"Electric Networks of Armenia" CJSC bond purchase application-order for legal entities

Application-order submission date and time

INVESTOR INFORMATION

Name of the legal entitiy

Registration number

Registration date

Registered address

TIN

Residency

Bank account No.

Name of the bank

Securities account No.

Name of the securities account registrar

BOND DETAILS[1]

ISIN of purchased bonds **AMHELCB25ER7**

Bonds purchase date

Bond purchase price, quantity and currency

Quantity of bonds (in figures)

Bond purchase price (in figures)

☒ AMD

Total amount paid for the purchased bonds (in figures)

DECLARATION

[1] Relevant funds for purchase of bonds must be credited by investors to account **1570043105772500** by the end of the application-order submission date.

- I have read the application-order, as well as the complete information necessary for making decisions regarding submission of the application-order and/or the purchase/management of the securities mentioned therein, including the Prospectus, Final Terms and Information Memorandum, and I hereby confirm that I comply with their conditions, restrictions and requirements.
- I fully realize and accept the responsibilities and potential risks associated with investing in bonds.
- I assure that all the funds transferred to the Bank by me have been obtained lawfully and are in no way related to terrorism financing, drug sale, trafficking, tax evasion or other illegal activities.
- I confirm and understand that the application-order is a duly documented and valid agreement between me and "Electric Networks of Armenia" CJSC regarding the acquisition (purchase) of bonds.

Name, Surname	Signature	Date

INFORMATION MEMORANDUM

__NOTICE__. This Information Memorandum is an integral part of the of the application-order (hereinafter the"order" or the "purchase order"). Investors must read and sign/seal the Information Memorandum. Without duly signed/sealed Information Memorandum the submitted purchase order shall be considered __invalid__. Detailed information is available in the Prospectus of "Electric Networks of Armenia" CJSC (hereinafter "the Issuer").

1. Information about the Lead Arranger and the Services Provided by the Lead Arranger

Ameriabank CJSC (address: 2 Vazgen Sargsyan St., Yerevan, 0010, Armenia) will act as a Lead Arranger for the placement of the bonds.

Contact information of Ameriabank CJSC (hereinafter "the Lead Arranger" or "the Bank"):

- Phone (+37412) 51 31 06, (+37412) 51 31 96
- E-mail CapitalMarkets@ameriabank.am

Any person may contact the Lead Arranger, obtain necessary documents and other information through any of the above-mentioned means of communication from 9:30 a.m. till 6:00 p.m. Yerevan time during any banking day. Communication with the Lead Arranger will be in Armenian, Russian and English.

To purchase bond investors must fill out a bond purchase order and submit it to the Lead Arranger in due manner.

The bond purchase order will be considered duly presented to the Lead Arranger if provided/sent by any of the following manners:

***Online** via* *submission of electronic order through MyInvest platform of the Lead Arranger's MyAmeria application*
In person *By visiting any of the Lead Arranger's branches[2] and completing the relevant purchase order with the client manager*
***By email to** CapitalMarkets@ameriabank.am*
*Via **CBAnet** ' CapitalMarkets Ameriabank/AMERIA/CBANet@CBANet*

According to the Republic of Armenia Law "On Securities Market", Article 35, the Lead Arranger may render investment services without investment services license. The Lead Arranger was licensed and registered as a bank by the Central Bank of Armenia.

Contact information of the Central Bank of Armenia: Address: 6 Vazgen Sargsyan St., Yerevan, 0010, Armenia
Phone: (374-10) 592 697
Fax: (374-10) 523 852
Email:mcba@cba.am
S.W.I.F.T.CBRAAM22:

Once relevant orders are satisfied investors can receive securities ownership statement from their Custodian or Securities Account Operator upon being notified about execution of their orders from the Lead Arranger.

Purchase orders are subject to approval or rejection within 1 business day following submission thereof. Investors shall be notified about such approval or rejection of their orders via the channels they have used to submit the bond purchase order(s) to the Bank. Exception is the case with electronic orders submitted via MyInvest platform of the Bank, when the notification about execution of orders is sent to the investor's email address recorded in the Bank's system.

Where the bond purchase order is executed partially or rejected and there is an amount payable to the investor, the Lead Arranger shall return it within 3 (three) business days after partially execution or rejection by a wire transfer to investors' bank account.

Summary of the Conflict of Interest Policy is provided below. Full version of the Policy is available at the Lead Arranger's business address. The Policy determines the potential conflicts of interests inherent to investment services and outlines the preventive measures implemented by the Lead Arranger.

When operating on the securities market the Lead Arranger and its employees shall be guided by the principles of integrity and good faith, shall disclose the information fully and perform the assignments by prioritizing clients' interests and tasks.

When executing deals with client funds the Lead Arranger shall follow the requirements of the Armenian legislation, its internal rules and regulations, work ethics and rules of business conduct. When performing its functions, the Lead Arranger should avoid acting for own benefit and executing deals which may negatively affect clients' interests.

2. Information about bonds and associated risks

[2] Operational days and hours of branches are available at https://ameriabank.am/service-network.

Investments in bonds are usually associated with certain risks. Identification, analysis, forecasting of risks and assessment of their impact on the investor's financial position will enable the investor to adopt effective investment decisions based on risk/reward ratio for each particular investment.

Consequently, in any case, along with reading the Prospectus carefully, investors are advised to thoroughly analyze the risks associated with investments in the Issuer's bonds before making an investment decision. The following risks are considered as major risks associated with investments in the Issuer's bonds. They are divided into two major groups: risks associated with the Issuer's business and risks associated with investments in the Issuer's bonds.

2.1. Risks associated with the Issuer's activities

A detailed description of the risks associated with the Issuer is presented in clause 3.2 of the Prospectus.

Legislative and regulatory risk. The Issuer operates in a highly regulated sector. According to the terms of the Distribution License, proved additional losses and/or additional costs of the licensee caused by amendment of the RA legislation, current legal acts, technical regulations and standards or adoption of new ones are compensated by the tariff margin and/or distribution service tariffs.

Risks associated with licenses. Changes to the license terms (including the tariff calculation methodology) are made at the Issuer's consent, except for the cases when the intended changes are necessary to ensure proper performance of the requirements of RA laws and regulatory acts. If such changes cause additional costs for the Company, according to the terms of the Distribution License, they are compensated by the tariff margin and/or the distribution service tariff.

Tariff regulation risks. The Issuer's activity, regulation of tariffs is controlled by the Commission.

Tariff formation mechanisms include providing the Issuer with the possibility to earn reasonable profit; therefore, according to the Company's management, the financial results of the Company have no tendency to undergo negative changes.

Risks associated with the distribution network/infrastructures. The activities of the Issuer might be significantly affected by events beyond the Issuer's control (bad weather, illegal or undeliberate actions of third parties or force majeure circumstances, such as natural disasters, wars, etc.) resulting in damage to assets and infrastructure, which might, some time later, affect the continuity and/or quality of service rendered to a particular group of customers.

Information system risks. For its activities, the Issuer uses complex information technology systems. Possible failures (intentional or unintentional) of the systems or software used might produce significant impact on the Issuer's business operations.

Insurance risks. The Issuer's current insurance policy mostly covers potential losses, liabilities and business-related damages.

The Company is of the opinion that the insurance policy properly covers its major potential losses and liabilities.

Financial risks. The Issuer's activities are financed by its current operations and borrowed funds. The Issuer's financial position might be affected by significant changes in interest rates and financial market conditions.

2.2. Risks associated with investments in the Issuer's bonds

A detailed description of the risks associated with the Issuer's Bonds is presented in clause 2.1 of the Prospectus.

Interest rate risk. Bond prices are inversely dependent on market interest rates, i.e. any rise in interest rates, other things being equal, leads to a drop in the price of bonds and vice versa.

Market risk. The price of the Issuer's bonds and their demand on the secondary market might drop due to current economic indicators and their anticipated changes on domestic and international markets. The investor should consider that the market prices of the securities may drop or rise over time.

Reinvestment risk. Reinvestment risk is the risk of not being able to invest the income from periodic coupon payments in instruments with yields at least equal to the bond's yield to maturity.

Credit/default risk. When purchasing the Issuer's bonds, investors assume the Issuer's credit risk associated with possible deterioration of the Issuer's financial position in the future, impossibility of making coupon payments or redeeming the bonds at face value and the Issuer's possible bankruptcy.

Exchange rate risk. Exchange rate risk is relevant for those investors who, in order to invest funds in USD or AMD bonds, have to convert them from one currency to another.

Liquidity risk. The Issuer cannot guarantee that investors will be able to sell or buy the Issuer's bonds on the secondary market (regulated market) at a favorable price any time during their maturity period.

Inflation or purchasing power risk. When assessing the nominal coupon rate offered by the Issuer for its bonds, investors should consider that if there is inflation in the Republic of Armenia, the actual yield of bonds may be lower (to the extent of inflation) than the nominal coupon rate of the bonds.

2.3. Information about published Prospectus

The Prospectus may be obtained at Ameriabank CJSC (Address: 2 Vazgen Sargsyan St., Yerevan, 0010, Armenia) or downloaded from Ameriabank's official website (www.ameriabank.am) or the Issuer's official website (www.ena.am).

2.4. Information about the guarantee and guarantor

Issuer's bonds are neither secured nor guaranteed.

3. Place of the deal

Lead Arranger's legal address is considered the place of the deal.

4. Information about costs and commissions

4.1. Payment for the bonds

Investors shall make payments for the bonds in accordance with the Prospectus.

4.2. General Information about the costs and commissions

Investors can have the following costs during placement:

- Opening a bank account with any commercial bank in accordance with effective tariffs of the commercial bank
- Opening, administering a securities account and maintaining the securities with the Central Depositary of Armenia OJSC or custodians licensed by the Central Bank of Armenia in accordance with their effective tariffs
- In case of purchase order approval: purchase of issued securities and registration of title thereto. In particular:
    - Banking costs for transferring the price of the purchased bonds from the investor's bank account to the Issuer's bank account in accordance with effective tariffs of the commercial bank
    - Costs for custodian services related to bonds transfer in accordance with effective tariffs of the custodian

Investors may have tax-related costs when receiving the possible coupons, trading the bonds durign their trading period depending on their tax payer status (resident, non-resident, applicable tax exemptions, etc.) With this regard the Issuer may act as a tax agent and levy taxes in accordance with the legislation. Detailed information about taxation of the income generated from the bonds is available in the Prospectus.

4.3. Services offered by Ameriabank CJSC

Ameriabank offers the following services for acquisition of placed bonds:

- Bank account opening in accordance with effective tariffs of Ameriabank CJSC,
- Depositing cash for the purchased bonds on the bank account in accordance with effective tariffs of Ameriabank CJSC,
- Securities account opening in accordance with effective tariffs of Ameriabank CJSC.

Signature _____

Name, surname _____

(name of signatory)