount of at least 25 percent of the value of the allocated capital.

3.6. If the shareholder violates the term of the cash deposit, the overdue unpaid cash deposit is accrued with an annual interest rate of twice the refinancing rate set by the National Bank of Georgia for the relevant period. The Bank may additionally claim damages for breach of this deadline.

3.7. In case of violation of the term of cash payment by the shareholder, in accordance with the law, the process of seizure of the share may be initiated by the decision of the general meeting.

3.8 The Bank has the right to create reserve capital.

3.9 The Bank has the right to issue preferred shares in accordance with the law. A preferred share gives its holder an advantage determined by the shareholders' decision in terms of the dividend rate and the order in which it is received. The holder of a preferred share is given an advantage over the ordinary shareholder in receiving a dividend.

3.10. The amount of the dividend and the procedure for receiving it shall be determined by the appropriate issue prospectus (if any) and / or by the decision of the General Meeting, in accordance with the existing legislation. Preferred shares are not eligible to vote at the General Meeting of Shareholders, except as provided by law.

3.11. The number of preferred shares should not exceed half of the number of allocated shares.

3.12. If the Bank issues new shares - initially a shareholder holding a share of the same class, and subsequently - another shareholder have a pre-emptive right to purchase new shares in proportion to their shares. The Bank shall inform the shareholders holding less than 1% of the voting shares about the use of the pre-emptive right to purchase new shares - by insured letter, and the other shareholders - by insured letter or by publishing the relevant information on its website or on the electronic portal of the registration body (National Agency of Public Registry). The Bank must give shareholders at least 14 days to exercise this right, which is calculated from the date of notification of the person concerned or the publication of the information. The pre-emptive right to purchase new shares may be revoked by the decision of the general meeting on the issue of new shares and in accordance with the rules established by law.

3.13. The Bank's Share Register is maintained in accordance with the established procedures by the Bank itself (the Chairman of the Board of Directors is responsible for issuing an extract from the Share Register), and in case the number of shareholders exceeds 50 - by an independent registrar selected by the Bank. The transfer of shares will not be considered completed until the transfer is registered in the register of shares. The right to ownership of the share and the rights of the shareholder arising from it are amended and terminated from the moment of its registration in the register of shares.

3.14. The General Meeting of Shareholders is authorized to adopt resolutions on increasing or decreasing the Bank's authorized/placed capital by issuing new shares or, respectively, redeeming, canceling, reducing the par value or number of existing shares. The decision on the change of the allocated capital is valid from the moment of its registration and publication. The purchase price of a newly issued share should not be less than its nominal value.

3.15. In order to make a decision on the change of the allocated capital, it is necessary to hold a separate voting for the shares of all classes, the owners of which are affected by the said decision.

3.16. Subject to the rules and exceptions established by law, the capital increase may be effected by converting the reserve capital (if any) into allocated capital. In such a case, it is inadmissible to waive the shareholder's pre-emptive right to purchase the shares.

3.17. In order to increase its authorized capital, the Bank may issue other securities convertible into ordinary and / or preferred shares.

3.18. The Board of Directors of the Bank on the basis of the decision of the General Meeting and with the consent of the Supervisory Board may decide to issue new shares up to the maximum number established by the Charter, provided that the maximum number of issued new shares shall not exceed 50 percent of the authorized shares. The authority to issue shares established by this paragraph may be granted to the Board of Directors by the General Meeting for a period not exceeding 5 (five) years, and such decision shall be published and recorded in the register of shares.

3.19 Redemption of own shares by the Bank is allowed in accordance with the rules and in the amount established by law. Aside from the mandatory redemption of the shares envisaged by the law, the Bank has the right to purchase and subsequently sell its own shares (the "Treasury Shares"). The nominal value of the redeemed "treasury shares" should not at any time exceed 10% (ten percent) of the allocated shares. In case of purchase of "Treasury shares" by the Bank - the rights arising from these shares are suspended.

Article 4.

Shareholders of the Bank

4.1. A Shareholder of the Bank is a person who holds shares of the Bank under the established rules and regulations and is registered with the Shareholders' Registry of the Bank. The Bank's Shareholder can be an individual – citizen of Georgia and/or of another country or a legal entity established under Georgian legislation and/or in a foreign country.

4.2. Shareholders are entitled:

4.2.1. To participate in the General Meeting;

4.2.2. To get acquainted with the issues on the agenda of the General Meeting;

4.2.3. To get acquainted with the documents of the Bank in accordance with the law and the charter, and receive their copies in hard copy or electronically, if the shareholder has given his prior consent to receive the information through electronic means of communication. To have access to information related to the economic activities of the Bank, as well as to receive information from the joint stock company in accordance with the rules established by law and the charter;

4.2.4. In the case provided by law, require the Bank to redeem his/her shares. A shareholder has the right to request the Bank to evaluate and redeem his shares in accordance with the law, if he has not supported a decision at the general meeting that unjustifiably and substantially violates the rights of this shareholder or concerns the reorganization of the Bank.

4.2.5. To receive the property remaining after the liquidation of the joint stock company;

4.2.6. To attend the General Meeting of Shareholders in person or through a representative and participate in the voting (only the holders of ordinary shares); To be elected to the Supervisory Board;

4.2.7. To participate in the distribution of profit and receive their pro rata share of dividends; The Shareholder's share in the profit shall be determined in proportion to the nominal value of the shares owned by them. The Bank shall fulfill the liabilities in connection with other securities in the first instance; A Shareholder who has not made contributions in full shall participate in the distribution of the profit in proportion with the contributions made;

4.2.8. To dispose of their shares in accordance with the rules defined by Georgian legislation and this Charter;

4.2.9. To receive, in case of liquidation of the Bank, their pro rata share of the assets remaining after the payment of the claims of the creditors;

4.2.10. To request the Directors to specify issues in the agenda of the General Meeting of Shareholders;

4.2.11. Unless cancelled by the General Meeting of Shareholders, enjoy pre-emptive right to subscribe for newly issued or existing shares of the Bank on a pro-rata basis in accordance with the terms and conditions of this Charter;

4.2.12. One or more shareholders have the right to file a lawsuit in their own name and in favor of the joint stock company in order to fulfill the claim of the joint stock company, including against the officials of the joint stock company, by requesting the transfer of the benefit received in exchange for the damage caused to the joint stock company or the transfer of the right to receive such benefit in exchange for the compensation of the damage caused by the non-fulfillment of their duties.

4.2.13. Shareholders holding 5 percent of the votes, in addition to the above rights, have the following rights in accordance with the law or the Charter:

A) request from the relevant governing body of the joint stock company the copies of transactions concluded on behalf of the joint stock company.

B) request to hold an extraordinary meeting of the Supervisory Board of the Joint Stock Company;

C) convene an extraordinary general meeting in the case provided by law;

D) request the addition of an issue to the agenda of the General Meeting in accordance with the rules established by law.

4.2.14. Holders of 5% (five percent) or more of the total number of shares have the right to request a special inspection of the economic operations or the entire annual balance sheet if they have a reasonable suspicion of any irregularities. This request must be submitted in writing to the Supervisory Board;

4.2.15. To exercise other powers provided by law or this Charter.

4.3. The shareholders of the Bank are obliged to:

4.3.1 Ensure payment of their respective contributions to the authorized capital of the Bank so that the relevant number of shares are registered in their name and comply with the conditions set forth by this Charter and the applicable legislation.

4.3.2 provide the Bank or the share registrar with any information related to any change in the data registered in the share register;

4.3.3 perform other duties provided by law and / or the Charter.

4.4. If a dominant shareholder of a joint stock company intentionally uses his dominant position to the detriment of that joint stock company, he must compensate the damage caused.

4.5. Shareholders are entitled to dispose of their shares in accordance with the restrictions of Section 4.6.

4.6. Any alienation of shares carried out by the shareholders, except for the alienation to the Permitted Transferee, is subject to the right of first refusal of the other Shareholders, as set forth in Section 4.7 below. For the purposes of this Article 4.6, the permitted transferee means (a) any entity that is controlling, is controlled or is under joint control (directly and indirectly) with respect to the transferring party, and (b) any person who controls the transferring party (directly and indirectly) and which, in any case, agrees to comply with the terms and conditions of this Charter.

4.7. Any transfer of shares that is subject to the right of the first refusal of the remaining shareholders shall be made in accordance with the following procedure:

4.7.1. A Shareholder wishing to alienate their shares (the "Offeror" and the "Offered Shares", respectively) shall first offer the Offered Shares for sale, on such terms and in such manner as hereinafter provided (the "Offer") to the applicable Shareholders (the "Offerees");

4.7.2. The Offer shall be made in writing and shall be sent by registered mail to the Offerees with copies to the Supervisory Board and the Board of Directors. The Offer shall specify the proposed terms of sale of the Offered Shares and shall include the identity of the proposed purchaser, the number of Offered Shares and asking price for each Share. The Offeror shall attach to the Offer a copy of the executed agreement/binding offer received from the third party purchaser;

4.7.3. The Offerees shall have a period of 21 (twenty one) calendar days from the date the Offer is sent in order to notify the Offeror in writing of its desire to accept the Offer and to purchase the Offered Shares in accordance therewith (the "Acceptance Notice");

4.7.4. An Offeree, which does not give an Acceptance Notice within the said 21 (twenty one) calendar day period, shall be conclusively deemed to have rejected the Offer. A partial, conditional or incomplete acceptance of the Offer shall not be deemed an acceptance of the Offer;

4.7.5. The closing of the transaction for the sale of the Offered Shares by the Offeror to the purchasing Offeree, if any, shall take place and be consummated on the 5th (fifth) calendar day following the date of receipt of the Acceptance Notice by the Offeror, in accordance with the provisions of this Charter, which shall apply mutatis mutandis. At such closing, the Offeror shall sell and transfer the Offered Shares to the Offeree against payment of the price specified in the Offer;

4.7.6. In the event that more than one Offeree gives Acceptance Notice, all Acceptance Notices shall rank pari passu, and the shares shall be sold and transferred to such Offerees in accordance with Section 4.7.5 above, mutatis mutandis, on a pro-rata basis, calculated by dividing (a) the number of shares held by each such Offeree on the date his Acceptance Notice was given, by (b) the total number of shares held by all such Offerees;

4.7.7. In the event that by the end of the 21 (twenty one) calendar day period specified in Section 4.6.3 above, the Offeror has not received Acceptance Notice with respect to all of the Offered Shares, the Offeror shall be free to sell the Offered Shares under the terms specified in the Offer, to the proposed purchaser indicated in the Offer, provided that a binding agreement in respect of the Offered Shares is entered into between the Offeror and the purchaser indicated in the Offer within 45 (forty five) calendar days thereafter.

Article 5.

Management of the Bank

5.1. The supreme governing body of the Bank is the General Meeting of Shareholders.

5.2. The Supervisory Board oversees the activities of the Bank. Members of the Supervisory Board are elected by the General Meeting of Shareholders

5.3. The Bank's day-to-day management is carried out by the Directorate, appointed by the Supervisory Board. As of initial registration of the Bank, the Board of Directors shall be appointed by the General Meeting of Shareholders. Each subsequent appointment shall be carried out by the Supervisory Board. The Board of Directors is led by the Chairman of the Board of Directors.

Article 6.

General Meeting of Shareholders

6.1. The General Meeting of Shareholders is the supreme governing body of the Society. The General Meeting of Shareholders is convened either as a regular or an extraordinary meeting. The next General Meeting shall be convened within two months of the signing of the audited annual financial statements, but not later than 3 months after the end of the financial year.

6.2. The General Meeting shall be convened on the territory of Georgia or abroad at the request of the directors, the supervisory board or shareholder (s) holding at least five percent (5%) of the capital.

6.3. If the Board of Directors of the Bank does not perform its duties and does not convene a general meeting, the Supervisory Board of the Bank shall be obliged to convene a general meeting.

6.4. The request for holding a general meeting must be submitted in writing and must indicate the necessity, purpose, reasons and an agenda of convening the meeting, which reflects all the issues requested by the shareholder(s). The Bank's Board of Directors may add issues to the agenda of the General Meeting.

6.5. The decision to convene a general meeting shall be made by a majority vote of the participants in the voting, and the minutes of the meeting shall be drawn up. The minutes of the meeting should state whether the General Meeting is convened at the initiative of the shareholders.

6.6. If necessary, the Board of directors of the Bank is obliged to publish a decision on convening a general meeting within 10 days upon receipt of this request, upon a written request of the shareholder(s) (group of shareholders) holding at least 5 percent of the capital.

6.7. The decision to convene a General Meeting must be published on the page of the authorized user of the electronic portal of the registration body at least 21 days before the date of the General Meeting. The decision to convene the meeting is also published on the website (if any) of the joint stock company.

6.8. Each subsequent General Meeting may be convened before the time limit specified in paragraph 6.7 of this Article, if a general meeting is convened due to the lack of a quorum required for convening the first general meeting, the first general meeting has been convened in accordance with the rules established by law and no issue has been added to its agenda. In this case, there should be at least a 10-day interval between the dates of the last general meeting and the next general meeting.

6.9. The Board of Directors body of the Bank shall be responsible for ensuring the accuracy of the published information on convening of the General Meeting and its accessibility.

6.10. The information published on convening the General Meeting shall include at least the following data:

A) the trade name and legal address of the joint stock company;

B) the date, place and time of the general meeting;

C) indication whether the next general meeting is regular or extraordinary;

D) the record date of the General Meeting and an indication that only those persons who are registered as shareholders as of the record date have the right to participate and vote in the General Meeting;

E) the agenda of the General Meeting;

F) other information provided by law (if necessary).

6.12 The agenda of the General Meeting shall include all information necessary for a decision.

6.13 If the agenda of the General Meeting envisages the amendment of the Charter or adoption of its new edition, the text of the amendment or the new edition shall be published together with the information on convening the General Meeting, unless these documents are sent to all shareholders in person.

6.14 The Bank's Board of Directors and the supervisory board are obliged to publish the draft decisions prepared by them on the issues on the agenda of the general meeting and to indicate the grounds for these decisions.

6.15. A refusal of the Bank's Board of Directors to include an issue of the shareholders' application in the agenda of the General Meeting may be appealed in court. The court may authorize the applicant shareholders to add an issue to the agenda by publishing the relevant information. If the relevant claim is upheld, the court costs will be borne by the joint stock company.

6.16. The agenda of the General Meeting may be changed at the General Meeting only if this meeting is attended by all shareholders. The decision made on the issue included in the agenda of the General Meeting in violation of this requirement is void.

6.17. The list of persons entitled to participate in the General Meeting shall contain the data necessary for the identification of the authorized persons, the category of shares and partners, the number of votes and the address to which the notification of inclusion in the list of participants of the Meeting shall be sent.

6.18. The shareholder has the right to request the joint stock company to issue a confirmation of his inclusion in the list of participants in the general meeting, his shares and the number of votes. Failure to comply with this request of the shareholder is considered a substantial violation of the procedure for convening a General meeting. Confirmation of the shareholder status may be required only to identify the shareholder and only to the extent that is proportionate to that purpose.

6.19. The body convening the general meeting is responsible for the accuracy of the list of participants in the general meeting.

6.20. Participation in the General Meeting is allowed not only in person, but also with this form or electronic means of communication can be used together with or instead of it.

6.21. A shareholder can vote without attending the general meeting, including by means of electronic communication. A shareholder may vote in writing / electronically before the general meeting or during the general meeting.

6.22. By the decision of the Board of Directors of the Joint Stock Company, it is possible to arrange video and audio broadcasts of the General Meeting, as well as to provide two-way electronic communication, which will allow the shareholders to address the General Meeting remotely.

6.23. The Supervisory Board shall set the accounting date of the General Meeting of Shareholders that may not be earlier than 45 calendar days prior to the convening the meeting or later than the date on which the calling of the meeting was declared. Only Shareholders holding shares by the registration date shall be allowed to participate in the General Meeting of Shareholders.

6.24. If the bank has a sole shareholder, he exercises the power of the general meeting. The decision made within the scope of this authority shall be made in writing.

6.25. The following information about convening a meeting should be indicated in the decision to be published:

A) brand name and legal address of the Bank;

B) place, date and time of the general meeting;

C) indication whether the next general meeting is regular or extraordinary;

D) the record date of the General Meeting and an indication that only those persons who are registered as shareholders as of the record date have the right to participate and vote in the General Meeting;

E) the agenda of the General Meeting;

6.26. If the Directors fail to hold the meeting within 21 calendar days from the date of request by the Shareholders, the Shareholders may apply to the court according to the location of the Bank. The court may authorize the shareholders to convene a general meeting and appoint a chairman of the general meeting.

6.27. The General Meeting is chaired by the Chairman of the Supervisory Board of the Bank, and in his absence the Chairman of the General Meeting is elected by the General Meeting by a majority of votes. In case the bank has only one shareholder - the General Meeting is chaired by that shareholder and / or his representative.

6.28. The Shareholders may be represented at the General Meeting of Shareholders by a proxy under duly notarized and legalized (apostilled) (where required) power of attorney. A member of the Bank's Board of Directors and Supervisory Board shall not be entitled to participate in the General Meeting as representatives of the Shareholders.

6.29. It is not allowed to restrict the exercise of the shareholder's rights through a representative, unless there is a potential conflict of interest between the representative and the shareholder on whose behalf the representative is to act.

6.30. The representative must disclose the facts necessary for shareholders to assess the risk that the representative may be pursuing the interests of someone other than the shareholder.

6.31. The Board of Directors and the Supervisory Board shall be obliged to participate in the work of the General Meeting.

6.32. At least one member of the Bank's Board of Directors and Supervisory Board shall be given the opportunity to speak at the General Meeting.

6.33. The General Meeting has a decision-making power if it is attended or represented by at least 50% of the voting shareholders. If the meeting is not authorized to make decisions, then a new meeting is convened with the same agenda within the timeframe set by the convening officer of the meeting, which is authorized to make decisions if it is attended or represented by at least 25% of the voting shareholders. If the meeting is still not authorized to make decisions, then a new meeting shall be convened on the same agenda within the time limit set by the chairperson, which is authorized to make decisions regardless of the number of voting shareholders declared or represented. The General Meeting shall make a decision by a simple majority of the voting shareholders present, unless the charter and / or the law provide for a larger number of votes.

6.34. An amendment to the charter / founding agreement must be adopted by a 3/4 majority of the participating votes.

- 6.35. The form of voting during the General Meeting is determined by the General Meeting by a majority vote of the participants in the voting.
- 6.37. The General Meeting of Shareholders is authorized to make decisions on the following issues:
- 6.37.1 Issuance of a share redemption permit a joint stock company;
 - 6.37.2 Change in allocated Capital;
 - 6.37.3 Approval of the financial statement and distribution of dividends;
 - 6.37.4 Establish the rules of the general meeting and elect the vote counting commission;
 - 6.37.5 Making a decision on approving a transaction provided by the Charter or the law;
 - 6.37.6 Adoption of a decision on the establishment of a legal entity or equity participation;
 - 6.37.7 On determining the form and amount of remuneration of managers.
 - 6.37.8 Decision on other issues provided by law.
 - 6.37.9. Approve and amend the Charter of the Bank;
 - 6.37.10 to make changes in the founding agreement;
 - 6.37.11 approve the audited annual financial statements of the Bank and select the auditor; Make a decision on reorganization of the "Bank", which includes decisions on merger, division, transformation (change of organizational-legal form), dissolution / liquidation;
 - 6.37.12 Full or partial cancellation of alienation and/or pre-emptive rights of a shareholder during the increase of the share capital of the Bank and issuance of new shares, sale of shares by other Shareholder(s) or other securities convertible into shares;
 - 6.37.13. Accepting or rejecting proposals of the Supervisory Board or the Directors concerning the utilization (including distribution) of profit or to make decisions concerning the utilization of the net profit, if the said bodies fail to make an agreed proposal;
 - 6.37.14. Approval of reports by the Board of Directors and the Supervisory Board;
 - 6.37.15 Make decisions on the composition of the Supervisory Board, the number of members, their election, early dismissal, the amount of remuneration and the structure;
 - 6.37.16. Approval of the first composition of the Board of Directors of the Bank, provided that the Directors so elected can be dismissed by the Supervisory Board. Any subsequent member of the Board of Directors shall be appointed and dismissed by the Supervisory Board in accordance with the terms and conditions of this Charter;
 - 6.37.17. Approval of the first composition of the Audit Committee of the Bank, provided that the Auditors so elected can be dismissed by the Supervisory Board. Any subsequent member of the Audit Committee shall be appointed and dismissed by the Supervisory Board in accordance with the terms and conditions of this Charter;
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6.37.18. Make decisions on the participation in court proceedings against the Directors and Supervisory Board members, including appointment of representative for such action;

6.37.19 make decisions on the issue of shares, change of the nominal value of shares or placement of additional shares, determination of the number of shares, nominal value, classes and related rights, their sale and issuance of other securities, in accordance with this Charter and Georgian legislation.

6.37.20 Decide on the acquisition, alienation, transfer, exchange (or transaction having a similar effect) or encumbrance, the value of which exceeds 25% of the carrying amount of the Bank's assets.

6.37.21. Decide on other matters pursuant to effective Georgian legislation

6.38. All shareholders participating in the General Meeting have the right to ask questions to the Board of Directors / Directors of the Joint Stock Company regarding the issues on the agenda of the General Meeting and to request any information necessary for the proper consideration and evaluation of these issues.

6.39. The Board of Directors of a joint stock company is obliged to answer the shareholder's questions and provide them with the requested information in full.

6.40. The Board of Directors of a joint stock company has the right to refuse to provide the requested information to the shareholder if:

A) the provision of relevant information may cause significant damage to the Bank;

B) Confidential information will be disclosed by issuing relevant information;

C) The question is answered by the Bank before the beginning and during the general meeting in a question-answer format on the website.

6.41 Refusal to provide information may be appealed in court within 15 days after the minutes of the general meeting are drawn up. If the court satisfies the request of the shareholder, the requested information will be provided to the shareholder without the general meeting. The bank should make the same information available to all other interested shareholders.

6.42. If, prior to the commencement of the General Meeting, the Bank has provided information to any shareholder on its own initiative, based on the shareholder status, the same information shall be provided to all other shareholders participating in the General Meeting, even if this information is not necessary for consideration of the issues on the agenda.

6.43. At the approval of the decision on the annual report, the annual balance sheet and profit allocation, the next General Meeting shall decide on the approval of the work of the Supervisory Board of the Joint Stock Company and the Board of Directors carried out during the year. By the decision of the General Meeting or at the request of the shareholders holding 10 percent of the voting shares, a separate ballot shall be held for the approval of the work done by individual members of the Supervisory Board and individual managing persons.

6.44. Within 15 days after the end of the General Meeting, in accordance with the rules established by law, the minutes of the Shareholders Meeting shall be drawn up in Georgian and Azerbaijani languages and shall be notarized.

6.45. The minutes of the General Meeting shall include:

A) the trade name of the joint stock company;

B) place, date and time of the general meeting;

C) the total number of voting shares;

D) the number of voting shares participating in the General Meeting or represented at the General Meeting;

E) the form of holding the general meeting, the form of voting and the decisions made according to the order of the issues on the agenda of the general meeting;

F) for each decision - the number of shares based on which the votes were lawfully cast, the share represented by these votes in the allocated capital, the total number of votes, both for and against the decision, and the number of those who abstained.

6.46 All the documents confirming the convening of the General Meeting in accordance with the established procedure shall be attached to the minutes of the General Meeting.

Article 7.

Supervisory Board

7.1. The General Meeting of Shareholders elects the Supervisory Board consisting of three (3) to twenty one (21) members, provided that the number of the members within the Supervisory Board shall be odd at all times. Each member to the Supervisory Board shall be elected for the term of four years, but the authority shall be prolonged until calling of the next General Meeting of Shareholders. The issue of remuneration of the members of the Supervisory Board is determined by the decision of the General Meeting.

7.2. A member of the Supervisory Board may not be a member of the Board of Directors of the Bank at the same time.

7.3 In the case provided for in the Articles of Association or by the decision of the General Meeting, the method of accumulating votes shall be used to elect a member of the Supervisory Board and the director of the Bank, according to which:

A) the shareholder distributes all his / her votes to any number of candidates, so that the total number of votes he / she casts during the voting does not exceed the total number of votes at his / her disposal;

B) the shareholder can only support the candidate with each of his/her votes;

C) If the number of candidates is less than or equal to the established number of elected members / persons, all candidates who have received at least 1 vote shall be considered elected. If the number of candidates exceeds the established number of elected members / persons, the candidates who received the majority of votes in the voting shall be considered elected.

7.4 The elected members of the Supervisory Board may be removed from membership at any time by the decision of the General Meeting. The decision shall be taken by a majority of the votes cast.

7.5 Any member of the Supervisory Board may resign from the Board of Supervisors at any time, so as not to harm the Bank, except for the case when he has a good reason.

7.6 A member of the Supervisory Board shall not have the right to participate in any other companies conducting similar activities, in the capacity of a partner (shareholder) holding more than 5% of the share capital or as a director (conflict of interest). The foregoing limitations are limited geographically to Georgia only.

7.7 A Shareholder(s) holding at least 20% of the Bank's capital has the right to have at least one representative in the Supervisory Board if the number of members of the Supervisory Board allows such.

7.8. The Supervisory Board elects the chairman and the deputy chairman from amongst its members by a majority vote of the participants in the voting. If a decision is not reached, then the question shall be settled by a secret vote. In case candidates receive equal number of votes, the eldest candidate is appointed as the chairman.

7.9. The meeting of the Bank's Supervisory Board is chaired by the Chairman of the Supervisory Board, in his absence - by the Deputy Chairman of the Supervisory Board, and in his absence - by one of the members of the Supervisory Board. Minutes of the meeting of the Supervisory Board shall be drawn up on the course of the mentioned meeting and the decisions made. The Chairman of the Supervisory Board is responsible for the accuracy and completeness of these minutes.

7.10. The chairman (the deputy chairman when the chairman is absent) calls the meetings, determines the agenda and signs the minutes and the resolutions adopted by the Supervisory Board. The Chairman of the Supervisory Board coordinates the activities of the Supervisory Board, chairs the meetings of the Supervisory Board and represents the Supervisory Board in its relations with other bodies, officials and employees of the Bank.

7.11 The Bank's Board of Directors is obliged to provide the Chairman of the Bank's Supervisory Board with information on significant events that may affect the Bank's operations, as well as with evaluation of the expected results. The Chairman of the Supervisory Board is obliged to provide the received information to the members of the Supervisory Board and, if necessary, to convene a meeting of the Supervisory Board.

7.12 The Deputy Chairman of the Supervisory Board of the Bank shall perform the functions of the Chairman of the Supervisory Board in case of his absence or inability to perform his duties.

7.13. The meeting of the Supervisory Board shall be convened at least once every three months. The Chairman of the Supervisory Board is obliged to ensure convention of the meeting of the Supervisory Board.

7.14 A member of the Supervisory Board or the Board of Directors has the right to request the Chairman of the Supervisory Board to convene a meeting of the Supervisory Board immediately. This request must indicate the reasons and purposes for holding the extraordinary meeting. The Chairman of the Supervisory Board is obliged to ensure the meeting of the Supervisory Board within 10 (ten) days after the request. If the request to convene a meeting of the Supervisory Board is not satisfied, the member of the Supervisory Board of the Bank or the Board of Directors may convene a meeting of the Supervisory Board itself.

7.15. The Supervisory Board is authorized to make decisions if at least 51% of the members are present or represented. If the Supervisory Board is unauthorized to make decisions, the chairman may, within the term of at least 10(ten) calendar days, call a new meeting, which shall be competent to make decisions if at least 25% of the members are present. However, if the Supervisory Board is still not authorized to make decisions, then the authority of the Supervisory Board shall be terminated and the chairman shall call an extraordinary General Meeting of the Shareholders. In case of inability to attend the meeting, members of the Supervisory Board are allowed to deliver to the Chairman their opinion on the issues of agenda in writing. The decisions of the Supervisory Board are adopted by a simple majority of votes. A member of the Supervisory Board has 1 vote. In case of equal distribution of votes, the vote of the Chairman of the Supervisory Board is decisive, and in his absence - the vote of the Chairman of the meeting.

7.16. Objectives and the competence of the Supervisory Board include the following:

7.16.1. Appointment and dismissal of the Directors, except for the initial appointment of the Directors pursuant to Section 6.37.16 of the Charter; concluding the agreements with the Directors, determining their remuneration and working conditions; Approval of the structure, size and composition of the directorate.

7.16.2. Approves the policy and a plan of replacement of the directorate;

7.16.3. Executes service agreements with directors and determines their remuneration;

7.16.3. Defines the rights and responsibilities of directors;

7.16.4. Controls and supervises the activities of the Board of Directors. Represent the bank in relations with directors, including in court;

7.16.5. Requires reports from directors on any activities and results of the society;

7.16.6. Supervises and represents the bank in case of conflict between the members of the Board of Directors;

7.16.7. Request, review, check, examine and control the Bank's business records, including accounting records, the Bank's assets, cash, property, other securities and the cashier's office. Instruct each member of the Supervisory Board to carry out these actions or invite experts to carry them out;

- 7.16.8. Appoints and dismisses the members of the Audit Committee (except for the initial appointment of the Audit Committee in accordance with paragraph 6.37.17 of this Charter);
- 7.16.9. Approves the provisions, policies, framework policies and other regulatory documents of the Bank;
- 7.16.10. Approves the annual budget of the Bank;
- 7.16.11. Convenes a general meeting of shareholders, if it is necessary for the interests of the Bank;
- 7.16.12. Revises the annual financial reports, proposals on profit distribution and information on the Bank's standing and presenting its opinion to the General Meeting of Shareholders;
- 7.16.13. Prepares reports to be presented to the General Meeting of Shareholders.
- 7.16.14. Requests a report of the Bank's activities from the Board of Directors at any time;
- 7.16.15. Appeals the decisions of the General Meeting in cases provided by law or the Charter.
- 7.16.16. Implements other powers granted by the legislation.
- 7.17. In case of refusal of the Bank's Supervisory Board to give its consent to the matters assigned to it, the Board of Directors is entitled to request the issuance of the relevant consent by the General Meeting. The approval of the consent by the General Meeting requires a majority of at least 3/4 of the votes cast.
- 7.18. A member of the Supervisory Board has the right to get acquainted with the reports and information submitted by the Board of Directors/ Director.
- 7.19. The functions of the members of the Supervisory Board shall be determined by the provision of the Supervisory Board.
- 7.20. The following activities shall be performed only by the Supervisory Board:
- 7.20.1. Strategic supervision and control of the Bank;
- 7.20.2. Approval of the corporate strategy and strategic objectives, monitoring of delivery of the strategy and performance against strategic objectives and operational plans;
- 7.20.3. Approval of the business plan, monitoring the execution of the business plan;
- 7.20.4. Approval of the annual budget, monitoring of the performance of the annual budget;
- 7.20.5. Initiation of new banking/commercial activities and termination or suspension of existing activities;
- 7.20.6. Establishment and liquidation of new enterprises, branches;
- 7.20.7. Acquisition and disposition of shares in companies;
- 7.20.8. Approval of organizational structure;
- 7.20.9. Approval of the Code of Ethics and the "Whistleblowing" procedure;
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- 7.20.10. Rendering resolutions for implementation of the decision of the General Meeting on admission of the Bank's shares and other securities to the stock market;
- 7.20.11. Submit proposals on profit distribution to the General Meeting of Shareholders;
- 7.20.12. Perform strategic supervision of risk management activities;
- 7.20.13. Approval of risk appetite, annual review;
- 7.20.14. Approval of business continuity plan;
- 7.20.15. Authorization of transactions with parties of the conflicts or possible conflicts of interest and parties related to them, within the limits established by the Bank;
- 7.20.16. Approval of policies, standards and procedures in respect to conflicts of interest and related party transactions;
- 7.20.17. Establish a framework policy for setting bonuses and other benefits for Bank employees, including members of the Board of Directors;
- 7.20.18. Approval of structure, size and composition of the Supervisory Board committees, including appointments and removals of the Supervisory Board committee members; reviewing reports of the Supervisory Board committees;
- 7.20.19. Selection of external auditors;
- 7.20.20. Appointment and dismissal of trade representatives (procurators);
- 7.20.21. Appointment and dismissal of the Corporate Secretary;
- 7.20.22. Approval of transactions that are not within the competence of the General Meeting including but not limited to getting loans, issuing lending and trade finance products, approval of loan restructuring, loan write-off, approval of acquisition and disposal of fixed assets and intangible assets, issuance of bonds, administrative expenses, cash limits, Implementation of equity investments in public and private companies in case the transaction is above the decision making and signatory authority limits of the Board of Directors;
- 7.20.23. Approval of the decision-making and signatory authority limits of the Board of Directors;
- 7.20.24. Securing borrowings or any other liabilities of the Bank or any third party, if they fall outside the scope of the regular economic activities of the Bank;
- 7.20.25. Approval of issuance of securities;
- 7.20.26. Determining and approving amount of minimum and maximum interest rates to be used with regard to credit recourses and deposits;
- 7.20.27. Determination and approval of the terms and conditions applicable to the Bank's employees in relation to credit resources and deposits;
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7.20.28. Supervising implementation of measures in accordance with results of examinations carried out by the external and internal audits, as well as the National Bank of Georgia;

7.20.29. Making decisions on issues that are beyond the scope of the Board of Directors' powers;

7.20.30. Fulfillment of other responsibilities as required by the Shareholders' Meeting.

7.20.31. Exercise of other powers provided for by law.

7.21. The members of the Supervisory Board shall take care and fulfill the undertaken obligations in good faith and act in the Bank's best interests. The members of the Supervisory Board shall bear the joint responsibility for the unfulfilled undertaken obligations if they fail to prove that they have not breached their duty.

7.22. The functions and obligations of the Board of Directors may not be delegated to the Supervisory Board.

Article 8.

Board of Directors (Directorate)

8.1. The day-to-day activities of the Bank are carried out by the Board of Directors (Directorate), whose members are appointed by the Supervisory Board (Shareholders' Meeting - in the cases provided for in paragraph 6.37.16 of this Charter).

8.2. At the request of the General Meeting, the Governing Body of the Bank is obliged to prepare the issues, the solution of which is within the competence of the General Meeting.

8.3. The Directorate shall consist of not less than 3 (three) directors. The position and scope of activity of each member of the Board of Directors shall be determined upon appointment of the respective member. The Supervisory Board may at any time determine to increase the number of the members of the Board of Directors by adopting the respective resolution in writing.

8.4. The director is appointed and dismissed by the Supervisory board. The director is appointed to the position for a period not exceeding 4 years, with the right of reappointment. If, after the expiration of this term, the registration of a new term of office of the director or a change of a person authorized to manage and represent is not carried out in accordance with the rules established by law, the term of office of the registered director shall be considered extended for an indefinite period.

8.5. The members of the Board of Directors shall jointly manage the Bank, unless otherwise provided by this Charter.

8.6. The Board of Directors is authorized to make decisions if at least 51% of the members are present at the meeting. Each member has one vote. The decision shall be taken by a simple majority of the votes of those present, unless a larger number of votes is required by law. In case of equal distribution of votes - the chairperson shall have a casting vote.

8.7. The obligations of the Board of Directors include the following:

- 8.7.1. Carry out the Bank's day-to-day business operations in accordance with the internal policies and business plan as determined by the Supervisory Board;
- 8.7.2 Prepare an annual report and a report on the economic situation, as well as a proposal on the use of net profit - in order to submit to the Supervisory Board.
- 8.7.3. Prepare proposals and draft resolutions, reports and any other information requested by or to be presented to the Supervisory Board or the General Meeting of Shareholders;
- 8.7.4 Provide any shareholder with information on the Bank's activities within a reasonable time upon request and provide access to the Bank's documentation within the limits established by law.
- 8.7.5. Define the bank's policy on the appointment, dismissal, remuneration and employment of employees, as well as follow the recommendations of the Supervisory Board, including those related to the Bank's management. Draft and present to the Supervisory Board for approval the annual business plan for the current year within one month from the end of the fiscal year;
- 8.7.6. Supervise the operation branch offices and service centers of the Bank, fulfillment of the tasks imposed on their management.
- 8.7.7. Review information provided by internal or external audit of the Bank, of any expert and/or advisor engaged by the Bank, as well as the reports submitted by the managers of the branch offices/service centers and make appropriate decisions;
- 8.7.8. Take all reasonable measures to have up to date information on the financial standing of the Bank and make informed decisions on any matter concerning the operation of the Bank; in co-operation with the other organs of the Bank, the Board of Directors shall ensure maintenance of the Banks solvency and liquidity and shall also ensure that all measures required for this purpose are taken;
- 8.7.9. Develop and approve internal documents of the Bank attributable to the authority of the Board of Directors. Develop and submit for approval the policies and internal regulations within the competence of the Supervisory Board.
- 8.7.10. Supervise any and all units and or departments of the Bank ensuring that the Bank provides proper service to its customers;
- 8.7.11. Ensure the fulfillment of decisions of shareholders and supervisory board meetings and any other duties;
- 8.7.12. Provide information about the development of the Bank's activities to the National Bank of Georgia, in compliance with the relevant legislative norms;
- 8.7.13. Approve any kind of technical assistance, service and purchase agreements and know-how.
- 8.7.14. Carry out any other powers granted by law and which do not fall under the competence of the General Meeting and/or the Supervisory Board.
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- 8.8 The activities of the Board of Directors of the Bank are managed and chaired by the Chairman of the Board of Directors, who is appointed by the Supervisory Board and who is authorized to transfer the rights and responsibilities to another Director with approval of the Supervisory Board.
- 8.9 The Chairman of the Board of Directors shall be elected and dismissed by a majority vote of the members of the Supervisory Board participating in the voting.
- 8.10 The Chairman of the Board of Directors, as a representative of the collegial body, coordinates the activities of the Bank's Board of Directors, chairs the meetings of the Board of Directors and supervises the proper performance of the assigned duties by the bodies accountable to the Board of Directors. The Chairman of the Board of Directors shall provide the Supervisory Board with information on the activities of the Board of Directors and its subordinate bodies.
- 8.11 The General Manager is authorized to appoint, dismiss and determine the remuneration of the employees, to resolve any other issues related to the employees of the Bank.
- 8.12 The directors of the Bank manage and represent the Bank. The Bank representation authority shall be vested upon the Chairman of the Board of Directors and/or in absence of the Chairman of the Board of Directors – the persons specified in Section 8.3 acting jointly, unless specified otherwise in the relevant internal order of the Bank. To prevent any doubts, the Chairman of the Board of Directors and/or in the absence of the Chairman of the Board of Directors – two persons from those specified in Article 8.3 acting jointly (unless specified otherwise in the relevant internal order the Bank), may act on behalf of the Bank without any power of attorney.
- 8.13 The directors make decisions by a simple majority vote. The Chairman of the Board of Directors, or in his absence - any of the Directors, shall chair the meeting of the Board of Directors without a casting vote. The Resolution rendered at the meeting of the Board of Directors shall be executed in writing and signed by the chairman of the meeting.
- 8.14 The Chairman of the Supervisory Board concludes the relevant agreement with the directors. A contract with a director is an employment contract and is governed by applicable law.
- 8.15 The competence of the directors shall be determined by this Charter and the applicable legislation of Georgia. The Supervisory Board is authorized to approve the by-laws of the Bank's managing bodies, which shall determine the rights and obligations of each Director and limitations of their power based on this Charter. Any limitation of right shall affect any third party only if such limitation is envisaged in this Charter or is registered by the LEPL "National Agency of Public Registry".
- 8.16. The Directors ensure the organizational-technical activities of the General Meeting of Shareholders, Audit Committee and the Supervisory Board.
- 8.17 The director is obliged to manage the affairs of the bank in a lawful and conscientious manner, in particular, to take care of it in the same way as an ordinary, sensible person would take care of/ act in the same belief, believing that his actions are most economically beneficial for the company.
- 8.18 The Director shall be liable to the Bank for the damage caused by the non-fulfilment of the duty of good faith. It is inadmissible to limit the director's liability for intentional non-performance of this duty.
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8.19 The duty of care is not violated and the Director is not obliged to compensate for the damage caused to the bank by the entrepreneurial decision made by him, if the director could reasonably assume that he made the entrepreneurial decision based on sufficient and reliable information, in the interests of the company, independently and without a conflict of interest and influence of others. This rule does not apply when an entrepreneurial decision is made in violation of the obligations provided by law or this Charter.

8.20. In the event of actions or omissions of several directors, they are jointly and severally liable to the Bank.

8.21 The directors are responsible for improper fulfillment of their obligations to the Bank.

8.22. The director is obliged to comply with the requirements of the law on conflict of interest. The Director is obliged to inform the General Meeting or the Supervisory Board of the Bank in accordance with the rules established by law as soon as the relevant fact of conflict of interest is reported. In the case of a transaction in respect of which there is a possible conflict of interest, a decision shall be made in accordance with the rules established by law.

8.23. The powers of the Supervisory Board may be delegated to the Board of Directors in accordance with the legislation of Georgia.

Article 9.

Audit Committee

9.1. The Audit Committee of the Bank consists of at least 3 (three) members elected by the Supervisory Board of the Bank (General Meeting of Shareholders pursuant to Article 6.37.17 of this Charter) for a term of 4 years, or for a lesser term determined by the Supervisory Board. Chairman of the Audit Committee is appointed by the Supervisory Board. Any member of the Audit Committee may be re-elected.

9.2. The members of the Audit Committee act autonomously and are not subordinate to, or influenced in the performance of their duties by, members of the Bank's management, Chief Executive Officer or other members of the Board of Directors.

9.3. The Audit Committee acts in compliance with this Charter, effective Georgian legislation and respective regulation approved by the Supervisory Board, and is accountable to the Supervisory Board of the Bank.

9.4. The Audit Committee follows and controls the Bank's business, establishes appropriate accounting procedures and controls the Bank's accounting, supervises compliance with such procedures and audits the Bank's accounts, records and monitors compliance with Georgian law and this Charter.

9.5. The Audit Committee shall:

9.5.1. Establish appropriate rules for accounting controls and oversee their observance and conduct inspection of reporting and accounting records through the Bank's internal audit department;

- 9.5.2. Track the compliance with the current legislation by the Bank;
- 9.5.3. Approve the regulation of the Internal Audit Office of the Bank and organize the functioning of the Internal Audit Office at the Bank;
- 9.5.4. Ensure that the internal audit office is objective and independent from the Bank's Board of Directors;
- 9.5.5. Approve the work plan of the internal audit office for the coming fiscal year, which, as a rule, shall include the exercise of control by the Bank's appropriate bodies over the management of currency, credit, investment, settlement, accounting and other types of risks;
- 9.5.6. Draft quarterly reports and present audit findings and recommendations to the Supervisory Board and the Board of Directors;
- 9.5.7. Monitor the activities of the internal audit office and any and all of its employees, comparing its actual performance against its work plan for each quarter and year; evaluate the performance of the heads of the internal audit office and of individual internal auditors; make appropriate decisions;
- 9.5.8. Ensure cooperation of the internal audit office with other units of the Bank;
- 9.5.9. Facilitate the activities of the external auditors
- 9.6. In order to obtain information needed to perform internal control functions, members of the Audit Committee may have access to any and all business documents. Employees are obligated to provide all accounting and other document and information to any member of the Audit Committee, which such member may reasonably request.
- 9.7. The Audit Committee reports periodically (which shall be at least on a quarterly basis) to the General Meeting of Shareholders and the Supervisory Board on its work.
- 9.8. The Audit Committee meets at least once per quarter or as often as is deemed necessary for proper fulfillment of its duties, or when convened by the Supervisory Board. Decisions shall be taken by a simple majority of the members present. The members present have no right to abstain from voting. The meeting of the Audit Committee is chaired by the chairman.

Article 10.

Profit distribution

- 10.1. Net profit of the Bank shall be formed upon payment of all taxes and other mandatory payments. The distribution of the net profits of the Bank for the respective fiscal year shall be carried out upon the decision of the General Meeting of Shareholders of the Bank.
- 10.2. After all statutory deductions and mandatory payments, the remaining portion of the net profit shall be distributed among the Shareholders according to the respective resolution of the General Meeting of Shareholders. To avoid doubts, the Shareholders are not entitled to any monetary amount or compensation other than the dividends distributed in accordance with Article 10 of this Charter.
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10.3. Within one month after signing of the audited annual financial statements, but in any case at least one month prior to the annual General Meeting of Shareholders, the Board of Directors shall prepare a proposal regarding distribution of profit and submit it to the Supervisory Board for approval. If the proposal on the distribution of profit is agreed upon, the Supervisory Board and the Board of Directors shall submit a joint proposal to the General Meeting of Shareholders. If the Board of Directors and Supervisory Board fail to reach an agreement on distribution of profit, each shall submit separate proposals to the General Meeting of Shareholders. The General Meeting of Shareholders shall finally and independently resolve and determine the issue of distribution of profit based on joint or separate proposals submitted by the Supervisory Board and the Board of Directors.

10.4. The General Meeting of Shareholders shall determine the accounting day for the distribution of dividends, which shall not be later than 15 (fifteen) calendar days after the General Meeting of Shareholders, taking into account that the accounting day shall be a working day. Only the shareholders holding Bank's shares as of the record date will be eligible for dividends in proportion to the number of shares held by them.

10.5. The same General Meeting of Shareholders shall determine the date of payment of dividends. The dividend payout date shall be at least 15 (fifteen) calendar days after the dividend record date, but in any case within two months from the date of the relevant General Meeting of Shareholders.

Article 11.

Bookkeeping, Reporting and Audit

11.1. The Bank is obliged to carry out the accounting and submit the accounting information in accordance with the rules and terms established by the legislation of Georgia.

11.2. The main objectives of accounting are:

11.2.1. The formation of complete and trustworthy information regarding the economic processes and results of economic activities of the society, required for administration and management, and its use for investors, creditors, taxation, finance and banking institutions and other interested entities and persons;

11.2.2. Ensuring control over the use of property, material, financial and labor resources in accordance with the established rules;

11.2.3. Timely detection (prevention) of negative indicators in the economic and financial activities, and mobilization of internal economical resources and reserves in the interest of the Bank.

11.3. The reporting year of the Society begins on the date of its registration and ends on December 31 of the same year. The following economic years shall correspond to the calendar years.

11.4 Bookkeeping shall be maintained in accordance with the legislation of Georgia. The books, records and financial statements of the Bank shall be properly and accurately prepared in accordance with International Financial Reporting Standards ("IFRS") approved by the International Accounting Standards Boards ("IASB") (which include standards and interpretations approved by the IASB and International

Accounting Standards issued under previous composition)(considering its amendments from time to time) and applicable law and such documentation shall be kept at the Bank's principal place of business.

11.5. The Supervisory Board shall annually elect an auditor (external audit), which shall be economically and legally independent from the Bank. The annual audit review conducted by said auditor shall include the accounting procedures, balance sheet and business practice of the Bank and its subsidiaries. Immediately upon completion of the annual audit, the full report shall be submitted to the National Bank of Georgia; the Bank's financial statements and auditor's report shall also be published in accordance with the rules set by the National Bank of Georgia.

Article 12.

Intellectual Property

12.1. Any and all knowledge, inventions, designs, methods, trade-names or trademarks, which are generated and developed by the Bank (the "IP") shall be exclusive property of the Bank. Each Shareholder shall take such safeguards and measures as are necessary to ensure that the rights of the Bank with regard to the IP are protected and cause any person or entity which provides services to the Bank or otherwise permitted access to the IP to sign an irrevocable undertaking to immediately assign to the Bank, upon the Bank's first request, any and all rights, titles and interests in and to the IP.

Article 13.

Confidentiality

13.1. Each of the Shareholders (the "Receiving Party") shall maintain in the strictest confidence all Confidential Information (as such term is hereinafter defined) belonging to or held by the other Shareholders or the Bank (the "Disclosing Party"). For purposes hereof "Confidential Information" shall mean all non-public information, including without limitation all information, data, technology, know-how, inventions, discoveries, designs, processes, formulations, models, prices, marketing, suppliers and sales data, the identity and requirements of customers and prospective or potential customers, methods of doing business, information relating to marketing operations, and/or trade and business secrets, which have been, or may hereafter be, transmitted or otherwise disclosed to the Receiving Party by the Disclosing Party or on its behalf, or which the Receiving Party otherwise acquires from the Disclosing Party. The Receiving Party shall not use any of the Confidential Information for any purpose other than as provided in this Charter and shall not divulge any Confidential Information to any Person without the prior written consent of the Disclosing Party.

13.2. The obligations under Section 13.1 above shall not apply to information which (a) is in, or enters, the public domain otherwise than by reason of a breach hereof; (b) was known to the Receiving Party prior to the disclosure thereof to the Receiving Party as aforesaid, provided that, immediately upon such disclosure, the Receiving Party shall have brought such fact to the attention of the Disclosing Party, and shall have demonstrated in writing that such information was in fact so known to the Receiving Party; (c) is legally transmitted or disclosed to the Receiving Party by a third party which owes no obligation of

confidentiality to the Disclosing Party; or (d) which the Receiving Party is required to disclose pursuant to any applicable law or regulation or under the rules and regulation of any stock exchanges applicable to the Receiving Party or to its affiliates.

Article 14

Termination of the Activities of the Bank

14.1. The Bank's activity shall be terminated in accordance with the applicable laws.

14.2. In case of termination of the Bank's activities or suspension of the banking license, the Bank will be liquidated. A person appointed by the National Bank of Georgia shall act as a liquidator in accordance with the rules set by the National Bank of Georgia and applicable laws. Appointment of a party related to the Bank as a liquidator is prohibited.

14.3. The Bank's activities are terminated through reorganization (merger, acquisition, division, transformation) or liquidation. In case of reorganization of the Bank, all of its rights and obligations shall be transferred to its successor.

Article 15

MISCELLANEOUS

15.1. Indemnification. The Bank shall indemnify each of the Directors and members of the Supervisory Board to the maximum extent permitted under applicable law for any costs, expenses or liabilities incurred by each such Director or member of the Supervisory Board in the course of, or in any way related to, his or her activities or his or her position as a Director/member of the Supervisory Board. The reasonable costs incurred by each Director/member of the Supervisory Board who is not an employee of the Bank in attending a meeting of the Board of Directors, Supervisory Board or a General Meeting of Shareholders (including the reasonable costs of travel and attendance) shall be reimbursed by the Bank.

15.2. Amendment or Modification. This Charter shall not be modified except in a form of a notarized written agreement of the shareholders .

15.3. Assignees. This Charter shall be binding upon Shareholders of the Bank and their legal representatives, successors and permitted assignees and/or any other persons related to them.

15.4. Regulatory Law and Jurisdiction. This Charter shall be governed by and construed in accordance with the laws of Georgia, without regard to conflict of legal principles. In case of any dispute between the Bank's Shareholders and its bodies in connection with the rights and obligations under this Charter or with regards to the interpretation of any of its provisions, the relevant party may refer to the courts in Tbilisi, Georgia. This reservation implies the exclusive jurisdiction of the Tbilisi City Court.

15.5. Severability. To the extent that any provision hereof is unenforceable under applicable law, it shall be replaced by an enforceable provision to the same or the nearest possible equivalent effect. In such event the other provisions hereof shall continue in full force unless the effect of the unenforceability of any

provision, or consequences of its replacement provision, shall be such as to cause a disruption to the essential purpose of this Charter.

15.6. Entry into force. This Charter comes into effect on the day of its registration with the LEPL National Agency of Public Registry.

15.7. Inconsistency. In case of any inconsistency between this Charter and the legislation of Georgia, the Georgian legislation shall prevail.

15.8. Copies. This Charter is made and entered into in 5 (five) copies having equal legal force.

/Signed/

Mir Jamal Hafiz Pashayev

Chairman of the Supervisory Board of the Open Joint Stock Company "PASHA Bank", established and registered under the legislation of the Republic of Azerbaijan

Authority: Fully authorized representative of the founder/sole shareholder

Date: March 15, 2022

Place: City of Baku, Republic of Azerbaijan

/stamped/

Inscription on the seal: Republic of Azerbaijan. Open Joint Stock Company "PASHA Bank".
