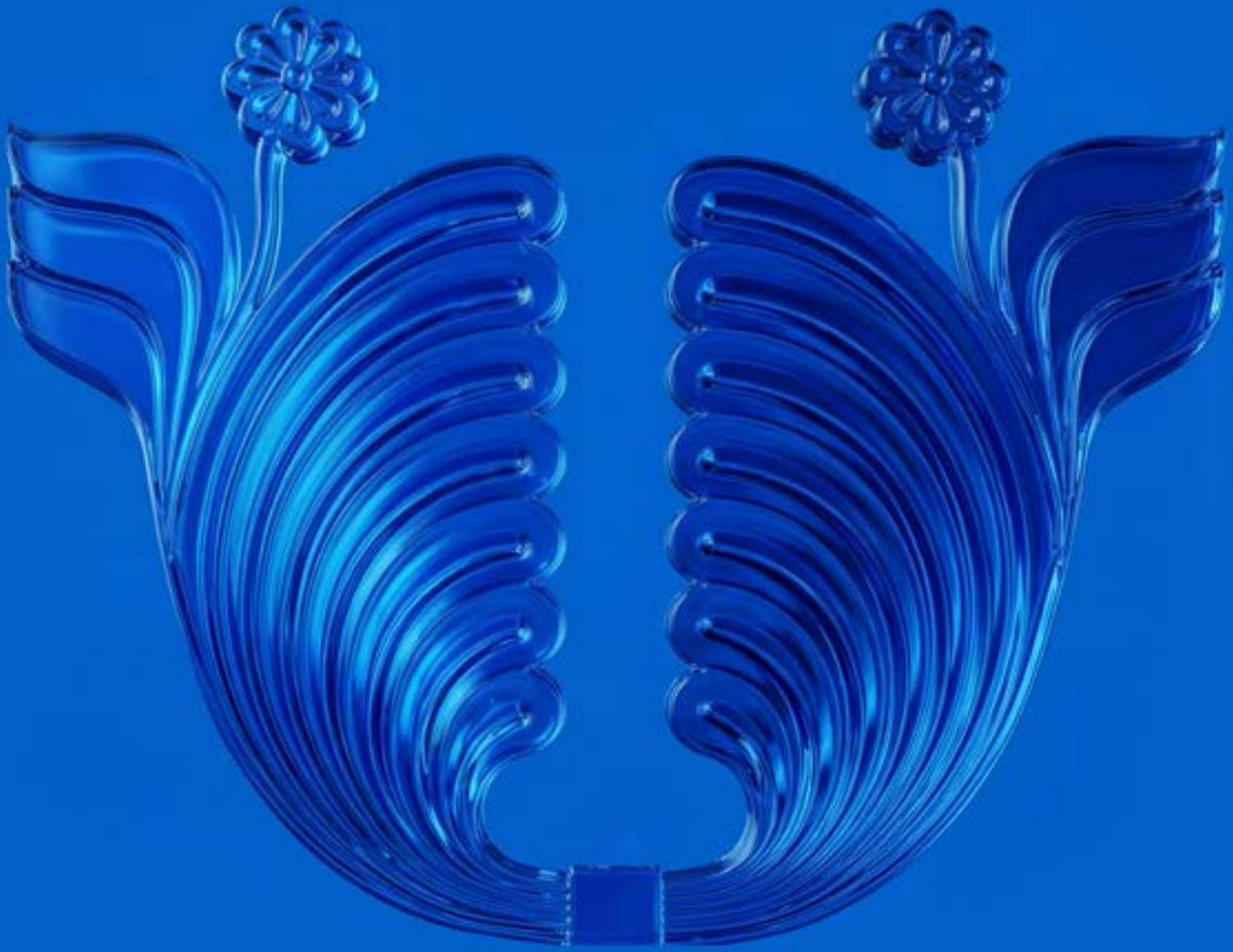
Corporate Governance Report 2025



Ardshinbank

We are strong **together**

Contents

1. Introduction 3
2. Key 2025 Corporate Governance Events 3
3. Administrative-Organizational Structure 5
4. Corporate Governance Structure .....
   - 4.1 General Meeting of Shareholders 5
   - 4.2 The Board .....
   - 4.3 Board Committees .....
   - 4.4 Executive Body: Management Board and Management Board Chairman 11
5. Remuneration of Board and Management Board Members 12
6. Rights Pertaining to Shareholders of the Bank 14
7. Corporate Governance Services Acquired by the Bank 15
8. Corporate Governance Declaration 2025 16

Annexes: 38

Approved by Resolution No. 07/26-04L of the Board of Ardshinbank OJSC dated June 29, 2026.

ARDSHINBANK OJSC

Corporate Governance Report

Reporting year 2025

01 Introduction

Effective Corporate Governance among Key Strategic Issues

Committed to the policies adopted, the open joint-stock company ARDSHINBANK (hereinafter the Bank) attaches a special importance to the formation and development of a sustainable and effective corporate governance system, considering it a pillar for its long-term growth, financial stability and strengthening of confidence among beneficiaries. The Bank builds on adherence to the high standards and ongoing development, perceiving it as an integral component of a responsible, transparent and accountable activity. In this context, the Bank is consistently developing and modernizing its governance system, ensuring its compliance with both the Corporate Governance Code of Armenia (hereinafter the Code) and the best international and leading practices

In the reporting 2025 year, the Bank continued consistent steps towards introducing the best international practices in corporate governance and improving the governance process on an ongoing basis. The underlying activities at the core of these initiatives are ensuring transparency, responsibility and accountability, as well as the strengthening of effective oversight and management mechanisms.

On the basis of these principles, the Bank builds a governance environment which not only fully satisfies all the requirements of the Armenian legislation but also reflects a corporate culture equivalent to the leading international standards, while the Code remains an important landmark for the ongoing development and improvement of the Bank's corporate governance system.

02 Key 2025 Corporate Governance Events

The reporting year 2025 was an important and significant phase in terms of corporate governance in the history of the Bank's development, which was marked with a range of strategic and structural events.

Merger of ARDSHININVESTBANK CJSC (formerly HSBC Bank Armenia CJSC) with the Bank

The merger of ARDSHININVESTBANK CJSC marked the continuation of the Bank's 100% acquisition of HSBC Bank Armenia, a transaction completed in November 2024 and registered by the Central Bank of Armenia on 18.04.2025. As a result of such a merger, the Bank's branch network was expanded with 6 more branches, ensuring the ongoing uninterrupted and regular service of the ARDSHINBANK CJSC clients. The Bank is the full legal successor of ARDSHININVESTBANK CJSC.

Replenishment of the Bank's Charter Capital

For purposes of replenishing the Bank's statutory capital, a decision was made by the shareholders in December 2024 for the release and placement of 495,456 common and 480,000 preferred shares.

The shares were placed in June 2025, resulting in an increase in the Bank's statutory fund by AMD 97,545,600,000 to 200,000,000,000.

As a result, the Bank's statutory capital amounted to:

- 1,500,000 common stocks, each with a face value of AMD 100,000, and
- 500,000 Class B convertible preferred shares, each with a face value of AMD 100,000

As a result of the subsequent registration of ARDSHINBANK OJSC's charter, the Class B shares with a variable dividend were converted into Class A preferred shares with a variable dividend with the same face value and in the same quantity.

Reorganization into an Open Joint-stock Company

Decision no. 2025-4-4 Լ on reorganizing the closed joint-stock company ARDSHINBANK into an open joint-stock company was made as part of the Annual General Meeting of Shareholders on 29.04.2025. Afterwards, under Decision no. 2025-5-2-Լ dated June 20, 2025 by the Special Meeting of Shareholders, the new brand name of ARDSHINBANK OJSC was approved, as well as the share conversion was finalized, maintaining the face value and quantity thereof.

The Charter of ARDSHINBANK OJSC was registered, with the license renewed by the Central Bank of Armenia on November 25, 2025. The reorganized ARDSHINBANK OJSC is the full legal successor of ARDSHINBANK CJSC.

> A more detailed description of the measures implemented is available in the corresponding sections of this report.

Initiatives Towards Developing Corporate Governance Structure

In the reporting year, the Bank continued the initiatives towards the strengthening of corporate culture, efficiency raising in governance and compliance with the best international practice, thereby attaching a special value to the following measures:

- the enhancement of corporate culture continued, involving a gap analysis, attracting independent experts, as well as estbalishing strategic priorities towards raising, on an ongoing basis, the efficiency of governance, transparency and accountability;
- In 2025, the Bank initiated a process for the (self-)evaluation of the Board, attracting assistance by international expert and advisory groups. The initiative is set to continue in 2026 with an aim to further raise the efficiency of the Board's activity, accountability and compliance with the best international practice of corporate governance.

In 2025, the Bank acceded to the Corporate Governance Code of Armenia and conducted a compliance assessment. In respect of the partial non-compliances identified, an action plan was approved by the Board of the Bank. Implementation of the plan was initiated in 2025 and remains ongoing, with the objective of ensuring the Bank's full compliance with the principles of the Corporate Governance Code of Armenia.

The said initiatives were aimed at promoting the ongoing development of the Bank's governance structure, raising the actvity of the Board and developing a governance culture in line with the best international practice.

03 Administrative-Organizational Structure

The Bank's administrative-organizational structure is periodically reviewed and renewed to ensure the efficient organization of management and oversight, business processes and well as the best interest of customers and high quality of service.

In the reporting year 2025, the review of the organizational structure dealt basically with ARDSHINVESTBANK's merger with the ban and the subsequent integration measures.

The Bank's administrative organizational structure, approved under Baord Decision no. 13/25-01L dated 20.11.20, is presented in Annex 1 of this report.

04 Corporate Governance Structure

Under the law of the Republic of Armenia "On Banks and Banking", the law of the Republic of Armenia "On Joint-stock Companies" and the Charter of the Bank, the Bank has the following governance bodies:

- General Meeting of Shareholders of the Bank;
- Board of the Bank
- Management Board as the Bank's collegial executive body
- Chairman of the Management Board as the Bank's sole executive body

4.1 General Meeting of Shareholders

The General Meeting of Shareholders is the Bank's supreme management body which, along with the authorities prescribed by the legislation of the Republic of Armenia and the Charter of the Bank, is responsible also for the strategic trends and fundamental decision-making pertaining to the activities of the Bank.

The scope of competences of the Meeting include, in particular, the approval of the Bank's annual report, establishment of the dividend polices and the decision-making on the distribution of profit, election and appointment of the members of Board and amendments to the statutory capital.

After the alienation of 2,462 common shares and 20,000 preferred shares under its ownership by MBC CJSC, a shareholder of the Bank, in the reporting year 2025, and the full acquisition thereof by Arins Group LLC, another shareholder of the Bank, on April 8 2025, the owners of the common shares of the Bank are:

1. one legal entity – Arins Group LLC, represented by Karen S. Safaryan, President of Arins Management LLC, the managing company
2. dthree individuals – Aram H. Andreasyan, Rudik A. Mkrtumyan and Khachik H. Zakaryan

After increase in the Bank's statutoryu capital via the release and placement of extra shares, as well as registration by the Central Bank of Armenia of the charter of ARDSHINBANK CJSC on June 25, 2025 and the charter of ARDSHINBANK OJSC on November 18, 2025, the participation of the Bank's shareholders in the statutory capital was as follows:

№	Shareholders	Common Shares			
		number	Face Value AMD	Share	
				%	AMD
1	Arins Group LLC	1,483,771	100,000	98.918067%	148,377,100,000
3	Andreasyan A.H.	10,453	100,000	0.696867%	1,045,300,000
4	Mkrtumyan R.A.	2,888	100,000	0.192533%	288,800,000
5	Zakaryan Kh.H.	2,888	100,000	0.192533%	288,800,000
	Total	**1,500,000**	–	**100.00%**	**150,000,000,000**

№	Shareholder	Preferred Shares with Class A Variable Dividend			
		Number	Face Value AMD	Share	
				%	AMD
1	ARDSHINBANK OJSC – owner's securities account	494,807	100,000	98.9614%	49,480,700,000
3	Andreasyan A.H.	3,345	100,000	0.669%	334,500,000
4	Mkrtumyan R.A.	924	100,000	0.1848%	92,400,000
5	Zakaryan Kh.H.	924	100,000	0.1848%	92,400,000
	Total	**500,000**	–	**100.00%**	**50,000,000,000**

The sole participant of Arins Group LLC is Karen S. Safaryan.

Bank shareholder Aram H.Andreasyan. who owns 10,453 (0.696867%) common and 3,345 preferred shares of the Bank, is at the same time a member of the Board of the Bank.

4.2 The Board

The Board is a body exercising the general management of the Bank, responsible for decision-making on issues vested in it, including the formation of the executive body and the internal audit subdivision, coordination of appointments of individuals exercising oversight functions, i.e. - the risk management officer and the compliance officer, and the head of the financial monitoring body, approval of the administrative-organizational structure, etc.

In the reporting year 2025, the Board composition underwent changes. In particular, Garegin Tosunyan was relieved of his duties as a Board member based on his written request in May 2025, and as early as in December, Philippe der Megreditchian was appointed to the Board membership by the Central Bank of Armenia.

As of late 2025, the Board thus had the following composition:

№	First name, last name	Year appointed	Board	Status	
				Independence	Executive/Non-executive
1	Karen S. Safaryan	2003	Chairman	Non-independent	Non-executive
2	Aram H. Andreasyan	2009	Member	Non-independent	Non-executive
3	Vache V. Gabrielyan	2019	Member	Independent	Non-executive
4	Alexander von Gleich	2023	Member	Independent	Non-executive
5	Tigran S. Sargsyan	2022	Member	Independent	Non-executive
6	Philippe der Megreditchian	2025	Member	Independent	Non-executive
	Specific weight	-	-	67%	100%

The Board members' brief biographic records are available in Annex 2 to this report.

The Board members had their independence evaluated and determined based upon the independence criteria elaborated pursuant to the criteria set forth by the Law of the Republic of Armenia on Joint-stock Companies, and incorporated into the regulation of the Bank's Board during the reporting year 2025.

	Independence Criteria	Karen Safaryan	Aram Andreasyan	Vache Gabrielyan	Alexander von Gleich	Tigran Sargsyan	Philippe der Megreditchian
1	not a member of the Management Board of the Bank in the past five years; not an employee of the Bank or any other entity affiliated therewith	V	V	V	V	V	V
2	no remuneration received, directly or indirectly, from the Bank or any entity (entities) affiliated with the Bank in the past five years apart from the remuneration as a Board member provided it does not constitute a significant part of the annual income;	V	V	V	V	V	V
3	no essential business relationship with the Bank and (or) any entity (entities) affiliated with the Bank, directly or indirectly, over the past five years - as a partner, significant shareholder, Board member, member (representative) of the executive body;	X	V	V	V	V	V
4	not an external auditor of the Bank and (or) a shareholder and (or) employee of any entity affiliated therewith in the past five years	V	V	V	V	V	V
5	not a significant shareholder or partner, shareholder, director or managing person of a significant shareholder of the Bank	X	V	V	V	V	V
6	not affiliated with a commercial organization receiving a significant financing from the Bank or a subsidiary thereof;	V	V	V	V	V	V
7	not a participant in the corporatization or pension programs of the Bank or subsidiaries thereof;	V	V	V	V	V	V

8	not an executive director of any other company where any of the managers of the Bank is a Board member;	V	V	V	V	V	V
9	not a family member of any of the individuals specified in clause 1-8 of this list pertaining to the regulations (and not a trustee, trust manager or an executor of the will of a deceased person);	V	V	V	V	V	V
10	Not a Board member of the Bank's Board for more than 6 years over the past 10-year period	X	X	V	V	V	V
11	No direct management of the Bank exercised in the past month as a public servant	V	V	V	V	V	V
		Non-independent	Non-independent	Independent	independent	independent	independent

A Board member shall, throughout his/her tenure, be committed to at least the following norms of ethics set out in the Board regulations:

- **independence:** A Board member shall exercise an independent judgement and guide himself/herself solely by the principles of fair thinking;

- conscientiousness: A Board member shall have the capability of making a constructive criticism of the Management Board's work and provide a detailed analysis of the performance act;

-Identification of a conflict of interest: A Board member shall identify any possible case involving a conflict of interest, avoid accepting third party benefits potentially treated as non-reasonable and entailing a conflict of interest with the Bank or persons affiliated therewith.

- confidentiality: A Board member shall refrain from publishing and/or communicating in any other way any banking and commercial secrecy or any other confidential information to third parties, and shall rule out any use thereof for personal interests;

- efficiency: To ensure a due performance of his/her duties a Board member shall devote sufficient time and attention thereto and invest reasonable efforts;

- professional development: A Board member shall develop his/her skills and knowledge and ensure professional development on an ongoing basis;

A Board member shall, apart from the norms of ethics mentioned above:

- balance any possible bias by non-independent Board members;

- In cases determined by the Board, take over for the Chairpersons of the Board committees.

The Board composition is balanced in terms of the pivotal skills and expertise required for the effective functioning of the members, enabling a maximum effective exercise of functions vested in it0.

The Board members enjoy a high professional reputation and are experienced in successful company management in different areas, as well as equipped with the necessary skills and expertise in finance and investments and in strategoc planning. In the meantime, they have the necessary knowledge in the special regulations, management and risk evaluation details specific to the banking sector (to assist in a sustainable and effective management of the Bank).

To ensure the ongoing development of corporate culture in the Bank and the due combination of the necessary skills and capacities, as well as to guarantee management stability and continuity in case of perioodic or unplanned changes, the Board approved, pursuant to Decision no. 15/25-13-L dated December 19, 2025, the Board's succession plan as a strategic process.

In the meantime, the Bank adopted policies towards promoting formal and non-formal education, and self-improvement, enabling members of the Board and other employees of the Bank to attend Bank-financed educational, training and professional development programs. This approach is aimed at the ongoing development of management and operational capacities, modernization of professional knowledge and enhancement of corporate governance efficiency.

An efficient organization of the Board's activity ensures the Board members' high-level engagement in the activities of both the Board and the Board Committees. In the meantime, all the necessary conditions, resources and tools are in place to allow for a full-fledged and effective exercise of individual functions by the Board members, contributing to a higher-quality decision making and strengthening of the management efficiency.

In 2025, the Board convened 15 sittings, making 89 decisions.

The agenda of sittings covered a range of sectors of strategic and operational importance for the Bank, including finance, securities market, strategic planning, oversight and accountability, outcomes of internal and external audits, as well as submission of reprots pertaining to individuals in charge of the risk management and compliance functions, and the financial monitoring bodies.

Additionally, the Board decisions addressed the appointment and remuneration of members of the Bank's management bodies and employees in key managements positions, as well as legal regulations and other regulatory issues.

In the reporting period, the Board addressed, in particular, the following issues:



In the reporting year 2025, the Board did not conclude any transaction involving a member's bias.

The sittings in 2025 recorded almost a 100% participation of the Board members. The agenda discussions involved an active and meaningful debate, considering the opinions and proposals of each Board member.

4.3 Board Committees

To ensure an efficient organization of work, the Board of the Bank has created Committees and collegial bodies vested with the power of a consultative decision-making, The following collegial bodies functioned in 2024 with a composition approved under Board Decision No. 06/24-10 dated 11.06.2024.

In 2025, the Board Committees functioned in the following composition:

№	Strategy Committee	HR Policy and Motivation Committee	Audit and Risks Committee	Corporate Management and Methodology Committee
1	Karen S. Safaryan (Chairman)	Karen S. Safaryan (Acting Chairman)	Alexander von Gleich (Chairman)	Aram H. Andreasyan (Chairman)
2	Vache V. Gabrielyan	Aram H. Andreasyan	Karen S. Safaryan	Vache V. Gabrielyan
3	Alexander von Gleich	Olga M. Gasparyan	Aram H. Andreasyan	

The Committees' work may involve also advisors and experts with the right to an advisory vote, In particular, under a Board decision on the approval of the Audit and Risk Committee's composition, Olga M. Gasparyan is also involved as a permanent advisor

In the reporting year 2025, the Board Committees conducted the following number of sessions, the quarterly reports whereon were submitted to the Board. All Committee meetings were convened with members participating either in person and/or through electronic means of communication. In all cases, the attendance rate of Committee members was 100%.

h/h	Committee	Actual number of members	Number of sessions
1	Audit and Risk Committee	3 members	106
2	Human Resource Policy and Motivation Committee	3 members	18
3	Corporate Governnce and Methodology Committtee	2 members	9
4	Strategy Committee	3 members	6

The Committee sessions were, upon necessity, convened on the initiative of the Commitee Chairman, and/or a Committee member, and/or an interested subdivision of the Bank. The Committee Chairman gave a notice thereon to the other Committee members and advisors, and experts, in person or through the Secretary of the Committee.

To assist in an ongoing enhancement in the Bank's corporate governance structure, as well as ensure compliance with the legislation of Armenia and the best international practice in the field of corporate governance, the regulations of the Audit and Risk Committee, as well as the Human Resource Policy and the Motivation Committee were revised in 2025. As part of the reviews, the requirements set for the Committees' composition were clarified and fixed, and their competences and objecives were revised and edited towards promoting a higher efficiency in the Committees' work and the strengthening of oversight functions.

4.4 Executive Body: Management Board and Management Board Chairman

The Management Board of the Bank and the Chairman of the Management Board excercise the management of the Bank's current activity in the capacity of a collegial body and a sole executive body, respectively, making decisions in accordance with the legislation and the Charter of the Bank, on issues not vested in the General Meeting of Shareholders and the Board.

The competences of the Chairman of the Management Board are distinct from those of the Management Board as laid out in Chapters 31 and 32 of the Charter.

In the reporting year 2025, a number of changes were made in the composition of the Management Board. New members such as Rustam Badasyan and Garegin Gevorgyan, as well as Mihran Muradyan joined the Management Board in the capacity of a Legal Affairs Director, Financial Director and SME Business Director, respectively. After the termination of Artak Khachatryan's duties as the Retail Business Director. Muradyan took over for him, handing over his duties of SME Business Director to Aram Pinajyan. In the meantime, also Armine Khachatryan was involved in the Management Board, replacing the Chief Accountant, Hovhannes Mkrichian, who was relieved on duties based on his written request.

As of late 2025, the Board had the following composition:

	Firs Name, Last Name	Title	Date appointed as Management Board member (Chairman/ Deputy Chairman)
1	Artak K. Ananyan	Chairman of the Management Board	2018[1]
2	Gyulazyan Artur, Eduard	Deputy Chairman of Management Board, Private Banking Director	2013
3	David R. Sargsyan	Deputy Chairman of the Management Board, Investment Business Director	2014
4	Lusine R. Nersisyan	Member of the Management Board, Risk Management Director	2023[2]
5	Armen A. Gasparyan	Member of the Management Board, Corporate Business Director	2015
6	Harutyunyan Z. Ispiryan	Member of the Management Board, Digitization and Talent Management Director	2015
7	Rust am V. Badasyan	Member of the Management Board, Legal Affairs Director	2025
8	Armine S. Khachatryan	Member of the Management Board, Chief Accountant	2025
7	Mihran G. Muradyan	Member of the Management Board, Retail Business Director	2025
8	Garegin A. Gevorgyan	Member of the Management Board. Financial Director	2025
9.	Aram E. Pinajyan	Member of the Management Board, SME Business Director	2025

The brief biographic records of the Management Board members are available in Annex 3 to this report.

1 From 2012 onwards: Deputy Chairman of the Management Board, Non-Core Assets Management Director
2 2017: Chief Accountant 2018 – Head of Internal Audit

05 Remuneration of Board and Management Board Members

ARDSHINBANK OJSC has adopted remuneration and motivation policies commensurate with the outcome secured by employees. It is adequately reflected also in the internal legal acts governing any relationship stemming from such remuneration and promotion.

The Charter and the Board Regulations set out the terms and procedures for the remuneration of the Chairman of the Management Board, the Deputy thereof and other Management Board members.

Under the Board Regulations, the procedure for the remuneration and (or) compensation and (or) payment of Board members is established annually based on the decision made at the Annual General Meeting.

Sustainability: A Board member's salary shall not be made contingent upon short-term targets and goals.

Predictability: The remuneration structure shall be simple, predictable and stable in the long run.

Proportionality: Remuneration may be commensurate to the Board members' scope of responsibility, time period assigned for the perfomance of the assignments within membership (chairmanship) of the Board Committees, complexity of the sphere of coordination assigned to the Board member, as well as the degree of the Board member's personal particiption in the Bank's long-term development.

Competitiveness: The remuneration criteria shall be periodically reviewed considering the market conditions, the Bank's strategy and development of management.

Consistency with corporate governance: The remuneration system shall stem from the Bank's governance structure and general principle of the corporate governance.

The Board may submit its proposals regarding the amount and procedure for the remuneration and (or) compensation of Board members for consideration by the General Meeting. The mechanism for establishing the remuneration amount for Board Members by the General Assembly shall ensure the independence of the Board members' actions. Furthermore, a Board member may be offered extra remuneration for active work, participation in Board Committees, discipline, and any other positive outcome secured.

Under the regulations of the Management Board, the salary and equivalent pays intended for the Management Board member are guaranteed remunerations for the performance of specific obligatons reserved in them (determined depending on the degree of the Board member's participation in the implementation of the Bank's strategic goals and performance plan as approved by the Board, role, responsibility level, professional expertise, remuneration criteria compatible with the developed market trends, as well as the quarterly reports and development outlooks submitted by the Chairman of the Management Board and the Chief Accountant in a manner and within the timeframes prescribed by law and stipulated under the employment contract between the Bank and the Management Board member).

External Audit of the Bank

The process for the selection of an independent audit company conducting the financial-economic auditing of the Bank is established under CBA Board Regulation 22, Criteria for Individuals Conducting an Audit of Financial Companies' Financial-Economic Activitiy, the Order for the Selection of an External Auditing Company, approved by the Bank's Board and the Procedure for the Selection of an External Audit Company approved by the Management Board.

ARDSHINBANK OJSC approved the closed joint-stock company Ernst and Young as the entity conduct-

ing an audit of the financial-economic activity in the reporting year 2025 pursuant to Portocol No. 2 on the Outcomes of the Contest (subject to Decision no. 11/25-01 dated 04.09.2025 adopted by the Special General Meeting of Shareholders with a preliminary approval issued on 13.08.2025 under decision no., 82-1 by the Audit and Risk Committee based on a proposal submitted pursuant to Board decision no. 11/25-01 dated 04.09.2025), with the established remuneration amount being AMD90,000,000 (VAT excluded) under the above-mentioned Board decision.

The auditing organization shall be checked for independence and evaluated for compliance with the financial and technical criteria under the Bank's internal legal acts as part of a competition declared by the External Audit organization's selection contest committee.

As an approved company, Ernst and Young, was analyzed and evaluated subject to the requirements of Regulation 22 and the following criteria set forth in Clause 5.6 of the Procedure for the Selection of an External Auditing organization.

Independence criteria:

- The audit organization shall not conduct the financial-economic auditing of the Bank for more than 6 years consecutively;
- the auditing officer in the given auditing organization shall not conduct the auditing of the Bank for more than 3 years consecutively;
- an audit organization, which conducted the financial-economic auditing of the Bank for more than 6 years consecutively, shall not conduct an auditing of the Bank more 3 years the minimum.

Technical criteria:

- the auditing organization's esteem (reputation);
- the auditing organization's work experience;
- qualification level and work experience of the auditing officer based on his/her experience and length of service in bank auditing, qualification and professional training certificates;
- qualification level and experience of the individuals participating in auditing based on experience and length of service in bank auditing, qualification and professional training certificates;
- Cooperation with the Bank based on the experience between the Bank and the auditing organization, in particular, the quality of previous auditing services by the latter.

Financial criteria:

- auditing service costs, i.e. – the taxes and expenditures, and the net audit value included;
- forms of payment for an auditing service (prepayment, after the signing of performance acts; in instalments);
- Insurance against failure of professional activity or non-performance of obligations (in the form of a claim for a sufficient risk remedy).

06 Rights Pertaining to Shareholders of the Bank

The rights of the shareholders owning simple and preferential shares of the Bank are set forth in Chapters 9 and 11 of the Charter, in particular:

The owners of simple shares of the Bank are entitled:

1. to attend, in person or via a proxy, the General Assemblies, and vote on issues vested with the powers thereof;
2. to exercise their right to vote during the voting commensurately with the number of shares fully paid by themselves;
3. to participate, in person or via a proxy, in the Bank's management;
4. to receive dividends in a manner prescribed by the Charter;
5. in the event of the dissolution of the Bank, to receive their due property share;
6. to exercise the preferential right to acquire extra shares sold by the Bank shareholder commensurately with the shares under their ownership;
7. In the cases and in a manner prescribed by the legislation of Armenia, to receive information on the Bank's activity;
8. to receive the copies of the Bank's latest annual report and external audit conclusion, get familiarized with the minutes by the counting commission;
9. to file appeals with the court against decisions adopted in violation of the requirements of the legislation of Armenia
10. to donate or otherwise transfer gratuitously the Bank's shares under their ownership;
11. to sell or otherwise transfer to other persons, non-gratuitously, the Bank's shares under their ownership
12. to request the Bank to repurchase their shares in the cases and in a manner prescribed by the legislation of the Republic of Armenia, and the Charter;
13. to get familiar with the list of individuals entitled to attend the General Assembly;
14. In case of possession of 2 (two) and more per cent of the Bank's placed common shares, to submit, within 30 (thirty) days after the end of the fiscal year, no more than two proposals on the annual meeting agenda, as well as propose candidates for Board membership;
15. In case of possession of at least 5 (five) per cent of the Bank's placed voting shares:

- to call for convening the Board to discuss the questions in the claim;
- to call for a financial-economic inspection of the Bank by an external auditor. In that case, the Bank's external auditor shall be elected, contracted and remunerated for services by the shareholders requesting such an inspection. In the meantime, they may request the Bank to cover their expenses provided the inspection was justified for the Bank by the General Assembly.

16. In the event of possession of 10 (ten) or more per cent of the Bank's placed voting shares as of the date of drafting the list of the shareholders entitled to attend the General Assembly:

- to be involved in the Board or to appoint their representative therein without election;
- to call for convening a special General Meeting of the Bank's shareholders, and in cases prescribed by Clause 18.9 of the Charter – also to convene a General meeting independently;

17. To exercise other rights vested in them under the legislation of Armenia, the Charter and the General Asssembly decisions adopted within their power.

The shareholders owning preferential shares of the Bank are entitled:

- to receive dividends in a manner prescribed by the Charter;
- to exercise other powers vested in them under the legislation of Armenia.

07 Corporate Governance Services Acquired by the Bank

The cooperation between the Bank and Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., Dutch Entrepreneurial Development Bank (FMO), dating back to late 2023, encompasses consultative activities aimed at the evaluation and improvement of corporate governance, and environmental and social governance systems.

The FMO experts studied the Bank's corporate governance system, as well as the environmental and social governance system launched in the Bank since mid-2022. The consultative activities continued for more than six months, with two FMO professional teams - corporate governance experts and a group specializing in environmental and social management - collaborating with the Bank.

As a result of the study, the FMO experts offered the Bank a plan for the improvement of the Bank's corporate governance, as well as a plan to enhance the environmental and social management with an aim to align the existing systems in the Bank with the best international practice and criteria.

The submitted documents were approved by the Bank's Executive Body and Board, assigning specific responsible officers and timeframes for each activity. Currently, the activities envisioned under the program have been largely completed, with the rest still being in a process of incorporation as scheduled.

Under FMO's consulting, Durdona Kadirova from Silk Road Group BV was elected as an External Evaluator assisting in the Board's (self-)evaluation process ((since June 2025, she conducted a comperehensive analysis of the Bank's corporate system and culture, as well as the organization of the Board and Board Committees' work, submitting a corresponding report to the Board in early 2026))

The continuous enhancement of the Bank's corporate governance framework and its alignment with international best practices remain among the Bank's strategic priorities. To this end, the Bank regularly evaluates and further develops the effectiveness of its governing bodies, business processes, and control mechanisms.

Within this framework, the Bank engaged a highly reputable and experienced international consulting firm to prepare an IPO Readiness Gap Analysis report, with the objective of assessing the Bank's corporate governance, control, and operational frameworks against international best practices and the expected standards applicable to a publicly listed company. The assessment aimed to identify potential gaps, determine key areas for further development, and support the continuous improvement process based on the recommendations provided and internationally recognized best practices.

The analysis was conducted across the following key areas:

- Corporate governance and external relations,
- Risk management, internal control, and internal audit,
- Accountability and accounting,
- Information technology,
- Taxes.

The results of this comprehensive assessment were received by the Bank in mid-2025. Since then, intensive and consistent efforts have been undertaken to further strengthen and enhance the Bank's corporate governance framework, control environment, and internal processes.

Through this approach, the Bank reaffirms its commitment not only to ensuring compliance with applicable national legislation and regulatory requirements, but also to adopting international best practices and leading standards in corporate governance and pursuing their continuous advancement. The Bank views these principles as key benchmarks guiding its long-term strategic development and sustainable growth.

08 Corporate Governance Declaration 2025

ARDSHINBANK OPEN JOINT-STOCK COMPANY

ANNUAL CORPORATE GOVERNANCE DECLARATION 2025

CHAPTER 1: PRINCIPAL RIGHTS OF PARTICIPANTS, EQUAL TREATMENT OF PARTICIPANTS AND OBLIGATIONS PERTAINING TO SIGNIFICANT PARTICIPANTS

Principal 1.1; Participant's right to take part in the organization's governance

The organization shall to ensure an equal and fair treatment of the owners of all the shares of the same type (class) to enable them to effectively exercise their rights to participate in the organization's governance, develop a justified position on agenda issues and make informed decisions.

The participant shall, within reasonable timeframes, receive sufficient and actual information on the date, place, format and agenda of the general meeting, as well as have the opportunity to get familiarized with the draft decisions, documents and other necessary information pertaining to its agenda.

The date (hour) and place of the general meeting shall not restrict the participant's attendance at the general meeting. The organization shall notify the participants of the plan to convene the meeting at least 21 days in advance of such a planned date.

The notice on conducting the general meeting and the furnishing of information and materials pertaining to its agenda shall enable the participant to duly prepare for the meeting and make informed decisions. An announcement on convening a general meeting shall be published on the organization's website. It shall not substitute the notification method prescribed by the charter and the law.

An electronic submission of the information and materials pertaining to the general meeting agenda is possible if the participant has an uninterrupted access to the corresponding communication channel or the method of such submission is proposed by the participant himself/herself.

The processes, format and procedures pertaining to the general assembly shall ensure an equal treatment of all the members. A participant shall be informed of the rules and procedures of conducting a general meeting, including the voting procedures.

The rules of conducting the general meeting shall ensure a proper counting and registration of votes, as well as a publication of the vote returns within reasonable timeframes. The rules and procedures of conducting a meeting shall be published on the organization's website.

A participant shall have the option to vote in person or by proxy, as well as in absentia or remotely.

To facilitate the participants' attendance and engagement and reduce the cost and time for their participation, the general meeting may be convened remotely or in a hybrid format (combining a joint attendance and remote participation). Such meetings shall be held by ensuring equal access and participation for all the participants.

The roganization shall demonstrate due cuation to prevent remote meetings from reducing possibilities to comminucate with, and ask questions to, members of the Board and the executive body.

Regardless of the procedure of convening the meeting, and the voting, the participants' votes shall be given an equal value.

The organization enables the participant opportunities to ask questions to members of the Board and the executive body, as well as the external auditor (provided a conclusion thereon is available in the materials pertaining to the general meeting).

In case of the impossibility of responding to questions at the general meeting, the response thereto shall be sent to the participant in wiritng and be posted on the organization's website to make it accessible to the other participant (with the exception of confidential information). To ensure the accessibility of the response, the organization may use also other communication media.

Considering the legislative restrictions, participants shall have an opportunity of a mutual exchange at the general meeting provided it is necessary for decision-making on the issue proposed to vote or clarifying the essence of the issue in question.

The general meetings of the Bank's shareholders shall be convened in accordance with the legislation of the Republic of Armenia, **the Charter of the Bank**, as well as the **Order for the Organization and Conduct of a General Assembly of the Bank's Shareholders** (hereinafter also the Order).

The Bank shareholder may, subject to these regulations, exercise his/her rights in person or by proxy. The Bank shall, attaching importance to shareholders' active participation in the company's management, apply the methods of a joint physical attendance, including by a proxy, as well as electronic attendance, or a combination thereof.

Under Clause 20.1, Chapter 20 of the Charter of the Bank, the individuals entitled to attend the general meeting shall be notified of the scheduled meeting, as well as the ballot-papers shall be submitted in any of the following manners: electronic communication, including email, software and application platforms (including mobile phone applications) allowing for verification of the receipt by the addressee, registered mail (with a notice on delivery) or delivery in person 21 (twenty-one) days prior to the date of convening the General Assembly. Meantime, in the event of notification by email, the person shall be deemed notified on the fifth day upon submission of a message to the email provided by himself/herself or the official email address (registered on the official website of the Agency of State Register for Legal Entities, as well as deemed official in any other way) or opened by the Bank in advance for the given person.

The information and materials submitted to shareholders in the process of the preparation for the general meeting shall be sent, in paper format or electronically (submitted) to the shareholders in a manner and subject to procedures for getting familiarized with the information and materials on the issues pertaining to the meeting agenda. The notice on convening a General Asssembly may, alognside with the methods stipulated by the Charter (if envisaged under a Board decision) and - in the event of an annual General Assembly - shall, be given in a public manner by way of publishing an announcement on the Bank website and/or releasing a media report.

The rules and procedures of conducting the general assembly are, inter alia, enshired in Section 5 of the Charter. The Charter is available on the Bank's official website.

The Bank shall, in corporate legal relations, attach a special importance to the diversity of opinions, active and inclusive participation of competent individuals, as well as a thorough problem analysis and the elaboration of comprehensive solutions. In this context, of primary importance is the Bank shareholders' substantial engagement in the Bank's management. The shareholders particpiate in the Bank's management by attending the general meetings and exercising the rights stipulated under the internal legal acts of the Bank.

The Bank, guiding itself by the culture of transparency and confidence, permanently develops and improves on an ongoing basis its communication set of tools, expanding the exchange mechanisms. The Bank invests consistent effirts towards ensuring that the shareholders receive, in a timely manner and a complete form, credible and fact-based information which will serve as a firm basis for an informed and justified decision-making.

Compliance status: full compliance

PRINCIPLE 1.2: Participants' right to name candidates for board membership

The organization's corporate system shall promote the paticipants' effective participation in the process of naming candidates for Board membership and the election of Board members.

To evaluate each candidate's abilities, and compliance with the position proposed, the participant shall, within reasonable timeframes, receive complete and sufficient information on the professional qualification and experience of candidates for Board membership, previously held and current positions, significant participation in the organization and an affiliated entity (entities) thereof.

The election of the Board members shall be vested in the General Assembly and may not be transferred to any other governance body, or the manager of the Bank.

The Bank shareholders who, as of the date of making the list of shareholders entitled to attend the General Meeting, possess at least 10 per cent of the Bank's placed voting shares, are entitled to be represented in the Board without election or to appoint their representative therein. The Bank shareholders who, as of the date of making the list of shareholders entitled to attend the Board meeting, possess up to 10 per cent of the Bank's placed voting shares, may consolidate and in case of replenishing at least 10 per cent of the Bank's voting shares, involve their participant without election by the General Meeting. A representative may be so involved in the Board provided only there is an agreement on creating a group of the Bank shareholders and the General Assembly is notified thereof.

Shareholders possessing less than 10 per cent of the Bank's placed voting shares – provided they have not signed the agreement under the Charter – are entitled, in a manner prescribed by the Charter, to involve a single representative in the Board without election by the General Assembly to represent their interests.

Proposals on candidates to Board membership may be made at the General Assembly by the shareholders, as well as the Board of the Bank. Information pertaining to each candidate, including professional qualification and training, positions held in the past 10 years, date, month and year of appointed (election) to office, re-elections, number of the Bank shares owned (provided those individuals are shareholders of the Bank), information on the legal entities in which the given person holds a managerial office, the nature of that person's relationship with the Bank and individuals associated with the Bank and other data stipulated under the Charter and the internal legal acts, shall be submitted by themselves or the person who proposed them in a manner prescribed by the Charter.

Compliance status: full compliance

PRINCIPLE 1.3 Remuneration for the organization's board and executive body

A participant shall be offered the chance to express an opinion on the Board and the executive body, including by way of voting in the general assembly.

The remuneration of the Board and the executive body shall be consistent with the organization's values, related to the organization's performance records and long-term outcomes, including sustainability targets.

The organization shall have remuneration policies for the Board and the executive body.

The remuneration policies for the Board and the executive body, the remuneration schemes and amendments thereto shall be approved by the general meeting upon the Board's proposal provided that authority is not vested in the Board with respect to the executive body.

The remuneration policies for the Board and the executive body shall be revealed on the organization's website.

The Bank has adopted remuneration and motivation policies commensurate with the employees' records, which also adequately reflected in the internal legal acts regulating the relationships dealing with remunerations and incentives.

The Charter and the Board Regulations set out the terms and conditions for the remuneration of the

Chairman of the Management Board, his deputies and other Board members, and the other managers appointed by the Board.

The procedure for the remuneration of the Board Members are established by the General Assembly in line with the coorporate governance on the basis of such criteria as sustainability, proportionality and competitivenss.

Under the Board Regulations, the amount and procedure for remuneration and (or) compensation of the Board members shall be established on an annual basis subject to the decision made at the Annual General Meeting. The Board may submit to the General Assembly's consideration its proposals on the amount and procedure for the remuneration and (or) compensation paid to the Board members, the mechanism for establishing by the General Assembly the remuneration amount for the Board members shall ensure the possibility of an independent of actions by the Board members. While establishing the remuneration amount for the Board members, the General Assembly may consider the degree of each Board member's personal participation in the activities of the Baord and the Bank's long-term development. It is notable, furthermore, that a Board member may be paid extra remuneration for participation in the Board, discipline and any other positive outcome secured. The member's discipline, activity in the period between sessions, in particular, in searching new trends for the Bank's strategy and development, may serve as quality criteria characterizing the Board member's work.

Under the Charter, the amount of the Board members' salary is established by the General Meeting, with the approval of the terms of remuneration of the Management Board Chairman, his deputies, the chief accountant and other members of the Management Board pertaining to the authority of the Board.

The salary amount, payment timeframes and other terms of remuneration for Management Board members shall be established by the Bank. In the process of the establishment, and review, within the effective period of the conteact the remuneration amount for Board members, the Board may consider also the degree of each Management Board member's personal participation in the Bank's activity and long-term development.

Compliance status: full compliance.

PRINCIPLE 1.4: Participant's right to receive a dividend

The organization shall ensure an equal and fair treatment for the owners of shares of the same type (class) to enable their participation in the distribution of the organization's profit by way of receiving a dividend.

The organization shall adopt dividends payment policies, which shall encompass the dividend payout ratio. It may also equal zero. The dividend payment policies shall be elaborated and approved by the Board.

The dividend payment procedures shall ensure an equal treatment of the owners of shares of the same type (class).

The dividend payment policies shall be published on the Bank's website.

The Dividend Policies approved by the Board of the Bank shall be implemented in accordance with the Charter, the Board Regulations and the procedures prescribed by the Order for Convening and Conducting the General Meeting.

The Bank is independent to decide the principles of its dividend distribution. The Bank's balance and net profit shall be determined in a manner prescribed by the legislation of Armenia. The Bank's net profit (accrued profit) shall remain under the Bank's possession and may, under a decision by the General Meeting, be directed to the formation of reserves and other funds or be distributed among the shareholders in the form of dividends, as well as be used for other purposes in accordance with the legislation of the Republic of Armenia, decisions by the General Meeting and internal legal acts of the Bank.

The Bank is entitled to make (announce) decisions on the payment of quarterly, semi-annual or annual dividends

to its participants. The decision on the payment of annual dividends, the amount of the dividend and the payment form and time period thereof shall be made by the General Meeting on the Board's proposal A decision on the payment of interim (quarterly and semi-annual) dividends, the amount of the dividend and the payment form and time period thereof shall be made by the Board (moreover, the time period for the payment of interim dividend shall be established no earlier than 30 (thirty) days after making the decision).

The dividends for common and preferred stocks of the Bank shall be paid in Armenian Drams (AMD). The amount of the dividend for preferred stocks released by the Bank, the time period and procedure of the payment and settlement thereof are specified in Chapter 9 of the Charter.

The Bank shall publish the Dividend Policies and information on the dividend payment on its website in a manner prescribed by the legislation of Armenia and the internal legal acts of the Bank, thereby ensuring the principle of transparency in the mechanism of payment for dividends.

Compliance status: full compliance. Clause 3.6 of the Dividend Policies).

PRINCIPLE 1.5: Obligation of a significant participant

The organization shall, to the benefit of its significant participants, protect the participants with a small share participation from abuses by immediate significant participants.

A significant participant of the organization shall:
1. disclose his/her possible essential interest of acting, directly or indirectly, on behalf of third parties and avoid participation in a decision-making dealing with the given transaction or issue;
2. disclose his/her association with all the members of the Board and the executive body.

The requirements of the said principle of the Code are stipulated in the orders approved by the Board of the Bank on the Conclusion of Transactions with Individuals Associated with the Bank, and the Prevention and Management of a Conflict of Interest. The specified legal acts establish the order and terms for concluding interested-party transactions and disclosure of information pertaining thereto.

In addition to the afore-mentioned, Chapters 17 and 23 of the Charter define the competences of the General Assembly and the Board on making decisions regarding interested-party transactions as prescribed by Article 39 of the Law of the Republic of Armenia on Banks and Banking

Compliance status: full compliance.

CHAPTER II: THE BOARD

PRINCIPLE II.1: Pivotal functions of the Board

The organization shall be led by an efficient and constructive Board which shall contribute its role to the organization's long-term success, creating values for the participants and assisting the organization's stockholders.

To exercise its role effectively in the organization's corporate governance, the Board shall ensure the exercise of the following key functions:

1. define the organization's goals, principles of activity and corporate values;
2. monitor and guide corporate governance, the main plan of actions, annual budgets and business projects, establish the target performance indicators, oversee the implementation and activity of corporate programs, capital expenditure, procurements and sales;

3. form, exercise, oversee and, upon necessity, terminate, the executive body, determining the remuneration and terms thereof and bring them in compliance with the organization's long-term objectives, including the sustainability targets and oversight of succession (legal succession) planning;
3. remunerate the Board members and submit proposals regarding the terms thereof to the Meeting;
4. ensure the integrity of accounting, and financial and non-financial reporting, including the independence of internal and external audit, corresponding oversight systems, in particular, the management of risks, financial and operational control, and compliance;
6. monitor the governance efficiency and, upon necessity, implement changes;
7. oversee and manage transactions involving a possible conflict of interests between the Board and members

of the executive body and participants, including the unlawful use of the organization's assets and interested-party transactions;
8. oversee the disclosure and communication of information about the organizations, as well as other functions vested in it under other internal legal acts of the organization.

The Board of the Bank has an important role to play in the Bank's long-term strategic guidance, i.e. - ensure the protection of all the beneficiaries. Guiding itself by the principles of responsibility, transparency and accountability, it shall exercise its pivotal functions prescribed by the Code of Corporate Governance of the Republic of Armenia, in particular:

1. Defining the organization's objectives, principles, and corporate values:

The Board shall, as part of the authorities vested in it, exercise the general management of the Bank. The authorities of the Board are prescribed by Chapter 23 of the Charter, the Board Regulations and other internal legal acts of the Bank.

2. Monitoring and guiding corporate governance, key action plans, annual budgets and business programs, defining the target indicators, overseeing the implementation of corporate projects and activities, capital expenditures, procurements and sales;

The Board of the Bank elaborates the Bank's strategic and general economic development policies and establishes a due control over the latter, approving the cost estimate of the Bank's annual expenditures and the performance act thereof.

In elaborating the Bank's strategic development and general economic policies, establishing overall control over the implementation of the latter and defining the prospective and dominant trends of the Bank's activity, the Board shall approve the Bank's strategic program, consider (review) at least annually the Bank's strategy and, upon necessity, any changes therein, and approve the cost estimate of the Bank's annual revenues and expenditures:

3. Forming an executive body, controlling activity, terminating authorities upon necessity, determining remuneration and the terms thereof and bringing it in compliance with the organization's long-term objectives, including stability targets, and controlling succession (legal succession):

The Board establishes the quantitative composition of the Management Board, appoints the Management Board Chairman, his deputies, Board members, the chief accountant, directors, heads of services and departments, prematurely terminates their authorities, as well as defines the terms and procedures of the remuneration of the Management Board Chairman, his deputies and other Board members, and any other managers appointed by the Board:

The Bank has a sustainability strategy which was approved by the Board of the Bank and covers short- and medium term strategic sustainability objectives. The executive Board's remuneration is in a process of being brought in compliance with the sustainability targets.

The 2024 Annual Sustainability Report was approved by the Board of the Bank and later published on the Bank's official website.

For purposes of ensuring an ongoing management and sustainability, the Bank attaches a high priority to the reliable and coordinated planning of succession in the management bodies. The Succession Plan is incorporated into the Corporate Management Enhancement Plan elaborated as part of the strategic cooperation between the Bank and FMO. It was designed considering the Bank's long-term strategic priorities and establishes the Board composition. The requirement for independent Board members, as well as the environmental and social risks have a pivotal role in the program. Additionally, specific gender representation tagets are envisaged to ensure an increase in the number of female members in the Bank's management bodiesj in the nearest future.

4. Submitting proposals to the General Meeting for the remuneration of the Board members, and the terms thereof:

In the exercise of oversight (monitoring) of the activities of the Bank's managing bodies and leaders and evaluate the efficiency thereof, as well as the development of employee motivation and oincentivization system and methods applied, the Board may submit to the General Meeting the proposed terms of remuneration of Board members, and the settlement mechanisms and principles pertaining thereto, adopt decisions on the enforcement of discipline-related responsibility measures and in cases stipulated under the internal legal acts of the Bank, adopt decisions on paying bonuses to employees of specific categories.

4. Ensuring integrity of the accounting, and financial and non-financial accountability, including internal and external audit independence, corresponding oversight systems, in particular, compliance in risk management, financial and operational oversight;

The Board of the Bank shall, inter alia, establish the internal oversight standards in the Bank, appoint the head and members of the Bank's internal audit subdivision, and prematurely terminate their authorities. Approve the annual work programs of the Internal Audit, Compliance and Financial Monitoring, ensure that the person conducting the external audit be introduced to the General Assembly, establish the remuneration amount for the person conducting the Bank's external audit and upon necessity, undertake the measures towards the elimination of the shortcomings identified as a result of other inspections and oversee the implementation thereof.

The Board shall establish the Bank's accounting policy, i.e. – the principles, basis, methods, rules, forms and orders applied for maintaining the accounting and compiling the financial reports.

5. Monitoring the management efficiency and implementing changes upon necessity:

The Board of the Bank shall ensure the efficiency of management, and develop a system of checks and balances in the management system. In the development of an efficient management system in the Bank, creation of a corresponding organizational structure, evaluation of the Bank and the management bodies of the latter (outcomes of activities) and the determination of standards for the formation of a management personnel, the Board shall, among other things, create permanent and (or) interim committees, approve their composition and formation and the internal legal acts governing the activities thereof.

6. Overseeing and managing a possible conflict of interest between the Board and members of the executive body, including an unlawful use of assets and interested-party transactions.

Overseeing transactions involving a possible conflict of interest between the Board and members of the executive body shall be exercised pursuant to the Order for the Prevention and Management of a Conflict of Interests, as well as the Order on the Conclusion of Bank-related Transactions approved by the Board of the Bank. The process for the oversight and management of interested-party transactions shall be regulated under the Charter of the Bank and the laws.

6. Overseeing the disclosure of information about the organization, and communication, as well as other functions vested in them under the organization's internal legal acts.

The Board shall oversee the process of communicating public information by the Board and other bodies and officials. The Bank shall publish and communicate the information in accordance with the legislation of the Republic of Armenia, the requirements set out in Regulation 8/03, the Order for Publication of Information and the procedures adopted pursuant thereto.

Compliance status: full compliance

PRINCIPLE II.2: BOARD COMPOSITION

Board members shall have a variety of mutually complementing professional competences, training and experience. To ensure efficiency in the activities of the Board, objectiveness and balance of decisions, the organization shall ensure diversity in the Board's composition.

To ensure an effective and objective exercise of its role and obligations to lead the organization, the Board shall undertake responsibility for its composition and processes, allowing it to achieve a proper balance of knowledge, skills, experience, diversity and independence therein.

The Board shall encourage diversity among its members, including specialization in narrow fields, experience, age and gender, Moreover, the representation of each gender in the Board shall be no less than 30%.

The Board shall establish the organization's diversity policy which may envision other diversity criteria and targets.

The corporate governance report shall provide a description of the diversity policy, the measure towards the implementation thereof and the performance act, the reasons for a possible failure to meet the targets, and the measures undertaken towards achieving them.

The Board formation policy is incorporated into Chapter 24 of the Charter and the Board Regulations.

The Board is composed of members with a variety of professional expertise, training and experience. The quantitative composition of the Board shall be approved at the annual meeting of shareholders, considering the Bank's long-term strategy and the tasks set by the shareholders' meeting and the Board.

The Bank attaches importance to diversity of opinions, equal rights and accordingly the input of representatives of each gender in the formation and realization of ideas. That postulate shall be approved within the Management Board and the Bank's general system, including the management, attracting an active involvement of representatives of each gender.

As part of the enhancement of the corporate governance system, the Bank's succession plan was developed in 2025 with an aim to ensure the ongoing activities of the Bank upon necessity of periodic and unplanned changes along with enhancing the corporate governance structure in the Bank and ensuring a proper level and combination of skills and capacities in the Board's composition. The Bank's succession plan has set out specific guidelines towards ensuring gender representation in the Bank's board, which shall be minimum 30%, to increase the female members' representation and form a balanced composition.

Compliance status: full compliance

PRINCIPLE II.3: Non-executive board members

The non-executive members of the Board shall, with their constructive behavior, propose tasks to the executive body, guide the organization's strategic development and offer their consultative assistance to the executive body.

Non-executive members shall constitute a majority in the Board.

A non-executive member's role in corporate governance consists mainly in imparting experience to the Board on the following matters:

1. perceiving the challenges facing the organization and assisting in strategic development;
2. overseeing the executive body and evaluating the performance thereof;
3. ensuring the credibility of information, the internal oversight system, reliability of risk management and credibility of financial and non-financial reports;
4. planning the legal succession in the Board and the executive body, forming the evaluation and remuneration policies and systems.

All the Board members shall be non-executive members and shall be independent from the Bank's executive body. The Board shall be composed of six non-executive members.

Compliance status: full compliance.

PRINCIPLE II.4: Independent Board members

The Board shall consider the nomination of independent Board members capable of making independent judgements.

The restrictions towards ensuring the independence of a Board member shall be valid throughout the tenure of the Board member in question.
The Board shall establish rules of conduct applying to an independent Board member and the relationships or circumstances with a potential impact on the Board member provided a neglect thereof may question the fact of the Board member's independence;
At least one third of the Board shall be independent. Whenever one third is not a natural number, the figure closest to one third shall be deemed to be the number of independent members.
An independent Board member shall refrain from any action endangering his/her independence and in case of losing independence, s/he is obliged to notify the Board thereof, revealing the reasons;
The Board shall, in its annual corporate governance report, reveal information about the independent members and their compliance with the independence criteria.

As of the reporting 2025 year, 4 out of the 6 exosting Board members are independent, ensuring the independence of 2/3 of the Board composition and surpassing the requirements set out in both the legislation of Armenia and the internal legal acts of the Bank.

A Board member's independence criterial are set out in the Board regulations.

The criteria were developed based upon both the requirement of the Armenioan legislation and the best international practice, in particular the criteria defined by the Internaional Financial Corporation for an independent Board member,

Compliance status: full compliance

PRINCIPLE II.5: Board Chairman

The Board shall be headed by the Chairman responsible for an effective functioning thereof. The Chairman shall have an independent and unbiased judgement, promote the transparency of the Board and the organization, and shall encourage the culture of debate therein.

The Chairman shall contribute to the development of a constructive relationship between the Board's executive and non-executive members and ensure that the non-executive members receive accurate and essential information for an informed decision-making.

The Board Chairman shall be a non-executive Board member
The Board Chairman shall

1. establish and approve the Board's agenda;
2. promote the culture of diversity and inclusivenesss in the Board;
3. encourage engagement by all the members at the Board sittings, relying on their skills, experience and knowledge;
4. promote a relationship based upon mutual respect and open communication among the executive and non-executive members;
5. convene, at least annually, a sitting of non-executive Board members without participation by executive members;
6. develop and strengthen an effective business relationship with the head of the executive body, provide counselling assistance respecting the scope of the latter's responsibility, as well as exercise other functions vested in him/her under internal legal acts of the organization.

The Board Chairman has a pivotal role in guiding the Board, promoting the effective functioning thereof and ensuring strategic control.

Chapter 26 of the Charter and Clause 21 of the Board Regulations set out the competences for the Board Chairman complying, among other things, with the managerial and organizational functions enshrined in Principle II 5 of the Code of Rules.

The Board Chairman is Karen Safaryan who is a non-executive Board member.

The Board Chairman shall plan and organize the activities of the Board, convene and chair the Board sittings, establish the form of conducting those sittings, develop a preliminary agenda of conducting Board sittings, ensure a transparent and open debate over the questions put forward for the sittings and consider the opinions of all the Board members in the elaboration of decisions, sum up the outcomes of the debates, opinions and assignments and sign the decisions adopted based upon the outcomes of the Board sitting. The Board Chairman is also a member of the Board Committees (apart from the Corporate Management and Methological Committee), as well as bears personal responsibility for organization the Board's activity before the General Meeting.

Compliance status: full compliance

PRINCIPLE II.6 Board committees

The Board shall form specialized committees to assist in the implementation of its functions.

The Committees aim to improve the functioning of the Board, and shall provide for a more in-depth expertise of pivotal issues.
The committees have oversight and counselling roles. The Board shall bear full responsibility for its decisions.
The committees shall, for purposes of performing their obligations, have access to the necessary information, receive a corresponding funding and, upon necessity, attract external experts or counsellors;
The committees shall be accountable to the Board and shall submit reports to the latter in a format and at a frequency established by the Board.
The Board shall approve and identify the committee's mission, composition, scope of activities and procedures.
The Board may form auditing, remuneration and appointments committees composed exclusively of non-executive Board members. The Committee chairman shall be elected by the Board.
Depending on the organization's size, structure and sphere of activity or level of development and members' description, the Board may form also other committees, such as those dealing with risk management, strategy, sustainability, etc.
To respond to the special needs or corporate operations, the Board may form interim or special committees to whom the disclosure requirement may not apply.
1) Audit Committee
The majority of the audit committee members shall be independent Board members. The Chairman of the Audit Committee shall be an independent Board member. The titles of the Board Chairman and the Audit Committee Chairman may not be compatible.
Members of the audit committee shall be equipped with knowledge relevant to the areas of the organization's activity. At least one member of the audit committee shall have adequate expertise in finance, auditing or accounting.
The Audit Committee shall:
1. exercise control over the credibility of the official statements concerning the organization's financial reports and the financial and non-financial indicators of activity, and conduct the analysis of the essential judgements contained therein with respect to financial reports;
2. provide counselling on the credibility, balance and comprehensibility of the annual report;
3. provide the participants with information relevant to the evaluation of the organization's positions and performance, business model and strategy;
4. conduct the analysis of the organization's internal financial oversight and internal control and risk management except in the cases when a risk management committee was formed within the organization;
5. conduct the analysis and oversight of the effectiveness of the organization's internal audit functions or in the cases when it hasn't yet been formed, consider annually the necessity thereof and submit to the Board a corresponding proposal;
6.. submit to the Board proposals on the election, re-election, termination, and remuneration of an audit organization.
7. conduct the oversight and analysis of the audit organization's independence and objectiveness;
8. conduct an analysis of the effectiveness of the external auditing, considering the international professional and regulatory requirements;
9. develop policies for involving an audit organization for providing non-audit services and exercising control thereof, considering the influence of non-audit services on the independence of an audit organization, i.e. – the preliminary approval of the list outlining the services in question, as well as other functions vested in it under the internal legal acts.

Committees such as those of Audit and Risks, Human Resource Policy and Motivation, Strategy and Corporate Management and Methodology operate de facto under the Board.

Each committee is vested with oversight functions within the domains of its competences. The proper

exercise of oversight functions underlies relevant terms and authorities, such as requesting, and getting familiarized with, materials, records and reports, involving experts, etc.

The committee decisions shall be consultative in nature. Committee members bear responsibility for the performance of the requirements prescribed under the regulations, the decision made at the committee meetings, the accuracy and credibility of the information contained in the minutes of meetings, and the real damage caused to the Bank due to their intentional actions (inaction).

The formation ad hoc and permanent committees under the Board and the appointment of the members thereof, their formation and the adoption of internal legal acts governing their activity shall pertain to the authorities of the Board

The activities of each committee shall be governed by regulations approved by the Board, establishing the committees' composition, principal goals, procedure for conducting meetings and decision-making, accountability, competences and responsibility.

The Board Committees shall, under the rules of procedure regulating their activity, submit to the Board a consolidated report on a quarterly basis covering their activity over the past quarter.

As part of the ongoing improvement of corporate governance, the Board of the Bank revised the Audit and Risk Committee's rules of procedure in 2025, approving a new composition of the committee, with an independent member appointed the chairman thereof and the rest of the committee being Board members. Under the Board decision on approving the Committee's composition, also a permanent advisor was appointed.

Members of the Audit and Risk Committee have expertise in banking, including finances, with the Committee chairman having sector-specific professional qualification (in economics. audit and law).

The Audit and Risk Committee shall, in a manner prescribed by the internal legal acts of the Bank, exercise the functions stipulated under the Code.

In 2025, the Board revised also the Human Resource Policy and Motivation Committee's rules of procedure as part of its activities towards enhancing the Corporate Governance Process. The process of the succession plans for the Board and Management Board of the Bank was initiated, as well as the competences for Human Resource and Motivation Committee to conduct the Annual Evaluation of the Sucession Plan and ensure its submission to the Board were established.. As a result of the review it was established that the Human Resource and Motivation Committee is composed exclusively of Board memebrs.

Compliance status: full compliance

PRINCIPLE II.7 OBLIGATIONS OF BOARD MEMBERS

Board members shall act in full awareness, in good faith, with due diligence and with good reason in the best interests of the organization and participants and with due regard to the organization's stakeholders.

A Board member shall act in compliance with the legislation and the internal legal acts adopted by the organization.

A Board member shall apply independent judgement upon making decisions.
A Board member shall undertake his/her obligations in an effective manner. S/he shall devote adequate time and attention, and exercise reasonable efforts to ensure a due performance of his/her obligations.
A Board member shall not accept benefits which may be deemed non-reasonable from third parties and which may entail a conflict of interest with the organization or persons associated therewith.
Whenever a Board member pursues a personal bias, directly or indirectly, in a transaction being concluded or an arrangement being reached, by the organization, s/he shall inform the Board thereof prior to the conclusion of such a transaction or entry into such an arrangement and shall not attend the discussion and voting over the decision to conclude the transaction.
A Board member shall, in exercising his/her duties, ensure an equal and fair treatment of all the participants of the same type (class).
A Board member shall assist in the organization's success, considering, inter alia:
the implications of the decisions being made in the long run;
2. the interests of employees;
3. the importance of strengthening the relationship with the customers, suppliers and other persons;

4. the environmental and societal impact of his/her activity;
5. the importance of demonstrating a conduct strengthening the business reputation;
6. the importance of acting fairly.
A Board member shall perform his/her obligations in person. The performance thereof may not be transferred to any other individual.
Regardless of any damages incurred, the organization shall envision remedieis for those members of the Board who make the decision with due diligence, due procedural caution and in full awareness without a conflict of interest, evaluating their impact in an appropriate manner on the organization's long-term success and performance.
The organization shall, at the expense of its resources, insure the Board members' liability risk.

The members of the Board of the Bank shall act within the competences prescribed by the legislation of the Republic of Armenia and the internal legal acts of the Bank. The activity of the Board members shall be ongoing and shall not be restricted to attendance at the Board sittings. They shall act in good faith, within their competence and in line with the Board's goals and objectives. The rights and obligations of the Board members are set out in the Board regulations.

Board members shall devote sufficient time and efforts to the performance of their obligations in an appropriate manner. The primary position held in the banking sector of the Republic of Armenia is a clear-cut indicator of a due practice by the Bank's management bodies and members thereof.

Unlike the shareholders who may ensure their attendance at the general meeting by proxy, the Board members shall attend the sitting in person and may not delegate their authorities to any other person. In the event of the impossibility to attend the Board meetings, they may submit their opinion in writing about the issues under discussion. The transfer of the vote and ballot to another person (including a Board member) shall not be permitted.

Compliance status: full compliance.

PRINCIPLE II.8: Ethical commitment of the Board

The Board shall adhere to high ethical standards.

Adherence to high ethical standards is in the organization's long-term interests, contributing to the strengthening of confidence therein and an increase in the reputation thereof.
The Board shall commit itself to ensuring the organization's ethical and anti-corruption compliance through the launch of a compliance program and the exercise of oversight thereof.
The Board shall approve the organization's corporate code of conduct, and the policies promoting the organization's ethical and anti-corruption compliance.
The Board shall ensure that the corporate code of conduct and policies comprise the principles and rules of communicating with the organization's stakeholders and the society at large.
The Board shall follow that the organization's corporate code of conduct and policies be accessible to the employees and the stakeholders.

The Board Regulations outline the principal goals of the Board, including the process of ensuring efficiency, the formation of a system of checks and balances in the management, and the formation of the Bank's corporate values and corporate culture, their disposal and practical application. The Board's objectives comprise, inter alia, the launch of an efficient system of the Bank's internal oversight and the implementation thereof, oversight of the activities of the Bank's executive and management bodies and top management, formation and launch of corporate governance bodies, including the rules of ethics and professional conduct and behavior.

The Board has adopted a range of internal legal acts, more notably the Anti-Corruption Policy, the Order for the Prevention and Management of Conflicts of Interest and the Order for the Prevention of Money Laundering and Terrorist Financing and the Bank's Human Resource Management Policy.

On the basis thereof, the Board has adopted working legal acts, including those governing ethical relations within the Bank's system (the Personnel Recruitment and Adaptation Order, the Personnel Competency Management Order, the Incentives and Remuneration Management Procedure, the Business Ethics and Corporate Code of Conduct) for Employees, and other legal acts.

The fundamentals of the Bank's corporate code of conduct and polices are incorporated into the Charter, which is posted on the Bank's website in three languages. The code of business ethics and corporate conduct applying to employees of the Bank is also available on ether Bank's official website.

Compliance status: full compliance

PRINCIPLE II.9 Board members' rights to obtain information and professional counselling

To ensure a due performance of his/her liabilities, a Board member shall have access to, and be confident that s/he receives, actual, credible and relevant information. Upon necessity, s/he shall have the option to engage an external independent counselling at the expense of the organization's resources.

The corporate secretary, the internal auditor, and the risk management and compliance function contribute to an informed decision-making by the Board members.
To ensure a due performance of his/he obligations, a non-executive Board member shall be entitled to call for attracting an independent external counsellor at the expense of the organization's resources.

The legal relationships outlining the procedures for convening Board sittings and issuing Board members a notice thereof shall be governed by the Charter, as well as internal legal acts governing the Board's activity. The Board regulations set out the rights for the Board member to request and receive any information (documents and materials) from the Bank's bodies, managing persons and employees in a manner prescribed by the legislation and the legal acts of the Republic of Armenia, the Charter, the regulations and other internal legal acts of the Bank.

The individuals ensuring the registration and maintenance of minutes of the Board decisions, sittings and other documents, including Board Committee documents shall, upon the request of a Board member, immediately provide him /her with the verified copies thereof.

Bank officials shall, at the request of a Board member, provide the Board member within five (5) days with information known to them—both related and unrelated to the Bank's activities –as may be necessary to the exercise of his/her functions.

Quarterly reports shall be submitted to the Board by the Bank's Management Board Chairman, Chief Accountant, internal audit subdivision, risk management and compliance officers and financial monitoring subdivision.

Additionally, the issues subject to the Board's regulations shall be considered in advance in the sectoral committees comprising Board members. The Board members shall have daily access to the Board secretary, as well as other competent persons with knowledge of the issues within the realm of their interests.

The Board may, in the course of its activity, involve experts with the corresponding qualification, counsellors and (or) expert (counselling) organizations.

Compliance status: full compliance

PRINCIPLE II.10: Evaluation of the Board

The Board shall evaluate its performance on a regular basis and determine the adequacy of combining the expertise and abilities of its members.

The evolution of the Board is aimed at identifying the Board on the whole and each member thereof in terms of the ability to act efficiently.
The performance of the Board, its committees, chairman and members are subject to evaluation.
The Board shall be evaluated by an external evaluator at least every five years. The Board shall devote at least one session annually to the evaluation of its own activity.
Whenever the activity of the Board is evaluated by an external evaluator, the information thereon shall be disclosed in the organization's corporate management report along with the statement on having any contact (absence thereof) with the organization or the Board members. Under the Board's decision, the information on the evaluation thereof, including the outcomes, may be disclosed in the organization's corporate governance report.

The Board shall, at least on an annual basis, regularly evaluate its performance and determine the adequacy of the expertise and capabilities of its members. The evaluation process may involve an external assessor.

A complete evaluation of the Board's activity shall be conducted by the General Assembly to which the Chairperson shall submit a summary report covering the activities by the current Board composition (Board-approved evaluation) and the outlook.

Under Board decision No. 08/25-05-L dated 29.05.2025, an external evaluating company, (Silk Road Group BV (represented by Durdona Kadirova), was involved to organize the self-evaluation of the Bank's Board with a due degree of objectiveness. The selection of a corresponding specialist from an external supporting organization was made in consultation with FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V., Dutch Entrepreneurial Development Bank, securing a top-tier international expertise.

Under the Board-approved evaluation program, the evaluation enabled the Board to assess its overall efficiency, the committees' work, the engagement of separate members, as well as the overall level of corporate governance in the Bank. The results are submitted as of early 2026.

Compliance status: full compliance

PRINCIPLE II.11: Ongoing professional development of board members and orientation for new board members

The Board shall ensure the compliance of its expertise and activity with the organization's growth and structural complication.

The Board shall ensure its members' ongoing professional development.
The Board shall conduct introductory classes for its new members to introduce the sphere of the organization's activity and competitive environment, the organization's management and corporate structure and the composition of executive body, including the pivotal employees, the specificities of the organization's structural model, the manufacturing (services), technological, financial, social and environmental processes, the main risks, the legal domain governing the sphere of the organization's activity, the principal framework of customers. Partners and other stakeholders, as well as any other information that the Board may deem essential.
The Board members and other employees of the Bank shall have an opportuntiy to attend educational and training programs, at the expense of the Bank's resources. The Bank has adopted a formal and non-formal eduaction and self-improvement policy.

To ensure a rapid adaptation of new Board members, as well as employees, the Bank implements a range of programs. To introduce the Bank's specificities, characteristic risks and priorities and to ensure other necesssary expertise, meetings shall be organized with the Bank's competent officials.

The Corporate Secretary shall ex-officio provide a legal counselling for the new Board members, especially the new members.

Compliance status: full compliance

PRINCIPLE II.12: Nomination of Board members

The processes for the nomination and election of Board members shall be transparent and regulated. The selection of Board members shall rely on objective criteria.

The composition of the Board shall be renewed periodically to guarantee that the Board has sufficient capacities to react to the rapidly changing challenges. A renewed mindset and approaches shall be balanced with the experience of acting in the organization.
The Board shall plan its succession (legal succession).
The planning of the Board's succession (legal succession) shall rely on the organization's strategy and the outcomes of the Board's evaluation
A search for a non-executive Board member may be conducted via public advertising or by an external counselor in-

volving a person providing services with respect to the involvement of a Board member.
Whenever the Board involves an external counsellor, the information on the latter shall be revealed in the corporate governance report along with a statement on any association (absence thereof) with the organization or Board members and the executive body.
Whenever an executive Board member is on the potential candidates' list (re-elected), the Board shall submit a due justification thereof.
The processes for the election and nomination of Board members are described in Sub-Clause 5, Clause 17,1, as well as Chapter 25 of the Charter. The composition of the Board shall be established and the members shall be elected by a majority of votes at the annual General Assembly of shareholders.

The Board members' data shall be published on the Bank's official website and shall be incorporated also into the Corporate Governance Report.

The Bank attaches a high priority to a reliable and coordinating succession planning. As a component of an ongoing enhancement of the Bank's corporate management strucutre, the Bank's succession planning undergoes improvement as well.

Compliance status: full compliance

CHAPTER III: INTERNAL OVERSIGHT, RISK MANAGEMENT AND INTERNAL AUDIT

PRINCIPLE III.1: Internal oversight

The organization shall have effective processes and procedures of internal oversight to ensure the integrity of financial, non-financial and accounting information, to promote accountability and to prevent fraud.

Internal oversight aims to ensure the effective management of the organization's resources, the accuracy and integrity of the reports, the observance of laws and regulations, the prevention of fraud and errors, presentation of an objective, fair and clear outlook of the organization's current status and perspectives.
The organization's executive body shall ensure the formation and maintenance of an efficient system within the organization of an internal oversight established by the Board.
The Bank has a comprehensive internal oversight system aiming to ensure the integrity and credibility of financial reports, promoting operational efficiency, ensuring compliance with the legal and oversight requirements, as well as reducing the risk of fraud and errors.

The individuals exercising an overnight function shall conduct an oversight, each within the internal legal acts regulating their sector, and shall be accountable to the superior governing bodies. The internal oversight includes the basic principles: clearly defined obligations at all the levels of the Bank, independent oversight mechanisms to ensure a due level of objectiveness, and an ongoing monitoring and accountability.

The internal oversight system includes the internal oversight of the Bank's Head Office and branches, particular:

- The managing bodies of the Bank (General Meeting, Board, Management Board Chairman and Management Board, including Chief Accountant and deputies);
- Heads of the Bank's branches (deputies);
- Head of the Bank's Internal Audit subdivision and employees;
- Subdivisions and individuals responsible for the Bank's risk management, compliance and financial monitoring functions;
- Heads of separate subdivisions of the Bank and other Bank employees;
- The Bank's external audit officer
- The Bank addresses the oversight functions at separate levels of the oversight system in the thematic sections of the Declaration,

The Bank improves its internal oversight system on an ongoing basis, ensuring the development thereof in line with the Bank's growth, the legislative reforms, the beneficiaries' expectations and the emerging risks and challenges.

Compliance status: full compliance

Principle III.2: Organization's Risk Management

The organization shall have a risk management function which shall, effectively and completely, enable the implementation of the risk management strategy, ensure the accountability and communication on the organization's risks, as well as generate reasonable expectations for the organization to achieve its strategic goals.

The appointment of a risk management officer for the organization, the termination of his/her powers, approval of remuneration terms, application of incentives and disciplinary liability measures shall be carried out by the executive body of the organization, upon the Board's consent.
The knowledge and skills of the risk management officer shall be appropriate to the position held, and s/he shall have a clear understanding of his/her role in corporate governance.
The risk management officer shall:
1. identify and assess essential risks specific to the activities of the organization and support the effective management thereof;
2. oversee the risk management process to make sure that the risk management is conducted within the realm of the organization's risk management culture, risk appetite and risk limits
3. develop a system for the early detection and prevention of violations;
4. ensure the risk management-related accountability and communication;
5. submit proposals on the risk management strategy, risk appetite and risk limits, and the risk management policy(-ies);
6. submit, at a frequency set by the Board, report to the executive body, upon necessity, also other individuals exercising oversight functions;
7. submit, in timely and due manner, information to the executive body on the circumstances that may essentially have a negative impact on the organization's risk management system, as well as exercise other functions vested in him/her under the internal legal acts of the organization.

The risk management officer shall be appointed and relieved of duties by the Board. The incentive and disciplinary liabilities of the Board shall pertain to the Board's authority.

The Bank's risk management officer shall have over 30 years' experience in finance and banking, which shall partially cover an oversight function, i.e. – internal audit officer with comprehensive knowledge and skills in the area. Meantime, with many years' experience in the international financial institutions, s/he shall prioritize the ongoing integration of the best international practice into the Bank's business processes, in particular, towards the improvement of the risk management and corporate management system. The risk management officer in the Bank shall coordinate such sectors as information security, personal data protection, and the activities of the financial monitoring and compliance subdivisions.

he Bank's risk management officer shall act in compliance with the legislation of Armenia, Central Bank of Armenia Regulations no. 4, dated 16.04.2013, "On the Minimal Terms of Bank's Internal Oversight", the Charter and the Code of Rules, in particular, s/he shall:

- identify, evaluate and monitor financial and non-financial risks inherent in the Bank's activity;
- conduct a periodic evaluation of the internal and external audit environment for the early detection and evaluation of the potential risks;
- elaborate and submit to the Board's approval the risk management strategy, the risk appetite, as well as the risk management policies;
- participate in the evaluation of the Bank's capital adequacy, i.e. – evaluate the stress-tests pertaining to his/her functions in accordance with the Board-approved internal regulations;
- Prepare, and submit to the Board of the Bank, the Baord Committee and the Management Board reporting on the risk management function in accordance with the requirements prescribed by the intenal legal acts of the Bank

Under the Risk Management Policy, the risk maanagement in the Bank shall be based upon a three-tier system, in particular:

1. Tier One shall include those individual pariticpants of the process, who are directly involved in the daily activity. This tier shall apply to individuals and entities responsible for the performance of transactions and assignments.
2. Tier Two shall include individuals on the intermediate level, providing supervision and support to Tier One. This tier shall compirse individuals and entities responsible for the risk monitoring, evaluation and management.
3. Tier 3 shall include individuals with independent functions, who review and evaluate the effectiveness of the organization's risk management and oversight processes.

In line with the developments of risk management, the Bank invested ongoing efforts also towards the formation of an effective system for the management of non-financial risks, elaborating, inter alia, a non-financial risk appetite system, and establishing active risk indicators for the evaluation and measurement of the said risks. Meantime in the reporting period, the digital system of the Bank's non-financial risks was launched, applying the historical data and the expertise forecast approach.

Compliance status: full compliance

PRINCIPLE III. 3. Ensuring the organization's compliance

The organization shall have a compliance function which shall, fully and effectively, enable the evaluation of the organization's compliance risks and contribute to ensuring such compliance.

The appointment of a compliance officer, the termination of the authorities thereof, approval of the remuneration terms, incentives and enforcement of disciplinary liability shall be within the realm of the authorities pertaining to the organization's executive body (upon the Board's consent).
The knowledge and skills of the compliance officer shall be appropriate to the position held and s/he shall have a clear understanding of his/her role within corporate governance.
The compliance officer shall:
1. promote a responsible and integrity-based conduct within the organization and ensure the organization's compliance with the requirements of the laws and legal acts, including the internal regulations;
2. assist in ensuring that employees' activities comply with the requirements of the laws and other legal acts, including the internal regulations. That shall comprise the periodic organization of workshops and discussions on corporate rules of conduct and other corporate policies.
3. Manage the risks related to ensuring compliance of the organization's activities, including those associated with the organization's supply chain;
4. assess the impact of potential legal changes on the activities of the organization and the potential risks related thereto;
5. ensure the compliance of the organization's activity, propose and undertake, within his/her competences, corrective and preventive measures;
6. assist in the launch of an ethics and anti-corruption compliance program within the organization and ensure the implementation thereof;
7. assist in the launch of a whistleblowing institution enabling the organization's employees (including members of the executive body), their representative bodies (if available) and external stakeholders, the Board or any other body to report (whistleblow) in writing or verbally any unlawful actions or misconduct within the organization, including cases of corruption, conflicts of interest, violations of the corporate rules of conduct, or any other harm to the organization's interests or a threat thereof;
8. submit reports on compliance processes to the Board, the executive body and, upon necessity, other persons exercising oversight functions, at a frequency set by the Board;
9. submit to the Board, in a timely and due manner, information on all the circumstances with a potentially essential negative impact on the organization's compliance, as well as exercise other functions vested in him/her under the internal legal acts.

The appointment of a Compliance Officer of the Bank, the termination of his/her authorities, approval of the remuneration and incentives and disciplinary measures shall be implemented in the Bank in line with the requirements specified in the Code of Rules.

The Bank has a separate subdivision, the Compliance Division, as part of the Risk Management Directorate, ensuring the exercise of compliance functions under Central Bank of Armenia (CBA) Board Regulation No. 4, dated 16.04.2013, establishing the Minimal Terms of Bank's Internal Oversight.

Under Clause 146 of Regulation no. 5, the appointment of a person in charge of oversight functions (apart from the internal audit function), including the Compliance Officer, the early termination of the powers thereof, approval of remuneration, periodic evaluation of activities and disciplinary measures shall be implemented by the Bank's executive body with the Board's consent.

The Bank's Compliance Officer shall have many years' experience in banking, mainly in risk management and internal audit. The Compliance Officer's knowledge and experience shall match the requirements of the position held and s/he shall have a clear understanding of his/her role in corporate governance.

The Bank's compliance officer shall act in compliance with the legislation of Armenia, Regulation no. 4, the Charter and the Code of Rules, in particular, s/he shall:

- identify the compliance risk, submit proposals on any non-compliance (risks) identified and draw up an action plan towards reducing such risks;
- undertake amendments to the internal legal acts of the Bank subject to legislative and oversight requirements, and organize oversight processes;
- organize trainings for the Bank's personnel on the management of compliance risks, as well as periodic workshops on legal and oversight liabilities for employees engaging in a high-risk activity;
- prepare reporting concerning the compliance subject to the requirements of the Bank's internal legal acts and submit the, to the Board of the Bank and the Board Committees, the Management Board;

The compliance with the legislative requirements concerning money laundering and financing of terrorism shall be ensured by the Bank's financial monitoring subdivision.

The Bank reviews all the internal legal acts regulating the compliance function on an ongoing basis, improving, and bringing them in line with the international best practice.

Compliance status: full compliance

PRINCIPLE III.4: Organization's internal audit

Professional compliance

Prioritizing the role of auditing in the Bank's governance system, individuals with knowledge and skills and professional expertise matching the role are appointed to serve within the subdivision.

The Head of internal audit has many years' experience in the financial-banking sector and matches the requirements of qualification and professional compliance as set by the Central Bank of Armenia.

To promote the development of auditing expertise and expand knowledge in key sector of banking, a training program is elaborated and implemented annually for employees of the Internal Audit Service. The training program is part of the Internal Audit Development Program which is further based upon an evaluation of the internal and external challenges and opportunities.

Working discussions with the internal audit personnel meetings with the Board and the Audit and Risks Committee are held on a regular basis to address the Bank's strategic objectives, the existing problems in corporate governance and internal overnight and their role in the process of overcoming those challenges, as well as the potentials for the development of the internal audit function.

Audit planning, implementation and accountability

The internal audit exercises its functions under the law and the internal legal acts of the Bank, governed by the principles of risk-based planning. Under the said principle, the Internal Audit Service drafts and annually updates the Audit Population and the Risk Map which covers the main processes in the Bank and the risk evaluation outcomes pertaining thereto.

The evaluation of risks addresses each process, relying on the approach of "Characteristic Risks" and "Oversight System", the combination whereof allows for an evaluation of "Residual Riks" based on a three-tier system ("High", "Medium" and "Law").

The evaluation of risks serves as a basis for drafting the annual and three-year audit plan. The date of the latest audit, the problems raised by the CBA and the external auditing, the changes made and the signals received from clients, partner and other internal and external parties, and the Board assignments are considered in the process of such drafting.

To ensure a DUE exercise of functions by the internal audit, process-related auditing undertakings and thematic inspections, as well as surprise inspections and inventories shall be arranged. The internal audit has sufficient authority and unlimited access to information stipulated under the internal legal acts of the Bank to exercise its functions. The outcomes of each undertaking and/or inspection shall be covered in a separately drafted report which shall be submitted to the Management Board of the Bank for observations, consideration of the causes thereof and approval of the plan of actions proposed, as well as to the Audit and Risks Committee and the Board.

The Internal Audit Service shall, at least on a quarterly basis, report the Board and the Audit and Risks Committee on its activities in a format approved by the Board, covering the implementation of the Audit Plan, the outcomes of the inspection of separate processes, the essential risks identified, the adequacy of internal oversight, the risk management level, as well as the implementation of the measurements established and the assignments issued by the management bodies.

Compliance status: full compliance

CHAPTER IV: DISCLOSURE OF INFORMATION AND TRANSPARENCY

PRINCIPLE IV.1: Organization's information policy

The organization shall ensure its transparency, including the timely disclosure of up-to-date and credible information on all essential issues concerning its financial situation, performance, sustainability, ownership, and corporate governance.

The organization shall have an information policy, which shall at least define the goals, principles, timeframes, frequency and procedures of the disclosure of such information by the organization, the communication channels and the list of records subject to disclosure (whenever it surpasses the legislative requirement).

The information policy shall envision an equal and economically efficient access to information. Periodic disclosures of information shall be supported by the disclosure of information on the organization's essential developments.

The organization shall guarantee the maintenance of confidential, internal information and its own information security.

Under the Board-approved Procedure on the Publication of Information, the principles for the publication of information by the Bank and the communication thereof to third parties shall be established. Under the established procedure, the information published by the Bank shall be accurate and credible, timely and full (sufficient) and shall be written in a simple and plain language.

Information is published and provided by the Bank in accordance with the legislation of the Republic of Armenia, requirements set out in Regulation 8/03 and the procedures adopted pursuant to the Order on Publishing Information, and the Ordier.

Under the Board-approved Procedure on the Publication of Information by the Bank, the list of records subject publication by the Bank in the service halls and in the internet domain, the timeframes, frequency and the procedure thereof and the details pertaining to cooperation by competent subdivisions have been established.

The relationship with the customers bears a contractual character. The agreements also stipulate the methods of providing customers with information, including by email.

The Bank is a reporting issuer, hence CBA Regulation 4/04 approved on 11.03.2008 on the Reports by Whistleblowing and Reporting Issuers (Chapter 23 whereof obliges the Bank to publish also information on essential facts [developments]) shall apply to the Bank.

Compliance status: full compliance

PRINCIPLE IV.2. Organization's reporting

The organization's disclosure of essential information shall include, but not be limited to, the publication of annual reports.

The organization's annual reports shall comprise:
1. the message by the Board Chairman and the executive body;

2. the report by the executive body, which shall comprise an analysis of the organization's performance in the reporting period, including the main risks (such as social, environmental), forecasts of the activities and potential risks, as well as methods of the management thereof;

3. the organization's financial reports and the auditor's opinion thereon;

4. the organization's goals and sustainability report;

5. information concerning interested-party (affiliated) transactions;

6. the organization's corporate governance report which shall comprise:

1) a description of the organization's administrative-organizational and corporate structure;

2) information on significant participants, including beneficiaries;

3) brief biographic records of the Board members (age, education, experience, current workplace, engagement in other Boards, qualifications, awards, etc.), tenure, status in the Board (chairperson, executive member, non executive member, non-executive independent member), attendance data of the Board members at Board meetings, results of the assessment of the compliance of independent members of the Board with the independence criteria, annual report of the activities of Board committees., the number of meetings convened by the Board (committees) and non-executive members, methods of convening such meetings and data concerning their initiator(s), information on ongoing professional development and evaluation of the Board members, information on the annual individual remuneration of the Board members and the link between remuneration and corporate sustainability targets, the Board members' statements regarding the disclosure of interest in transactions or arrangements of the organization;

4) information on the annual remuneration of the executive body (individual or collective) and the link between remuneration and corporate sustainability targets;

5) number of the organization's shares owned by members of the Board and the executive body;

6) name and remuneration of the auditing organization, as well as the outcomes of verifying the fact of the independence thereof;

7) rights attached to shares issued and distributed by the organization, according to type (class);

8) information on individuals providing consulting services to the organization and the Board on corporate governance matters, including Board evaluations and recruitment of Board members, and remuneration thereof;

9) annual corporate governance declaration;

10) any other information at the Board's discretion

In case of a change in any essential information or a fact reflected in an annual report as part of the legislative restrictions, the organization shall, within reasonable timeframes, disclose the corresponding information or facts.

The Bank periodically release reporting on its financial and non-financial outcomes, strategic trends, risk management and any other functions as may be important to the stakeholders, ensuring transparency and accountability.

Since 2024, the Bank has been releasing the Corporate Governance Report and the Sustainability Report, providing a more detailed information on corporate governance and sustainable development. This year too, the Bank will release its Sustainability Report and annual financial reporting, continuing to develop the more comprehensive and transparent reporting format.

Compliance status: partial compliance.

PRINCIPLE IV.3: THE ORGANIZATION'S EXTERNAL AUDIT

The organization shall be subjected to an external audit by an independent, competent and qualified auditing organization in line with the international criteria of auditing, ethics and independence to provide the Board and the participants with reasonable assurances that the organization's financial reports reliably reflect, in all the essential aspects, its financial situation, financial outcomes and financial reports were prepared in line with the applicable standards.

The organization shall have processed and documented criteria for the selection of an audit organization, enabling it to determine the independence thereof from the organization, the Board, the executive body and the significant participant (participants).

To ensure the audit organization's independence, the organization shall have an order for the selection thereof, envisaging the rotation timeframes for the audit organization and the auditor.

The audit organization shall also inspect the organization's internal oversight system and risk management.

The audit organization shall be accountable to the participants.

The audit organization may provide other, non-audit services to the organization solely upon permission by the Board/Audit Committee.

The Board/Audit Committee shall have regular meetings with the auditors.

Under clause 36.1 of the Charter and Section 1, Article 58 of the law "On Banks and Banking", the Bank shall annually involve an independent auditor entitled to provide auditing services under the laws and other internal legal acts for the purpose of inspecting the financial-economic activity, concluding a corresponding contract with the latter. The Bank's external audit shall be elected by the general meeting subject to a procedure established by the Central Bank. The amount of money paid for external audit services shall be determined by the Board of the Bank. The person conducting the Bank's external audit shall be accountable to the General Meeting of Shareholders.

Under Clauses 5.1.3 and 5.1.4 of Order no. 05/24-05L dated 12.04.2024 on the Election of an External Audit Organization, the Criteria for Individuals Conducting a Financial-Economic Audit of a Financial Institution shall apply upon the election of an external audit organization and concluding a contract with the latter as prescribed by CBA Board Regulation no. 22. Regulation no. 22 sets ous the timeframes for the rotation of organization and responsible auditors. Thus, the contract between a financial institution and an audit company may be concluded for a period of up to 3 years. The audit organization may conduct the audit of the same financial institution for no more than 6 consecutive years. Moreover, the auditor-in-charge for the given audit organization may conduct the organization's auditing for a maximum period of 3 years. The audit organization shall, in case of conducting an audit for 6 consecutive years in a manner prescribed by the Regulations, may not conduct an audit of the given organization for at least a three-year time period. The Bank shall adhere to the above-mentioned rotation schedule.

Compliance status: full compliance

CHAPTER V: ORGANIZATION'S RELATIONSHIP WITH THE STAKEHOLDERS

PRINCIPLE V.1: Organization's stakeholders within corporate governance

The organization shall recognize the rights, roles and interests of its stakeholders and promote an active collaboration among the organization, participants and stakeholders towards the creation of value, including quality jobs, as well as the formation of a sustainable and resilient organization.

Stakeholders' input is a valuable resource for building a competitive and profitable business. It is in the long-term interests of the organization and participants to identify significant stakeholders, recognize their legitimate interests, and foster cooperation with the latter.

Organizations may undertake obligations towards stakeholders exceeding those stipulated by legislation and contracts.

Stakeholders shall have the freedom to express their concerns to the Board or other competent bodies regarding unlawful or unethical practices within the organization without restrictions, harassment, or discrimination. To submit complaints om unlawful and unethical conduct, the organization shall develop and introduce policies, procedures, and mechanisms of whistleblowing.

The organization shall communicate its relationship with stakeholders through sustainability reports.

The declaration shall provide a thorough description of the regulations enabling the Bank to share information with, and give notices to, the stakeholders. Additionally, the process of communication between the Bank and the customers shall be governed under the Procedure of Communicateon between the Bank and the Customersl (re-approved pursuant to Decision no. 01/007-36L, dated 29.01.2026 by the Bank's Management Board).

Additionally, under Order no. 92L issued by the Management Board Chairman on October 20, 2025, the new edition of the Terms of Banking Services was approved, to govern in detail the relationship pertaining to the communication with the customers.

The Bank shall publish the Code of Business Ethics and Corporate Conduct on its official website, outlining the principles which every employee of the Bank shall be governed by it performing their duties at work and in ensuring the Bank's regular activity,

Internal legal acts such as those concerning the whistleblowing policies, in particular, the Anti-Corruption Policy the Conflict of Interest and Prevention Order, the Compliance Risk Management Order, the Compliance Risk Management Procedure and the Rules for the Submission and Review of Customers' Claims and Complaints and Chargebacks are effective at the Bank.

Since 2025, the Bank also launched the external communciation system for submission of environmental and social concersn by different groups of the Bank's stakeholders, the signals wherefrom are duly processed subject to the Bank's internal regulations.

Compliance status: full compliance

ARDSHINBANK OJSC ORGANIZATIONAL CHART

Annex 1
APPROVED BY
ARDSHINBANK OJSC Board Decision
N 13/25-01L 2025, November 20

Chairman of the Board
_____ Karen Safaryan

Management Board

Department

Operating unit

General Meeting of Shareholders

Board of the Bank

Board staff

Internal Audit Service

Security Service

Management Board

Chairman of the Management Board (CEO)

Corporate Business Director

- Corporate Business Development Division
- Corporate Customers Relationship Management Division
- Transactions Structure Processing Division
- Corporate Business Branch
- Corporate Business Analytical Division
- Online Services Division
- Trade Finance Division

Small and Medium-sized Enterprises (SME) Director

- SME Business Development Division
- SME Customers Relationship Management Division
- SME Customers Monitoring Division

Retail Business Director

- Retail Business Development Division
- Network Sales Division
- Branch № XX and Customer Service
- Centralized Sales Division
- «STATUS» Customer Service Division
- «STATUS» Service Development Division

Deputy CEO, Private Banking Director

- Private Banking Development Division
- Private Customers Relationship Management Division
- Premium Customers Relationship Management Division
- VIP Customers Service Division
- Private Banking Sales Division

Deputy CEO, Investment Business Director

- Investment Business Development Division
- Financial Institutions Relationship Management Division
- Treasury Operations Division
- Investment Banking Division
- Investor Relations Division
- Investment Operations Division
- Financial Markets Support Operations Division

Problem Asset Management Department

- Problem Assets Process Development Division
- Corporate Loans Restructuring Division
- Retail Loans Restructuring Division
- Litigation Division
- Problem Assets Division
- Collected Property's Sale/Management Division

Non-core Asset Management Department

- Administrative Office
- Capital Development Division
- Non-core Asset Management Division

Risk Management Director

- Credit Risk Assessment Division
- Information Security Management Division
- Operational Risk Management Division
- Financial Risk Management Division
- Financial Monitoring Division
- Compliance Division
- Credit Risk Management and Monitoring Division
- Risk Appetite and Model Management Division

Chief Legal Officer

- Legal Support Division
- Judicial Representation Division
- International Legal Support Division

Chief Financial Officer

- Accountancy
- Economic Planning Division
- Financial Analysis Division

Digitization and Talent Management Director

- HR Management Division
- Projects Management Activity Division
- Administrative Division
- Banking Technology Development Division
- Digital Banking Development Division
- Information Technologies (IT) Services Division
- Methodology Division
- Innovation and IT Architecture Center
- Programming Center

Operational Department

- Credit Operations Back-Office
- Payment and Settlement Operations Division
- Payment Card Transactions Division
- Bank Accounts and Cash Operations Division
- Testing center
- Data Management Center

Business Development Department

- Strategic Marketing Division
- Marketing Communications Division
- Paris Representation Office
- Dubai Representation Office
- Los Angeles Representation Office
- Quality Management Division

Annex 2: Brief Biographies of Board Members

Karen Safaryan, Chairman of the Board, ARDSHINBANK OJSC

Karen Safaryan has been the Chairman of the Board of ARDSHINBANK OJSC since its foundation in 2003.

Until 1994, he worked as an engineer in various industrial organizations of Armenia. Later on, he moved to Russia to embark on his career of an entrepreneur.

By the early 2000s, Karen Safaryan owned dozens of businesses in Russia and Armenia. Apart from the banking business, his interests in that period were mainly in the industrial sector and development. The construction of Government Building No. 3 in Yerevan and the buildings of the Yerevan Municipality can be said to be among his most significant development projects.

After 2007, Karen Safaryan changed the scope of his business interests, gradually leaving the Russian market. Simultaneously, especially after the 2008 global financial crisis, he also stopped his projects in the construction and industrial sectors.

From 2019 onwards, Karen Safaryan's entire business activity has been concentrated in Armenia's financial sector. ARDSHINBANK OJSC, Armenia Insurance LLC and a number of investment funds are currently operating within Arins Group, a holding company founded by Safaryan.

Karen Safaryan is a graduate of Azerbaijan Polytechnic Institute.

Date of birth: 05.01.1963; married, 3 daughters

Aram Andreasyan, Board Member, ARDSHINBANK OJSC

Aram Andreasyan joined the Board of ARDSHINBANK CJSC in 2009. Earlier, in the period between 1994 and 1998, he was the Deputy Chairperson and the Chairperson of the Management Board of Ardshinbank OJSC. From 2003 to 2009, Andreasyan was the Chairperson of the Management Board of Ardshininvestbank CJSC, serving as a member of the Board and the Chairman of the Management Board in 2005 and 2006.

Prior to his activity in the banking sector, Andasyan worked in the industrial enterprise Hrazdan-Mash, an specializing in machine manufacturing, in the position of an economist and later also - Head of the Planning Division., Head of the Financial Division, and Deputy CEO. From 1992 to 1994, he headed an inspection division at the regional tax inspectorate in Hrazdan (currently Kotayk region), and in the period between 1998-2003, he served as an advisor to the Head of the Oversight Service at the staff of the President of Armenia (where he simultaneously served as the head of a department responsible for agencies exercising oversight of the executive authorities).

For many years, he held the position of deputy chairperson of the Board of Directors and a member of the Board of Inernational Business Center JV (joint venture).

Date of birth: 11.10.1955. Married, 1 son and 2 daughters.

Vache Gabrielyan, Board Member, ARDSHINBANK OJSC

Vache Gabrielyan joined the Board of ARDSHINBANK OJSC in 2019. He is also a board member at Armenia Insurance LLC, as well as Dean at Manoogian Simone College of Business & Economics, American University of Armenia (AUA) where he has been teaching since 1999.

Gabrielyan commenced his career in public administration and finance in 1990 as an expert for the Commitee on Financial-Credit and Budgetary Affairs, Supreme Council of Armenia.

With his career in lecturing dating back to 1994, Gabrielyan worked at Rutgers University until 1998, serving as a professor for the Public Administration and Political Science Programme and a deputy director of the National Center for Public Performance.

From 1998 until 2010, Gabrielyan worked in the Central Bank of Armenia, where he was promoted to the post of Deputy President after serving as an Advisor to the President, and a Member of Board.

The Minister of Finance of Armenia between 2010 and 2013, Gabrielyan earlier served as Minister Head of the Staff at the Armenian Government. From November until April 2014, he was the Chief Advisor to the Prime Minister of Armenia; he was later appointed Minister of International Economic Integration and Reforms, and Deputy Prime Minister.

Vache Gabrielyan is a graduate of the YSU Department of Applied Economics. He holds Master's degree in Public Administration (MPA) and a Ph.D. degree from Rutgers University.

Date of birth: 24.11.1968; married, 1 son and 1 daughter.

Tigran Sargsyan, Board Member, ARDSHINBANK OJSC

Tigran Sargsyan joined the Board of ARDSHINBANK OJSC in 2022. The Deputy Chairman of the Eurasian Development Bank, he earlier served as the Chairman of the Board of the Eurasian Economic Commission (2016-2020).

Tigran Sargsyan started his scholarly activity around 1987-1990 as a senior researcher, and the head of a scientific research group on international economic ties at the Armenian Scientific-Research Institute of Economics and Planning. From 1988 to 1990, he was the Chairman of the Republican Council of Young Specialists and Scholars.

He commenced his career in public administration and finance in 1990 as a member of the Supreme Council of Armenia and the Chairman of the Standing Committee on Financial-Credit Affairs, National Assembly of Armenia.

From 1995 until 1998, Sargsyan headed the Union of Banks of Armenia. In the period between 1998-2008, he served as President of the Central Bank of Armenia. From 2014 until 2016, Sargsyan was the Ambassador of Armenia to the United States.

From 2008 to 2014, he held the office of the Prime Minister of Armenia.

Tigran Sargsyan is a graduate of Yerevan Institute of National Economy (Planning and Economics Department) and Saint Petersburg University of Economics. He hold the degree of PhD Candidate in Economics.

Date of birth: 29.01.1960; married, 2 sons and 1 daughter

Alexander von Gleich, Board Member, ARDSHINBANK OJSC

Alexander von Gleich joined the Board of Ardshinbank CJSC in 2003. He is simultanously a member of the Board of Directors of TOO Global Expert Development Group and since July of 2025 – a member of the Supervisory Board of the National Bank of Uzbekistan

Alexander von Gleich earlier served in a number of managing positions in the financial sector.

From 2016 until 2020, he was a Financial Director at UniCredit Bank, Kazakhstan. In the period between 1999 and 2003, he served as Executive Director at ProCredit Bank, Georgia. Investment Director at the International Finance Corporation (IFC), World Bank Group, between 2003–2006. Alexander von Gleich later served as the Deputy Director at Kaspi Bank.

From 2014 to 2016, he was the CEO of Hypo Alpe Adria, Croatia. From 2014 until 2017, Alexander von Gleich was a Deputy CEO of the Russia-based insurance company Allianz and a member of the Board of Directors of Allianz Ukraine. From 2018 to 2023, he was a Member of the Board of Directors and the Supervisory Board of Uzpromstroibank OJSC and from 2021 to 2022 a Member of the Board of Directors of Kazakhtelecom.

Alexander von Gleich is a graduate of Economics and Law, University of Bonn, Germany.

Date of birth: 16.06.1967; married, 2 sons.

Philippe der Megreditchian , Board Member, ARDSHINBANK OJSC

Philippe der Megreditchian joined the Board of Ardshinbank OJSC in 2025. He is the Chief Executive Officer of Olma Holdings SAS, a new investment vehicle for a Paris-based investment company, and served as the Managing Partner and Founder of OLMA Capital Management (2012-September 2025) an investment management firm which manages OLMA Luxury Holdings.

With over 25 years of experience in private equity, mergers & acquisitions and financial advisory, Philippe der Megreditchian has held senior posts with a number of international financial institutions. Prior to founding OLMA, Philippe was Partner at Baring Vostok Capital Partners (2004–08); CEO of Eagle Venture Partners (2002–04), responsible for oversight and divestment of EBRD investments in Russia and Kazakhstan; founder and CEO of M&A advisory firm Meridian Capital Management (1997–2002); and investment analyst with Framlington Investments (1993–97) and Crédit Commercial de France (1992–93).

He is also actively involved in other professional endeavors, serving as the President of Domaine Chanzy SA and holding directorial positions at Caviar House & Prunier Group SA and Artemest Srl.

Philippe der Megreditchian holds an MBA degree from the Ecole des Hautes Etudes Commerciales, Paris.

Date of birth: 12.02.1970; married, 3 sons and 1 daughter.

Annex 3: Brief Biographies of Management Board Members, ARDSHINBANK OJSC

Artak Ananyan

Chairman of the Management Board, ARDSHINBANK OJSC

Artak Ananyan assumed the post of Chairman of the Management Board of ARDSHINBANK CJSC in August 2018. Prior to that, from 2017 until 2018, he served as the Deputy CEO and Director of Non-Core Assets Management.

Artak Ananyan's experience in Armenia's financial sector began at the Central Bank of Armenia in 1998, where he started his career as a specialist in bank supervision and regulation. Subsequently, he worked at Hayagrobank OJSC as the head of the banking risk control and coordination group of regional divisions, head of bank risk control and information security group, as well as the head of internal audit and analysis, deputy executive director responsible for loan management and the deputy CEO of board of management.

Artak Ananyan is a graduate of Yerevan State University, Department of Mechanics. He holds a Ph.D. degree in Physical and Mathematical Sciences, Institute of Mechanics, National Academy of Sciences of Armenia.

Date of birth: February 13, 1972; married, two sons

Artur Gyulazyan

Artur Gyulazyan took over for Deputy Chairman at ARDSHINBANK OJSC Management Board and Director of Private Banking in November 2022 . Prior to that, starting from 2008, he served as the Director of Internal Audit and from 2013 - Director of SME and Corporate Business.

His expertise in Armenia's financial sector dates back to over 20 years to the Central Bank of Armenia where he served as an analyst, supervisor, and senior supervisor at the Financial Supervision Department.

Artur Gyulazyan holds a degree in Economics from Yerevan State University. He also pursued a Master's degree at the University of Glasgow, which he graduated with honorsm obtaining a Master's degree in International Management and Leadership.

Date of birth: May 24, 1979; married, one daughter and two sons.

David Sargsyan

Deputy Chairman of Management Board, Director of Investment Business, Ardshinbank OJSC

David Sargsyan assumed has been the Deputy Chairman of ARDSHINBANK OJSC Management Board and Director of Investment Business since November 2022. Prior to that, from 2014 onwards, he served as the Financial Director of ARDSHINBANK CJSC.

David Sargsyan began his professional career in the financial-banking sector eer as a specialist in managing external state debt at the Ministry of Finance of the Republic of Armenia. Subseqyently, in the following nine years or so, he worked at the Central Bank of Armenia serving as an executive assistant to the Governor, Director of the Bank Methodology and Regulations Department, and Director of the Financial Systems Policies and Analysis Department.

Sargsyan's professional experience in public administration and finance spans over 25 years, including the posts of the Minister of Finance of Armenia (2013-2014) and the Head of the Administration of the Government of Armenia (2008-2013).

David Sargsyan graduated from Yerevan State University (YSU) with a degree in economics. Subsequently studied at the same university's postgraduate program, receiving the degree of Ph.D. Candidate in Economics.

Date of birth: July 14, 1977; married; one daughter and two sons.

Lusine Nersisyan

Member of Management Board, Director of Risk Management, ARDSHINBANK CJSC

Lusine Nersisyan assumed the position of ARDSHINBANK OJSC Risk Management Director in May 2023. Prior to that, between 2017 and 2018, she served as the Chief Accountant of Ardshinbank CJSC, and subsequently, from 2018 onwards - as the Head of Internal Audit.

Lusine Nersisyan's track record in Armenia's financial sector dates back to over 30 years when she commenced as a senior specialist in the Department of Foreign Affairs, Correspondence Relations, and Foreign Operations at the Armenia National Commercial Bank. Later, she worked as an accountant at Noy Commercial Bank and then in the International Relations Department. at ARDSHINBANK OJSC (dissolved under CBA Board Decision no. 11U dated 29.01.2025). In 1996, Nersisyan gained her international experience as part of a three-month program at the Bank of America. From 2004 onwards, she held various managerial posts in international banks, including Black Sea International Commercial Bank" (Armenia), where she served as the Chief Accountant, and ProCredit Bank CJSC, were she was the Deputy CEO.

Lusine Nersisyan is a graduate of Yerevan Banking Institute of Economics. She has a;sp obtained a qualification of top manager from the ProCredit Holding Management Academy (Germany), as well as an international quality certificate in auditing and accounting from ACCA (United Kingdom).

Date of birth: 30.07.1975; married, one daughter

Armen Gasparyan

Member of the Management Board, Director of Corporate Business ARDSHINBANK OJSC

Armen Gasparyan took over for Director of Corporate Business at ARDSHINBANK OJSC in April 2023. Prior to that, from 2015 to 2019, he served as Director of Strategic Development and from 2019 to 2023, he was the Director of Non-Core Assets Management.

His professional career began right at Ardshinbank in 2005 as the Head of Payment Card Services Development Division, Deputy Head of the Division, and Head of Subdivision in "Ardshinbank" CJSC. He has also served as Deputy Director of Retail Business.

Armen Gasparyan graduated from Yerevan State University of Architecture and Construction specializing in Business Economics and Management and Armenian-Russian (Slavonic) University's Business School with expertise in Finance and Credit Management. He also studied at SBS Swiss Business School, obtaining an MBA degree, and at Oxford University's Said Business School, earning a diploma in executive management.

Date of birth: 15.02.1982; married, one daughter

Harutyun Ispiryan

Member of Management Board, Director of Digitization and Talent Management, ARDSHINBANK CJSC

Harutyun Ispiryan assumed the psst of ARDSHINBANK OJSC Digitization and Talent Management Directior in 2023. Prior to that, since 2015, he was also Bank's Operational Director.

Ispiryan started his professional career at ARDSHINBANK CJSC in 2005, as an analyst amd the head of the Asset and Liability Management Department. In different periods, he also served as a member, deputy head, and head of internal audit.

Hrutyun Ispiryan is a graduate of Armenian State University of Economics and holds the post-graduate degree of Ph.D. Candidate in of Economic Sciences. He has completed studies at the Skolkovo Business School in Moscow within the Chief Digital Transformation Officer program.

Date of birth: 22.12.1982; married, two daughters

Rustam Badasyan

Member of the Management Board, Director of Legal Affairs, ARDSHINBANK OJSC

Rustam Badasyan assumed the post of ARDSHINBANK OJSC's Legal Affairs Director in January 2025.

He began his professional career in 2012 in the public sector, at the State Revenue Committee under the Government of the Republic of Armenia. From 2014 to 2018, he was a lawyer and a senior lawyer in various companies and a partner in a leading law firm. He later advanced to serve as the Deputy Chairman and later also the Chairman of the State Revenue Committee of Armenia.

From 2019 to 2021, he held the post of Minister of Justice of the Republic of Armena.

In the public sector, Badasyan led the optimization of business processes, digitization projects and a number of other fundamental reforms.

In the private sector, he represented the interests of business entities in the courts of Armenia and before administrative bodies. He is a participant in a number cases concluded with a successful outcome.

Rustam Badasyan is a graduate of Yerevan State University Law Department of Law. He also pursued studies at the International Scientific Educational Center of the National Academy of Sciences of Armenia, obtaining a qualification as a lawyer.

Date of birth: January 27, 1991; married, one son

Armine Khachatryan

Member of the Management Board, Chief Accountant, ARDSHINBANK OJSC

Armine Khachatryan took over for the Chief Accountant of ARDSHINBANK OJSC in April 2025. Prior to that, from 2018 onwards, she served Deputy Chief Accountant and from 2013 onwards – as Head of the Department Responsible for Accounting Reports Submitted to the Central Bank of Armenia.

Armine Khachatryan began her career in 2003 at the Electric Networks of Armenia CJSC. Later, for around 8 years since 2005, she held various posts across the ARDSHINBANK branch network.

Armine Khachatryan graduated from Yerevan State University of Economics with a degree in Economics.

Date of birth: March 17, 1981; married, one daughter

Mihran Muradyan

Member of Management Board, Director of Retail Business, ARDSHINBANK OJSC

Mihran Muradyan assumed the post of Retail Business Director at ARDSHINBANK OJSC in January 2026. Prior to that, since April 2025, he served as SME Business Director. From November 2024 onwards, he served as Director of the Personal Banking Services Department at Ardshininvestbank CJSC (until rebranding as HSBC Bank CJSC).

A seasoned finance professional, Muradyan has over two decades' extensive experience in banking, financial management, and economic strategy.

Beginning his professional journey in 2002, he served as Chief Accountant at the Haytagh branch of Etchmiadzin Irrigation CJSC. In this role, he was responsible for overseeing financial records and ensuring accurate reporting, contributing to the company's operational efficiency.

In 2003, Muradyan transitioned to the sports sector as Financial Director at Ararat FC, a leading Armenian football club.

In 2004, Mihran Muradyan joined HSBC Bank Armenia, where he gained a comprehensive expertise in personal banking services in the course of almost two decades' professional career. Gradually advancing within HSBC Bank Armenia, was promoted as Director of the Personal Banking Department (2012-2024). Under his leadership, the department expanded its service, offerings and enhanced customer satisfaction, significantly contributing to the strengthening of bank's position on the market.

Mihran Muradyan holds a Bachelor's Degree in General Economics from Yerevan State University.

Date of birth: October 27, 1976; married, two daughters and one son

Garegin Gevorgyan

Member of the Management Board, Chief Financial Officer of "Ardshinbank" OJSC

Garegin Gevorgyan was named a member of ARDSHINBANK OJSC Management Board and Chief Financial Officer in June 2025 Previously, he served as Deputy CEO at Alliance for Financial Inclusion.

With a distinguished career in finance spanning nearly three decades, Garegin Gevorgyan has extensive expertise in financial regulation, banking, and executive leadership.

Garegin Gevorgyan began his professional journey at the Central Bank of the Armenia in 1996, serving as a Senior Specialist in the Reserves Management Division. Later, for around two years, he was the Head of the Financial Risk Management Department.

In 2000, Garegin Gevorgyan joined InterEquity Capital Partners as a Research Analyst, gaining valuable insight into private equity markets. This was followed by a strategic leadership role at Unibank CJSC in 2002 in the capacity of Securities Center Director. From 2002 until 2004, Garegin Gevorgyan served as a Senior Bank Consultant for the USAID Bank Training Program.

His executive leadership trajectory continued at Cascade Credit UCO CJSC, where he served as CEO from 2004 until 2008, and briefly with Symbiotics, SA in 2008 in the capacity of an Institutional Borrower Engagement Consultant.

Later the same year, Gevorgyan took on the role of CEO at SEF International MFI LLC, a position he held for over 13 years.

In 2022, Garegin Gevorgyan returned to the Central Bank of Armenia, this time as Financial Stability and Regulations Director.

Gevorgyan is a Harvard Business School alumnus, a chartered financial analyst (CFA charterholder). He holds Master's degree in International Relations and Economics and PhD in Economics and Finance from Yerevan State University.

Date of birth: February 8, 1975.

Aram Pinajyan

Member of the Management Board, Director of SME Business, ARDSHINBANK OJSC

Aram Pinajyan took over for SME Business Director at ARDSHINBANK OJSC since January 22, 2026. Prior to that, from April 2025, he was the Head of the Business Development Department. Starting from November 2024, Pinajyan served as Acting Chief Executive Officer at Ardshininvestbank OJSC (before rebranding as HSBC Bank CJSC).

An experienced economist and a senior banking executive, Pinajyan has expertise in finance, risk management, and business development.

Pinajyan dedicated a significant part of his career to HSBC Bank Armenia where he held a number of senior management positions. From 2015 to 2017, Pinajyan served as Regional Head of Commercial Banking Portfolio Risks, overseeing the European region. From 2017 to 2023, he served as Chief Risk Officer and Deputy Chief Executive Officer, and in the period between 2023 and 2024, headed the Risk Management and Compliance Department while also serving as Deputy Chief Executive Officer. Since 2025, he has been a member of the American Chamber of Commerce in Armenia (AmCham), contributing to the development of Armenian-American business ties.

Aram Pinajyan is a graduate of Yerevan State University and Institute of Management and Economic Reforms, holding the qualification of economist.

Date of birth: 22.04.1982; married, two sons