

“REGISTERED WITH THE STATE”

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The Office of the Baku City Tax
Department of the Ministry of Taxes of the
Azerbaijan Republic for the State
Registration of Commercial Legal Entities

“Amrahbank” Open Joint Stock Company

Registration No. 1400064171

Chairman of the Supervisory Board

Head: _____

Ildirimzada Y. A.

“ ___ ” _____ 200_

Charter of
“Amrahbank”
Open Joint-Stock Company

GENERAL PROVISIONS

1.1. Amrahbank Open Joint-Stock Company (hereinafter referred to as the “Bank”) shall be created in accordance with the Civil Code of the Azerbaijan Republic, the law of the Azerbaijan Republic On Banks, as well as normative acts of the Central Bank of the Azerbaijan Republic and this Charter through the transformation of “Amrahbank” Commercial Bank registered with the National Bank of the Azerbaijan Republic on December 28, 1993 under the No. 171 and shall be the successor of “Amrahbank” Commercial Bank.

1.2. The Bank shall be established as an open joint stock company, shall be a legal entity, shall have its independent balance sheet and shall operate upon commercial principles. The Bank shall have the right to open its branch offices and sections in the Azerbaijan Republic and abroad upon permission of the Central Bank of the Azerbaijan Republic. Branch offices, sections and representative offices shall operate upon regulations approved by the Bank. In its activities the Bank shall follow the Civil Code of the Azerbaijan Republic, the law of the Azerbaijan Republic on Banks, as well as normative acts of the Central Bank of the Azerbaijan Republic, other acts of legislation and this Charter. The Bank shall have a seal bearing its name and logo.

1.3. The Bank shall be liable for its obligations with all of its assets. Shareholders of the Bank shall not be liable for the obligations of the Bank and shall bear the risk for losses arising out of the activities of the Bank to the extent of shares in their ownership. The Bank shall not be liable for the obligations of its shareholders.

1.4. Full name of the Bank shall be in Azerbaijani language - “Amrahbank” Acʔı Səhmdar Cəmiyyəti, and in English language - Amrahbank Open Joint-Stock Company olur.

1.5. Short name of the Bank shall be in Azerbaijani language – “Amrahbank” ASC, and in English language - Amrahbank OJSC.

1.6. The address of location of the Bank shall be Yusuf Safarov Street 10, Baku, Azerbaijan Republic.

2. TYPES OF ACTIVITIES, TRANSACTIONS AND RIGHTS OF THE BANK

2.1. Subject to limitation and conditions set forth in the licenses issued to the Bank, the Bank shall have the right to engage into the following types of activities:

- 2.1.1. To attract fixed term and demand deposits, savings and other repayable funds;
- 2.1.2. To issue secured and unsecured loans, including consumer and mortgage loans, to provide factoring, forfeiting, leasing and other types of financing services with or without the right of regress;
- 2.1.3. To open and maintain accounts for physical persons and legal entities, including correspondent accounts for banks;
- 2.1.4. To provide clearing, cash-settlement services, services for the transfer of cash, securities and other means of payment;

- 2.1.5. To issue means of payment (including debit and credit cards, travelers cheques, bank bills);
- 2.1.6. To accept and place precious metals into deposits;
- 2.1.7. To issue securities for the performance of obligations, including guarantees and to open letters of credit for the account of customers;
- 2.1.8. To carry on professional activities on the securities market;
- 2.1.9. To provide financial advisory, financial agent or consultant services;
- 2.1.10. To provide information and service related to loans and payment capacity;
- 2.1.11. To accept documents and valuables, including cash for storage (in special rooms or safe boxes);
- 2.1.12. To accept and to carry safe delivery of securities, including banknotes and coins;
- 2.1.13. To purchase and sell, on its own account or on the account of customers, financial instruments, including cheques, promissory notes, debt instruments and deposit certificates, precious metals and precious stones, currency and interest instruments, shares and other securities, as well as forward contracts, swap arrangements, futures, options and derivatives related to currencies, shares, bonds, precious metals or interest.

2.2. Except for the categories of activities which cannot be carried on by banks in accordance with the legislation, in addition to the activities listed in Clause 2.1 the Bank shall also be authorized to engage into any other types of activities prescribed by the legislation of the Azerbaijan Republic.

2.3. Where further to the legislation of the Azerbaijan Republic a special permit (license) shall be obtained for engaging into any type of activity, the Bank shall engage into any such activities only upon receipt of such special permit (license).

2.4. In accordance with the conditions and procedures prescribed by the acts of legislation of the Azerbaijan Republic the Bank shall have the right to participate in associations or other unions.

2.5. The Bank shall possess other tangible and intangible rights permitted by the legislation of the Azerbaijan Republic, including the right to purchase, to sell and to lease movable and immovable property, to issue guarantees and undertakings, to act in the courts of law as claimant and as respondent.

3. SHARE CAPITAL OF THE BANK

3.1. The share capital of the Bank shall consist of the nominal value of shares acquired by the shareholders of the Bank. Contributions to the share capital of the Bank shall be made in cash.

3.2. The share capital of the Bank shall be equal to 39 844 400 AZN (thirty nine million eighty hundred forty four thousand and four hundred Azerbaijani Manats) and shall be composed of 398444 (three hundred ninety eight thousand four hundred forty four) common shares each with nominal value of AZN 100 (one hundred Manats).

3.3. Increase of the amount of the share capital of the Bank shall be made upon decision of the General Meeting of Shareholders through raising the nominal value of shares or issue of additional shares.

3.4. Subject to availability of the written permission of the Central Bank of the Azerbaijan Republic, decrease of the amount of the share capital of the Bank shall be made upon decision of the General Meeting of Shareholders through reduction of the nominal value of shares or reduction of number of outstanding shares of the Bank by redeeming some of the shares of the Bank. Upon decision on reduction of the amount of the share capital of the Bank, the Bank shall within 15 (fifteen) days submit written notice thereof to its creditors. Thereafter, within 30 (thirty) days from the date of receipt of such information creditors of the Bank shall have the right to require performance of relevant obligations of the Bank prior to their maturity date or termination thereof and compensation of losses.

3.5. Placement of shares of the Bank shall be made through issue or conversion. Procedure for placement of other securities of the Bank shall be determined by the resolution on issue of such securities.

3.6. Registered securities of the Bank shall, in accordance with the legislation, be maintained either by the Bank (provided that the number of owners of registered shares does not exceed twenty) or by the professional participant of the securities market holding the relevant license.

4. FUNDS OF THE BANK AND DISTRIBUTION OF PROFITS

4.1. In accordance with the normative proceedings established by the Central Bank of the Azerbaijan Republic, the Bank shall establish special reserve funds which funds shall cover forecasted losses related to the assets of the Bank and contributions thereto shall be deductibles.

4.2. Following the payment of taxes and other mandatory contributions prescribed by the legislation, the remaining net profit of the Bank shall be within the discretion of the Bank and shall be distributed in accordance with the decision of the shareholders.

5. CREDIT RESOURCES OF THE BANK

5.1. Credit resources of the Bank shall be accumulated at the account of the following sources:

- 5.1.1 own capital of the Bank;
- 5.1.2 funds held in the accounts of customers of the Bank including physical persons holding their deposits in the Bank;
- 5.1.3 Loans received from other banks, including international financial institutions;
- 5.1.4 proceeds from issue of securities;
- 5.1.5 centralized credit resources of the Central Bank of the Azerbaijan Republic;
- 5.1.6 other funds which are not prohibited by the legislation of the Azerbaijan Republic.

5.2. As a general condition, the Bank shall secure its issued loans by pledges or mortgages provided by the borrower or third parties, or other categories of securities, guarantees, mortgages and pledges, as well as other means generally accepted in banking practice.

5.3. The Bank may also issue unsecured loans. Limits of issue of unsecured loans shall be established by the Supervisory Board.

6. GOVERNANCE ORGANS OF THE BANK

6.1 Governance organs of the Bank shall be the following:

- General Meeting of Shareholders;
- Board of Directors;
- Management Board;
- Audit Committee.

6.2. The General Meeting of Shareholders shall be the supreme governance organ of the Bank and the following matters shall be within the exclusive competence of the General Meeting of Shareholders:

- 6.2.1. To adopt and to make amendments in the Charter of the Bank;
- 6.2.2. To appoint and to dismiss members of the Board of Directors and Audit Committee of the Bank, to approve the regulations of the of the Board of Directors and Audit Committee of the Bank;
- 6.2.3. Except for the authorities of members of the Board of Directors, to determine the authorities of administrators of the Bank with respect to the undertaking of obligations on behalf of and for the account of the Bank and the limits for transfer of such authorities to other personnel of the Bank;
- 6.2.4. To determine rules of disclosure of commercial interests by administrators of the Bank as well as amendments to such rules;
- 6.2.5. To establish and to close down subsidiary legal entities of the Bank, to pass decisions on purchase of other banks;
- 6.2.6. To pass decisions on increase and decrease of the amount of the share capital of the Bank, to determine terms and conditions of issue of shares of the Bank, as well as to provide consents for the purchase of major shareholding in the Bank;
- 6.2.7. To approve annual financial statements of the Bank approved by the external auditor and recommended by the Audit Committee, as well as to issue decisions on creation of reserve funds and payment of dividends by net profit of the Bank;
- 6.2.8. To pass decisions on sale, reorganization and liquidation of the Bank;
- 6.2.9. To determine terms and conditions of hiring of administrators of the Bank;
- 6.2.10. To pass decisions on entering into special transactions and to establish the procedure for the disclosure of the related information;

6.2.11. To settle other issues referred to the authorities of the General Meeting of Shareholders by the charter of the Bank and the legislation of the Azerbaijan Republic.

6.3. Quorum for the General Meeting of Shareholders shall be constituted by presence of owners of at least 60 (sixty) percent of voting shares of the Bank. Decisions on the following matters shall be passed by two third majority votes of shareholders present at such General Meeting of Shareholders:

6.3.1 Amendments to the Charter;

6.3.2 Appointment and dismissal of members of the Board of Directors;

6.3.3 Sale, reorganization and liquidation of the Bank, purchase of another bank.

Decisions on other matters shall be passed by simple majority of votes of shareholders present at the relevant General Meeting of Shareholders.

6.4. General Meetings of Shareholders can be held as annual and extraordinary:

6.4.1. A notice of every General Meeting of Shareholders showing the date, time and place of such meeting, as well as describing the procedure of reviewing the materials related to the items in the agenda of that General Meeting of Shareholders shall be sent to shareholders at least 45 (forty five) calendar days prior to the proposed date of the General Meeting of Shareholders and the relevant information shall be published in mass media.

6.4.2. There shall be held at least one annual meeting. Annual meetings shall be held within two months from the time of preparation of annual financial statements of the Bank and completion of the external audit thereof.

6.4.3. Extraordinary meetings can be held upon request of shareholders holding at least 5 (five) percent of voting shares, Board of Directors, Audit Committee or Management Board. Procedure for convening of extraordinary meeting shall be regulated by the Civil Code of the Azerbaijan Republic. Request to convene the extraordinary meeting shall refer to the proposed agenda of such meeting. Such items must included into the agenda of the request extraordinary meeting.

6.4.4. From the time of receipt of the request (application) for an extraordinary meeting, the Board of Directors shall:

Within 3 (three) working days determine place and time of the extraordinary meeting and arrange for the publication of the relevant notice in a mean of mass media determined at its discretion;

Within 5 (five) working days send notices of the extraordinary meeting to the shareholders;

Ensure that the extraordinary meeting is held not earlier than 30 (thirty) days and not later than 45 (forty five) days.

An extraordinary meeting for consideration of urgent matters can be held without waiting for the 30 (thirty) days period, provided that such meeting shall be entitled to proceed only where all of the shareholders of the Bank are present at such meeting.

- 6.4.5 Where all of the shareholders having the right to vote take part at the General Meeting of Shareholders, the meeting shall be authorized to proceed without reference to the manner and timing of convening thereof. Where all of the shareholders having the right to vote consent, such meeting may also consider and settle matters which were not included into the agenda of such meeting.
- 6.4.6 Protocol on the results of the General Meeting of Shareholders shall be prepared in accordance with the Civil Code of the Azerbaijan Republic. Protocol of the General Meeting of Shareholders shall be signed by the chairman and the secretary of the General Meeting of Shareholders and shall be submitted respectively to the Board of Directors or the Management Board for the implementation.
- 6.5. The Board of Directors shall have the following authorities:
- 6.5.1. To approve the regulations of the Bank (policies, procedures, regulations, instructions and other normative documents) and amendments thereto;
 - 6.5.2. To determine and approve conditions of issue of bonds and other securities of the Bank (except for the shares);
 - 6.5.3. To determine and to select a person maintaining the register of shareholders of the Bank;
 - 6.5.4. To determine the policies of the Bank on interest rates, placement of assets and categories thereof, as well as general fiscal, recording, administrative and personnel policies of the Bank;
 - 6.5.5. To approve strategic visions and mission reports of the Bank;
 - 6.5.6. to determine main directions of activities and development strategies of the Bank to approve business plan of the Bank;
 - 6.5.7. To determine organization chart of the Bank;
 - 6.5.8. to pass decisions on participation of the Bank in the capital of other legal entities, to decide on opening and liquidation of branch offices, sections and representative offices of the Bank, to approve their regulations;
 - 6.5.9. To pass decisions on ordinary and where necessary extraordinary audits and to select an external auditor for that purpose;
 - 6.5.10. To adopt and approve by the budget of the Bank;
 - 6.5.11. To exercise control over management and activities of the Bank, including receipt of reports from the Management Board of the Bank;
 - 6.5.12. To provide recommendations to the General Meeting of Shareholders and the Management Board of the Bank;
 - 6.5.13. Upon discovery of the event of breach of the existing legislation by the Bank, to notify the General Meeting of Shareholders, Audit Committee and Management Board of such breach, and to submit to the Central Bank of the Azerbaijan Republic a notice on the event of breach of the banking legislation;

- 6.5.14. to dismiss and to temporarily replace members of the Management Board of the Bank in accordance with the banking legislation of the Azerbaijan Republic;
- 6.5.15. Where there is a conflict of interest between the Bank and one or more members of the Management Board, to submit an advance written notice referring to the details of such conflict to the Central Bank of the Azerbaijan Republic and to manage and represent the Bank subject to the convening of the General Meeting of Shareholders;
- 6.5.16. To appoint and dismiss members of the Management Board, to approve Regulations of the Management Board;
- 6.5.17. In cases provided for by the normative documents of the Central Bank of the Azerbaijan Republic, to adopt rules and internal regulations as may be required for the efficient and prudent management of the Bank;
- 6.5.18. To pass decisions on creation of capital reserves of the Bank;
- 6.5.19. To provide permission for entering into transactions on behalf of the Bank to the amount in excess of 50 (fifty) percent of the share capital of the Bank;
- 6.5.20. To approve related party transactions of the Bank as well as transactions with persons acting on behalf of related parties;
- 6.5.21. To pass decisions on audit of entire Bank or individual areas of its operations;
- 6.5.22. To review results of external and internal audits, as well as inspections carried by the Central Bank of the Azerbaijan Republic and to undertake measures upon results of such audits and inspections;
- 6.5.23. To approve the following transactions with a value equivalent to USD 500 000 (five hundred thousand US Dollars) and amendments to such transactions:
 - investments;
 - issue of loans;
 - extension or restructuring of loan agreements;
 - issue of bank guarantees;
- 6.5.24. To perform other authorities provided for by the legislation of the Azerbaijan Republic.

6.6. The Board of Directors shall have the following principal duties:

6.6.1. To convene annual and extraordinary General Meetings of Shareholders. In connection therewith, the Board of Directors shall determine the list of participants of the General Meeting of Shareholders, arrange for preparation of the agenda, materials related to the items included within the agenda and delivery thereof to the shareholders at least 45 (forty five) prior to the proposed date of the General Meeting of Shareholders;

6.6.2. To prepare proposals on the following matters and to provide such proposals to the consideration of the General Meeting of Shareholders:

- Amendments to the charter and new edition of the charter;
- Reorganization and sale of the Bank;

- Increase of decrease of the share capital;
- Modification of the nominal value of shares;
- Distribution of profit;
- Composition of the Audit Committee;

6.6.3. To determine the rules of use of undistributed profit remaining in the disposal of the Bank;

6.6.4. with the assistance of the Audit Committee, to pass decisions on improvement of statue of compliance with the banking legislation and accounting activities;

6.6.5. to prepare and approve job descriptions for members of the Management Board;

6.6.6. to perform other duties prescribed by the legislation.

6.7. Board of Directors of the Bank shall consist of 5 (five) persons. Subject to the provisions of the Regulations of the Board of Directors, members of the Board of Directors shall be appointed by the General Meeting of Shareholders out of physical persons - shareholders and/or third persons for the period which shall not exceed 4 (four) years. The General Meeting of Shareholders shall appoint a chairman of the Board of Directors out of members of the Board of Directors.

Chairman of the Board of Directors shall have the following powers:

- To enter into employment agreements with members and chairmen of the Audit Committee and Management Board, to approve their job descriptions;
- To sign documents adopted at the meeting of the Board of Directors;
- To convene and chair for the meetings of the Board of Directors;
- To represent the Bank within the scope of authorities vested upon him;
- Where necessary, to form the executive apparatus of the Board of Directors, to hire employees, to enter into employment agreements with such persons and to approve their job descriptions;
- To provide to the General Meeting of Shareholders proposals for the payment of bonuses, premiums to members of the Board of Directors;
- To pass decisions on other authorities vested upon him by the General Meeting of Shareholders.

6.8. Persons who fail to comply with the requirements imposed by the legislation cannot be members of the Board of Directors of the Bank and shall be dismissed from the position of members of the Board of Directors upon decision of the General Meeting of Shareholders.

6.9. Quorum for meetings of the Board of Directors shall be constituted by presence of at least half of members of the Board of Directors. Proceedings of the Board of Directors shall be determined by the Charter of the Bank and Regulations of the Board of Directors.

6.10. Meetings of the Board of Directors shall be held at least once every 3 (three) months. Extraordinary meetings of the Board of Directors may be convened upon request of its chairman, members of the Board of Directors, Audit Committee, external auditor, controlling organ for the Bank and members of the Management Board. Protocol on

results of meetings of the Board of Directors shall be prepared in accordance with the Civil Code of the Azerbaijan Republic.

6.11. Decisions of the Board of Directors shall be passed by simple majority of votes of members of the Board of Directors. Every member of the Board of Directors shall have one vote. No member of the Board of Directors may abstain during the voting. In the event of tie votes, the vote of the chairman of the Board of Directors shall be deciding.

6.12. The Bank shall have the Management Board, which shall be a colleague organ, shall be liable for the activities of the Bank and shall have the following authorities:

- 6.12.1. To pass decisions on the routine activities of the Bank within its authorities;
- 6.12.2. To pass decisions on re-evaluation of movable and immovable properties of the Bank;
- 6.12.3. To represent the Bank in relationships with counter parties;
- 6.12.4. To exercise other authorities prescribed by the legislation.

6.13. The following shall be within the authorities of the chairman of the Management Board:

- 6.13.1. to act on behalf of the Bank without a power of attorney, to protect interests of the Bank vis-a-vis any person, organization, entity or organs;
- 6.13.2. to ensure implementation of decisions of the Management Board, Board of Directors and General Meeting of Shareholders;
- 6.13.3. to convene meetings of the Management Board and to chair such meetings;
- 6.13.4. to sign documents approved by the Management Board and being within the scope of his authorities;
- 6.13.5. to distribute tasks between deputies of the chairman of the Management Board;
- 6.13.6. to appoint persons approved by the Management Board and other employees of the central apparatus to designated positions, to dismiss and to carry distribution of tasks among such persons;
- 6.13.7. to sign agreements, including employment agreements, full material responsibility agreements, to issue powers of attorney;
- 6.13.8. to enter into civil legal agreements within the scope of his authorities;
- 6.13.9. to approve staff schedules for the central apparatus, branch and representative offices, sections and departments;
- 6.13.10. to issue orders, instructions and resolutions mandatory for all employees;
- 6.13.11. to determine extra payments to employees;
- 6.13.12. to exercise other authorities prescribed by the legislation.

6.14. Management Board shall consist of 5 (five) persons. Members of the Management Board shall be appointed by the Board of Directors for the period which shall not exceed 4 (four) years. Members of the Management Board may be reelected. One member of the Management Board shall be appointed by the Board of Directors to the position of chairman of the Management Board.

6.15. Quorum for meetings of the Management Board shall be constituted by presence of at least half of members of the Management Board. Decisions of the Management Board shall be passed by simple majority of votes of members of the Management Board present at the meeting. Every member of the Management Board shall have one vote and members of the Management Board cannot abstain during the voting. In the event of tie vote, the vote of the chairman of the Management Board shall be deciding.

6.16. Audit Committee of the Bank shall carry on its activities in accordance with the relevant regulations and shall have the following authorities:

6.16.1. To determine audit strategy of the Bank;

6.16.2. To approve internal audit plans and to control activities of the audit department;

6.16.3. to provide to the authorized governance organs of the Bank proposed on appointment of the external audit;

6.16.4. to arrange for joint activities with the external auditors, to assist with implementation of results and findings of the external audit;

6.16.5. to establish relations with governance organs, external auditors, as well as controlling bodies;

6.16.6. to provide to the General Meeting of Shareholders and the Board of Directors proposals for the improvement of the systems of internal control;

6.16.7. to review all decisions of the General Meeting of Shareholders, Board of Directors and Management Board in relation to the activities of the Bank;

6.16.8. to review all internal policies and strategies of the Bank;

6.16.9. to receive from the Management Board all information related to the performance of duties of the Audit Committee;

6.16.10. to require from the Management Board compliance with requirements imposed by the banking legislation, charter of the Bank and normative documents of the Central Bank of the Azerbaijan Republic;

6.16.11. to provide opinion for the annual report of the Bank;

6.16.12. to hold meetings with representatives of internal and external auditors;

6.16.13. to issue orders for special audits and inspections within structural units of the Bank;

6.16.14. to make any applications for information related to activities and employees of the Bank;

6.16.15. where necessary for the purposes of activities, to engage independent experts;

6.16.16. where necessary to invite employees of the Bank, external auditors and independent experts to its meetings;

6.16.17. to participate at meetings of the Management Board without the right of vote;

6.16.18. to participate at meetings of the Board of Directors without the right of vote;

- 6.16.19. to require holding of the extraordinary meeting of the Board of Directors;
- 6.16.20. to require holding of the extraordinary General Meeting of Shareholders;
- 6.16.21. to prepare proposals for establishment and application, improvement of control systems paying consideration to efficiency of internal control, risk managements and minimization of operational risks;
- 6.16.22. to verify plans of extraordinary measures for the protection of IT systems and analysis of financial data for the events when there arises a fault in the information systems, as well as appraisal of the efficiency thereof;
- 6.16.23. to control implementation by the Management Board of recommendations made by internal and external auditors within respect to the internal control issues;
- 6.16.24. to control current areas associated with major financial risks and efficient management thereof by executive units;
- 6.16.25. to review any legal issues capable of having material effect upon financial statements;
- 6.16.26. to control the process of preparation of and results of the Bank's annual and current financial statements;
- 6.16.27. to approve the Regulations of the Internal Audit Department and to control the activities thereof;
- 6.16.28. to provide proposals with respect to the job descriptions of the chair and members, annual work plans and programs of the Internal Audit Department, reports of internal audit, improvement of the control system;
- 6.16.29. to review efficiency and professional suitability of members of the Internal Audit Department;
- 6.16.30. to ensure periodic discussions of major findings and recommendations as provided by Internal Auditors;
- 6.16.31. to review activities of external auditors, to ensure independence thereof;
- 6.16.32. to organize discussion of findings and recommendations submitted by external auditors;
- 6.16.33. to require the Management Board to comply with banking legislation, the charter of the Bank and normative documents of the Central Bank of the Azerbaijan Republic;
- 6.16.34. to control compliance with all legislation and normative documents of the Central Bank of the Azerbaijan Republic in course of preparation of financial statements;
- 6.16.35. to review results of inspections carried by controlling organs and to perform their recommendations with respect to the improvement of audit activities;
- 6.16.36. to periodically (at least once a year) report to the Board of Directors and the General Meeting of Shareholders on the activities of the Audit Committee and to submit relevant recommendations;

6.16.37. to continuously notify the Board of Directors of existing and potential risks for the general activities of the Bank;

6.16.38. according to the schedules as determined by the General Meetings of Shareholders to submit to the General Meeting of Shareholders the following information and reports:

- Report on compliance with legislation within the Bank;
- Report on financial accounting and reporting in the Bank;
- Report on audit activities;
- Report on risk management and control systems in the Bank;
- Report on balance, profit and loss account, as well as financial ratios of the Bank as approved by external auditors;
- Recommendation on risk management and control systems, recording in the Bank and improvement of legislation;
- Reports on other matters referred to the competence of members of the Audit Committee by the Regulations of the Audit Committee.

6.16.39. to perform other duties assigned by the legislation and the Regulations of the Audit Committee.

6.17. Audit Committee of the Bank shall consist of 3 (three) persons. Members of the Audit Committee shall be appointed by the General Meeting of Shareholders for the period which shall not exceed 4 (four) years. Members of the Audit Committee can be reelected. One of members of the Audit Committee shall be appointed by the General Meeting of Shareholders to the position of chairman of the Audit Committee. Amount of salary payable to members of the Audit Committee shall be determined by the General Meeting of Shareholders.

6.18. Quorum for the meetings of the Audit Committee shall consist of majority of members of the Audit Committee. Procedure for meetings of the Audit Committee shall be determined by the Regulations of the Audit Committee to be approved by the General Meeting of Shareholders. Decisions of the Audit Committee shall be passed by simple majority of members of the Audit Committee present at the meeting. Every member of the Audit Committee shall have one vote and no member of the Audit Committee shall have the right to abstain during the voting. In the event of tie vote, vote of chairman of the Audit Committee shall be deciding.

6.19. Head and employees of the Internal Audit Department shall be appointed and dismissed by the Board of Directors of the Bank upon recommendation of the Audit Committee.

7. RIGHTS AND DUTIES OF SHAREHOLDERS

7.1. Shareholders of the Bank shall have the following rights:

- 7.1.1. to dispose of their shares in accordance with the procedure established by the legislation;
- 7.1.2. to receive in accordance with the procedure established by the legislation portion of assets of the Bank remaining upon its liquidation;

- 7.1.3. to elect and be elected to governance organs of the Bank;
- 7.1.4. to complain to courts from decisions passed by governance organs of the Bank;
- 7.1.5. to require and to receive from the Bank or, as the case may be, from the organization maintaining the register of shareholders of the Bank a document evidencing the title of such shareholders to the shares of the Bank;
- 7.1.6. to vote at the General Meetings of Shareholders in proportion to shares owned in the share capital of the Bank;
- 7.1.7. to exercise other rights as provided by the existing legislation and internal documents of the Bank.

7.2. Shareholders shall:

- 7.2.1. to maintain confidentiality of information treated as commercial secret or other confidential information as may be prescribed by the legislation and this charter;
- 7.2.2. to notify the register of any changes in information entered into the register on such shareholders within 10 (ten) calendar days from the date of such change;
- 7.2.3. to perform other duties as may be prescribed by the legislation.

8. RELATIONSHIPS OF THE BANK WITH CUSTOMERS

- 8.1. Relationships of the Bank with its customers shall be governed by the Civil Code of the Azerbaijan Republic, normative documents of the Central Bank of the Azerbaijan Republic and contracts.
- 8.2. The Bank shall have discretion to determine service conditions, including rates of interest, fees and other charges for banking services, as well as terms and conditions of repayment of loans to the Bank in contracts made with its customers.
- 8.3. The Bank shall maintain confidentiality of operations, accounts and savings of its customers and shall disclose such information only in cases and in accordance with the procedure prescribed by the legislation of the Azerbaijan Republic.

9. ACCOUNTING AND FINANCIAL REPORTING IN THE BANK

- 9.1. The Bank shall organize its accounting and financial reporting in accordance with the procedures prescribed by the Central Bank of the Azerbaijan Republic. Activities of the Bank shall be reflected in annual and monthly reports, profit and loss accounts.
- 9.2. Reporting year of the Bank shall commence on January 1 and shall expire on December 31.
- 9.3. Annual audit of financial – economic activities of the Bank shall be performed by an external auditor selected by the Bank. The Bank shall within 5 (five) months from the date of expiration of the financial year submit its audited consolidated financial statements and the auditor’s opinion to the Central Bank of the Azerbaijan Republic and its shareholders and upon request shall submit such statements and opinion to its customers. Financial statements and auditor’s opinion referred to herein shall be published by the Bank in mass media. Form, contents and terms of publication of such statements shall be determined by the Central Bank of the Azerbaijan Republic.

10. TERMINATION OF OPERATIONS OF THE BANK

10.1. The Bank shall be liquidated as follows:

10.1.1. Upon resolution of shareholders of the Bank;

10.1.2 upon court decision.

10.2. Termination of operations of the Bank shall be made through reorganization (merger, accession, split, separation, transformation) or winding up of the Bank. Reorganization of the Bank shall be permitted only upon permission of the Central Bank of the Azerbaijan Republic.

10.3. Liquidation of the Bank shall be made only upon procedures prescribed by the legislation of the Azerbaijan Republic.

11. ORGANIZATION OF COMBATTING MONEY LAUNDERING ACTIVITIES IN THE BANK

11.1. In its activities related to combating money laundering activities within the Bank the Bank shall be governed by the law of the Azerbaijan Republic On Banks, law of the Azerbaijan Republic On Combating Legalization of Cash and Other Assets Acquired Through Criminal Means and Financing of Terrorism, as well as international treaties and conventions of the Azerbaijan Republic.

11.2. The Bank shall not provide any banking services without verification of identity of customers.

11.3. When making payments, the Bank shall require its customers to indicate recipient (beneficiary) of the payment.

11.4. Bank shall not open any anonymous accounts, including anonymous deposit accounts, and shall not engage into any activities which may lead to money laundering.

11.5. Anti-money laundering activities in the Bank shall be regulated by internal normative documents to be approved by the Board of Directors.

12. MISCELLANEOUS PROVISIONS

12.1. Matters related to the activities of the Bank and not regulated hereby shall be governed by the legislation of the Azerbaijan Republic.

12.2. This Charter shall come into force from the date of its state registration.

12.3. Any amendments to this Charter shall be made only upon resolution of the General Meeting of Shareholders subject to advance permission of the Central Bank of the Azerbaijan Republic.

12.4. Amendments to this Charter shall come into force from the date of their state registration.

12.5. Where in future there arises any conflict between the provisions of this charter and the legislation, the latter shall prevail

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