

INFORMATION GUIDE ON BANK GUARANTEES

The terms and conditions contained in this guide may have been changed. For more details and complete information, please visit Ameriabank CJSC

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The Bank is supervised by the Central Bank of Armenia.

This information guide specifies the terms and conditions of provision of bank guarantees

The information is also available at Ameriabank CJSC's website www.ameriabank.am:

Ameriabank CJSC offers the following types of bank guarantees to clients:

- Direct guarantees
- Indirect (confirmed) guarantees (in which case another bank issues a guarantee against the counter-guarantee of the Ameriabank CJSC)

Terms and Conditions of Guarantees

- Maximum guarantee limit is subject to the regulatory standards defined by the Central Bank of Armenia.
- The term of guarantee is based on the term of the underlying transaction and the borrowing capacity of the client.
- Eligible currencies are Armenian drams (AMD), Russian rubles (RUB), US dollars (USD), euros (EUR). Other currencies are negotiable.

Security

1. Deposited cash
2. Other collateral
 - Short-term government bonds, standardized gold bars
 - PPP (movable, immovable), guarantees and warranties
 - Cash flows, working assets or mixed collateral

Penalty for non-payment of guarantee fees and commissions when due and non-reimbursement of amounts paid to Beneficiary: 0.13%, accrued to outstanding amount for each day overdue

ATTENTION! IN CASE OF FAILURE TO REPAY THE AMOUNTS PAID TO THE BENEFICIARY BY THE GUARANTOR WHEN DUE, THE INFORMATION ABOUT IT WILL BE SENT TO THE CREDIT REGISTER.

ATTENTION! IF YOU FAIL TO MEET YOUR COMMITMENTS UNDER THE AGREEMENT AND THE BANK ENFORCES THE PLEDGE TO SETTLE THEM, BUT THE VALUE OF PLEDGE APPEARS TO BE INSUFFICIENT TO COVER ALL THE COMMITMENTS ENTERED INTO BY YOU, ANY OTHER PROPERTY YOU OWN MAY BE ENFORCED TO SETTLE THE CLAIM.

ATTENTION! IF YOU FAIL TO MEET THE COMMITMENTS UNDER THE AGREEMENT YOUR PROPERTY MAY BE FORECLOSED IN ACCORDANCE WITH LAW.

Making a decision on bank guarantee application

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The bank makes a final decision on guarantee application maximum within 15 (fifteen) business days upon receipt of the complete set of documents.

The bank guarantee is issued to the client after execution of the security agreement required by the Bank's decision. Furthermore, in case of pledge of property, bank guarantee is issued upon proper fulfillment of the following conditions precedent: (i) execution of pledge agreements in accordance with the RA laws and regulations, such agreements prepared in form and substance satisfactory to the Bank, (ii) insurance of the collateral (upon the Bank's request) by an insurance company cooperating with the Bank, (iii) fulfillment of other terms of guarantee by the client.

Your guarantee application may be declined if in the reasonable opinion of the bank the resources at your disposal are not sufficient to cover your commitments.

Calculation of bank guarantee fee

Bank guarantee issuance fee is charged upfront and is calculated by the following formula:

$$A = G * R\% * N$$

where

- A - bank guarantee issuance fee
- G - bank guarantee amount
- R% - applicable quarterly rate (0.3% or 0.75%)
- N - number of quarters within guarantee term (an incomplete quarter stands for a full one)

Calculation of Guarantee Issuance Fee

- Example**
- Bank guarantee amount: AMD 10,000,000
 - Term: 140 days (2 incomplete quarters)
 - Security: cash
 - Applicable rate: 0.3% per quarter

Guarantee issuance fee for the entire period will comprise

$$10,000,000 * 0.3\% * 2 = \text{AMD } 60,000$$

What may help you to get your bank guarantee application approved

- Established business relationship between the Bank and the client
- Business reputation
- Other factors

Why your bank guarantee application might be rejected

- The information (documents and other data) presented by the client is not trustworthy or is incomplete.

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- The client's declared income is not sufficient to repay the obligations.
- The client has bad credit history, overdue and/or classified liabilities (including liabilities to third parties).
- Other reasons

Bank guarantees are issued at the Bank's head office.

TERMS AND CONDITIONS OF ISSUANCE OF BANK GUARANTEES¹

1. Guarantees issued based on client's application

| | Fee |
|---|---|
| 1.1 Issuance of guarantees by Ameriabank | |
| 1.1.1 with cash collateral | 0.3% per quarter ² (charged upfront, lump sum for the entire term), min AMD 20,000 |
| 1.1.2 with cash collateral | 0.75% per quarter ² , min AMD 20,000 for the entire term |
| 1.1.3. Other collateral (simplified procedure in case of up to AMD 50 million guarantees) | <ul style="list-style-type: none"> • In case of up to AMD 20 million guarantees: only within the scope of tenders and requests for bids/proposals announced by or/contracts signed with the Government authorities and agencies of Armenia, local municipalities of Armenia, state entities and state-owned companies^{3,4}, under the following terms: <ul style="list-style-type: none"> ✓ Security: pledge of cash flows on the bank accounts with Ameriabank, warranty provided by the owners/shareholders ✓ A guarantee issuance fee: 0.95% per quarter², min AMD 25,000 for the entire term ✓ Maximum term: 2 years • In case of up to AMD 50 million guarantees: <ul style="list-style-type: none"> ✓ Security: pledge of cash flows on the bank accounts with Ameriabank, warranty provided by the owners/shareholders and real estate ✓ A guarantee issuance fee: 0.75% per quarter², min AMD 20,000 for the entire term ✓ Maximum term: 2 years |
| 1.2. In case of replacement of cash collateral of cash-secured guarantee with other collateral. | Guarantee issuance fee is charged equal to the difference between the fee already charged for issued guarantee and the fee applicable to guarantees secured by other assets. |
| 1.3. Amendment of guarantee terms | AMD 35,000. In case of increase of the guarantee amount or extension of the term, an extra guarantee issuance fee will be charged pro rata the increased amount/extended period. |
| 1.4. Termination of guarantee upon the client's request | AMD 25,000 |

¹ *These terms are also applicable to standby LCs.*

² For calculation of the fee, an incomplete quarter stands for a full one.

³ The client should have 2+ years of experience in performance of works or provision of services (at least a contract per year) within the scope of contractual relationships with the state authorities and/or local municipalities.

⁴ For the purposes of this clause, Government authorities and agencies of Armenia, local municipalities of Armenia, state entities and state-owned companies are considered to be the entities and companies defined as such under the laws and regulations of the Republic of Armenia.

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| 1.5. Payment on demand | 0.5% of the amount payable, min AMD 50,000 |
| 1.6. Indirect guarantees (issued through intermediary banks) | negotiable ⁵ |

2. Service of guarantee issued by other banks

| | Fee |
|---|---|
| 2.1. Issuance of bank guarantee by Ameriabank under counter-guarantee of another bank | negotiable ⁵ |
| 2.2. Advising of guarantee or guarantee amount increase | 0.1% of guarantee amount (increased portion), min AMD 40,000, max AMD 250,000 |
| 2.3. Advising of other amendment and other guarantee-related messages/notices | AMD 40,000 |
| 2.4. Drawing payment demand under guarantee | AMD 40,000 |

ATTENTION! Commissions payable by RA residents are charged in AMD. In case of commissions expressed as percentage of amounts denominated in foreign currency, currency conversion will be performed at non-cash sell rate of the given currency set by the Bank as of the commission payment date. Commissions payable by non-resident legal entities are charged in the following manner: For the fees and rates specified in this document in Armenian Drams - in AMD For the commissions expressed as percentage of amounts denominated in foreign currency - in the respective currency

ATTENTION! If the funds on the Client's accounts in the currency of the commission to be charged are not sufficient, the Bank shall be entitled to charge the whole or part of commission to the Client's accounts in other currency at the following rates:

For exchange of Armenian Drams to foreign currency - non-cash sell rate of the given currency defined by the Bank as of the payment date

For exchange of other currency to Armenian Drams - non-cash buy rate of the given currency defined by the Bank as of the payment date.

Currency exchange from Client's accounts in different currencies is performed at the order defined by the Bank, unless the Client defines another order.

ATTENTION! All postal, telecommunication and SWIFT expenses, as well as third bank costs (other than commissions for guarantee issuance and confirmation of LCs and standby LCs) are charged additionally, based on their actual accrual.

ATTENTION! Based on long-term cooperation between the Bank and the Client, volume of transactions and other sound reasons, the Bank may apply tariffs and rates different from those defined herein. All such tariffs will be regulated by additional documents and/or agreements.

ATTENTION! All commissions subject to VAT include VAT.

ATTENTION! In case of termination of services, fees paid before termination are not subject to recalculation and are not refundable.

ATTENTION! A daily fee of 0.13% is defined for late payments. Whenever applied, the maximum annual rate and/or aggregate amount of fines and/or penalties shall be within the limits defined under the laws and regulations of the Republic of Armenia.

ATTENTION! The Bank may review and change the tariffs from time to time, notifying the clients through making the changes available for them on the website or within the Bank premises and in cases envisaged by law, also by making them available to the Client via other communication channels specified by the Client. The amendments and additions take effect on the date fixed by the Bank, but not earlier than the client notice

⁵ The tariff is defined based on the written arrangement between the Bank and the Client.

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date (in case of individuals - not earlier than 7 (seven) business days after the Client notice date), unless a longer term of notification is defined by the Republic of Armenia laws and regulations.

ATTENTION! The Bank pays the respective amount only in accordance with the guarantee terms and conditions and international rules and regulations based on duly submitted documents, irrespective of the actual relations of the client and the partner at the time of the transaction.

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- *The statements are provided by post, email, Internet-Bank or in person at any branch of the Bank.*
 - *Due to various reasons, we may ask you for more information and documents. Where required under the Republic of Armenia Law “On Combating Money Laundering and Terrorism Financing”, we may request you to provide additional information and documents to conduct “Know your customer” checks, as well as ask further questions during verbal communication. If it is not possible to identify the client in a proper manner or to maintain the accounts we may restrict access to the service provided by the Bank. Furthermore, to find out whether you are a US taxpayer we may collect additional information in accordance with the agreement executed with the US under the Foreign Account Tax Compliance Act (FATCA).*
 - ***YOU HAVE THE RIGHT TO COMMUNICATE WITH THE BANK VIA THE CHANNEL YOU PREFER: BY REGULAR POST OR EMAIL. ELECTRONIC CHANNELS ARE THE MOST CONVENIENT WAY TO GET INFORMATION. THEY ARE AVAILABLE 24/7, FREE FROM THE RISK OF LOSS OF INFORMATION STORED ON PAPER AND MORE CONFIDENTIAL.***