

**24 January 2020**

**ARDSHINBANK CJSC**  
(as Borrower)

and

**DILIJAN FINANCE B.V.**  
(as Lender)

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**U.S.\$300,000,000**

**LOAN AGREEMENT**

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**THIS AGREEMENT** is made on 24 January 2020

**BETWEEN:**

- (1) **ARDSHINBANK CJSC**, a closed joint-stock company incorporated under the laws of the Republic of Armenia and having its registered office at 13 G. Lusavorich Street, Yerevan 0015, the Republic of Armenia (the “**Borrower**”); and
- (2) **DILIJAN FINANCE B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its statutory seat (*statutaire zetel*) in Amsterdam, the Netherlands, its principal place of business at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and registered with the Trade Register of the Dutch Chamber of Commerce under number 63492652 (the “**Lender**”).

**Whereas:**

- (A) The Lender has, at the request of the Borrower, agreed to make available to the Borrower a loan facility in the amount of U.S.\$300,000,000 on the terms and subject to the conditions of this Agreement.
- (B) It is intended that the Lender will issue the Notes (as defined below) for the sole purpose of financing the Facility (as defined below).

**NOW IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Agreement (including the recitals), the following terms shall have the meanings indicated:

“**Account**” means the account in the name of the Lender with the Account Bank, account number 12247216 (or such other account as may from time to time be agreed by the Lender with the Trustee and the Borrower pursuant to the Trust Deed and notified to the Borrower in writing at least five Business Days in advance of such change);

“**Account Bank**” means Citibank, N.A., London Branch;

“**Advance**” means the advance to be made by the Lender under Clause 3 (*Drawdown*) of the sum equal to the amount of the Facility;

“**Affiliate**” of any specified person means any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person. For the purpose of this definition, “**control**” when used with respect to any person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing;

“**Affiliate Transaction**” has the meaning given to it in Clause 10.4 (*Transactions with Affiliates*);

“**Agency**” means any agency, authority, central bank, department, government, legislature, minister, official or public statutory person (whether autonomous or not) of, or of the government of, any state or supra-national body;

**“Agency Agreement”** means the agency agreement relating to the Notes dated on or around 28 January 2020 between the Lender, the Borrower, the Trustee, the Principal Paying Agent and the other agents named therein;

**“Agreement”** means this loan agreement;

**“Assigned Rights”** has the meaning given to it in the Trust Deed;

**“Auditors”** means the auditors for the time being of the financial statements of the Borrower (or, if applicable, the consolidated financial statements of the Group) prepared in accordance with IFRS consistently applied or, if they are unable or unwilling to carry out any action requested of them under this Agreement, another internationally recognised firm of accountants;

**“Authorised Signatory”** means, in relation to the Borrower, any director of the Borrower or any other person who is duly authorised and in respect of whom the Lender and the Trustee has received a certificate signed by a director or another Authorised Signatory of the Borrower setting out the name and signature of such person and confirming such person's authority to act;

**“Banking Entity”** means the Borrower and any of the Borrower's Subsidiaries which is a bank;

**“Basel I”** means the report entitled *“International Convergence on Capital Measurement and Capital Standards”* published by the Basel Committee in July 1988;

**“Basel II”** means the report entitled *“International Convergence of Capital Measurement and Capital Stock Standards”* published by the Basel Committee in June 2004 and as subsequently amended and supplemented by the Basel Committee;

**“Basel III”** means the report entitled *“A global regulatory framework for more resilient banks and banking systems”* published by the Basel Committee in December 2010 as revised in June 2011 together with the additional *“Minimum requirements to ensure loss absorbency at the point of non-viability”* published by the Basel Committee in January 2011 and in each case as subsequently amended and supplemented by the Basel Committee;

**“Basel Committee”** means the Basel Committee on Banking Supervision;

**“BCBS Capital Adequacy Ratio”** means at any time the total capital ratio as calculated in accordance with the Relevant BCBS Standard;

**“Board of Directors”** means, as to any person, the board of directors or equivalent competent governing body of such person, or any duly authorised committee thereof;

**“Business Day”** means a day on which, if on that day a payment is to be made hereunder, commercial banks generally are open for business in Yerevan, Amsterdam, New York City and in the city where the Specified Office (as defined in the Agency Agreement) of the Principal Paying Agent is located;

**“Capital”** means the Capital of the Borrower as such term is defined in the Relevant BCBS Standard;

**“CBA”** means the Central Bank of Armenia or such other governmental or other authority as shall from time to time carry out functions in relation to the supervision of banks in the Republic of Armenia as are, on the date hereof, carried out by the Central Bank of Armenia;

**“Certification Date”** has the meaning given to it in Clause 10.14 (*Compliance Certificates*);

**“Change of Control”** means that any person or group of persons acting in concert or under an express or implied agreement or understanding, directly or through one or more intermediaries, shall acquire ultimate beneficial or legal ownership of, or control over, more than 50 per cent. of the issued or allotted share capital of the Borrower carrying voting rights and such event results in a Rating Decline;

**“Change of Control Put Event”** means the occurrence of a Change of Control;

**“Change of Control Put Option”** means the put option granted to Noteholders pursuant to the Conditions;

**“Change of Control Put Period”** has the meaning given to it in the Conditions;

**“Change of Control Put Settlement Date”** means the tenth Business Day after the expiration of the Change of Control Put Period;

**“Closing Date”** means 28 January 2020 (or such later date not later than 11 February 2020 as may be agreed between the Lender and the Borrower);

**“Conditions”** means the terms and conditions of the Notes;

**“Currency Agreements”** means, in respect of a person, any spot or forward foreign exchange agreements and currency swaps, currency options or other similar financial agreements or arrangements as to which such person is a party or a beneficiary;

**“Default”** means any event which is, or after notice or passage of time or after making any determination under this Agreement or the fulfilment of any other requirement (or any combination of the foregoing) would be, an Event of Default;

**“Determination Agent”** means an internationally recognised financial adviser or bank which is independent of the Borrower appointed by the Borrower for the purpose of determining the Make Whole Prepayment Amount;

**“Dispute”** has the meaning given to it in Clause 24.2 (*Arbitration*);

**“Due Amount”** has the meaning given to it in Clause 12.4 (*Currency Indemnity*);

**“Dutch Treaty”** means the double taxation agreement in force between the Republic of Armenia and the Netherlands from time to time;

**“Event of Default”** has the meaning given to it in Clause 11.1 (*Events of Default*);

**“Event of Illegality”** has the meaning given to it in Clause 6.3 (*Prepayment in the Event of Illegality*);

**“Exempt Reorganisation”** means a Reorganisation or any type of corporate restructuring or other analogous event in a jurisdiction other than the Republic of Armenia (as determined under the legislation of such relevant jurisdiction) whereby another bank is merged with or into, or a portion of another banks’ assets is transferred to, the Borrower;

**“Exempt Transaction”** means:

- (a) any transaction solely for the provision of credit scoring and/or information technology services; or
- (b) any transaction solely for the provision of hedging services;

**“Facility”** means the U.S.\$300,000,000 term loan facility granted by the Lender to the Borrower as specified in Clause 2 (*Facility*);

**“Facility Fee”** has the meaning specified in Clause 2.3 (*Facility Fee*);

**“Financial Indebtedness”** means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (e) receivables or other payment rights sold or discounted (other than any receivables or other payment rights to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account; or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (i) any amount raised by the issue of redeemable shares;
- (j) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into this agreement is to raise finance; and
- (k) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above;

**“Fitch”** means Fitch Ratings Ltd.;

**“first currency”** has the meaning given to it in Clause 12.4 (*Currency Indemnity*);

**“Global Certificate”** means the Rule 144A Global Certificate or, as the context may require, the Regulation S Global Certificate and **“Global Certificates”** shall be construed accordingly;

**“Group”** means the Borrower and its Subsidiaries from time to time taken as a whole, and a **“member of the Group”** means any of the Borrower or any of its Subsidiaries from time to time;

**“Guarantee”** means, in relation to any Financial Indebtedness of any person, any obligation of another person to pay such Financial Indebtedness including (without limitation):

- (a) any obligation to purchase such Financial Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Financial Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and
- (d) any other agreement to be responsible for such Financial Indebtedness;

**“IFRS”** means the International Financial Reporting Standards promulgated by the International Accounting Standards Board or any successor board or agency and in effect on the date hereof;

**“indemnified party”** has the meaning given to it in Clause 12.1 (*Indemnification*);

**“Interest Payment Date”** means 28 January and 28 July of each year;

**“Interest Period”** has the meaning given to it in Clause 4.2 (*Payment*);

**“Interest Rate Agreements”** means, in respect of a person, any interest rate protection agreements or other types of interest rate hedging agreements (including, without limitation, interest rate swaps, caps, floors, futures, collars and similar agreements) as to which such person is a party or a beneficiary;

**“Joint Lead Managers”** has the meaning given to it in the Subscription Agreement;

**“Lender Assets”** has the meaning given to it in Clause 23 (*Limited Recourse and Non Petition*);

**“Lien”** means any mortgage, pledge, encumbrance, lien, charge or other security interest (including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction) and any title retention agreement having a similar effect);

**“Loan”**, at any time, means an amount equal to the aggregate principal amount of the Facility advanced by the Lender pursuant to this Agreement and outstanding at such time;

**“Loss”** has the meaning given to it in Clause 12.1 (*Indemnification*);

**“Make Whole Prepayment Amount”** means the higher of (a) the portion of the Loan that is to be prepaid pursuant to Clause 6.5 (*Optional Prepayment*) and (b) the amount equal to the sum of the present values of the portion of the Loan that is to be prepaid pursuant to Clause 6.5 (*Optional Prepayment*), together with the present values of the scheduled interest payments on such portion of the Loan from the Optional Prepayment Date to the Repayment Date, in each case, discounted to the Optional Prepayment Date on a semi-annual compounded basis at the adjusted Treasury Rate plus 50 basis points, all as determined by the Determination Agent;

**“Material Adverse Effect”** means a material adverse effect on (a) the business, financial condition or results of operations of the Borrower or the Group; (b) the Borrower’s ability to perform or comply with its obligations under this Agreement; or (c) the validity or enforceability of this Agreement or the rights or remedies of the Lender hereunder;

**“Material Subsidiary”** means, as at the date of determination, any Subsidiary of the Borrower which accounted for more than 10 per cent. of Total Assets, or, as the case may be, Total Operating Income of the Group as of the end of the most recent fiscal year or for the

most recent fiscal year, respectively as determined by reference to the most recent financial statements of the Borrower, or the Group, as the case may be, prepared in accordance with IFRS consistently applied;

**“Moody’s”** means Moody’s Investors Service Ltd.;

**“Noteholder”** means, in relation to a Note, the person in whose name such Note is for the time being registered in the register of the Noteholders (or, in the case of a joint holding, the first named holder thereof);

**“Notes”** means the U.S.\$300,000,000 6.5 per cent. loan participation notes due 2025 proposed to be issued by the Lender pursuant to the Trust Deed for the purpose of financing the Loan;

**“Notified Party”** has the meaning given to it in Clause 6.3 (*Prepayment in the Event of Illegality*);

**“Notifying Party”** has the meaning given to it in Clause 6.3 (*Prepayment in the Event of Illegality*);

**“Officers’ Certificate”** means a certificate signed, in the case of the Borrower, by two Authorised Signatories of the Borrower;

**“Opinion of Counsel”** means a written opinion from legal counsel who is acceptable to the Trustee (acting reasonably (as interpreted in accordance with the Trust Deed)), which counsel may be an employee of or counsel to the Borrower;

**“Optional Prepayment Date”** has the meaning given to it in Clause 6.5 (*Optional Prepayment*);

**“Original Financial Statements”** means the most recent audited IFRS financial statements of the Borrower as of the Closing Date;

**“Paying Agent”** has the meaning given to it in the Agency Agreement;

**“Permitted Liens”** means:

- (a) any Lien over or affecting any asset acquired by a member of the Group after the date hereof and subject to which such asset is acquired, if:
  - (i) such Lien was not created in contemplation of the acquisition of such asset by a member of the Group; and
  - (ii) the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition of such asset by a member of the Group;
- (b) any Lien over or affecting any asset of any company which becomes a member of the Group after the date hereof, where such Lien is created prior to the date on which such company becomes a member of the Group, if:
  - (i) such Lien was not created in contemplation of the acquisition of such company; and
  - (ii) the amount thereby secured has not been increased in contemplation of, or since the date of, the acquisition of such company;

- (c) any netting or set-off arrangement entered into by any member of the Group in the normal course of its banking arrangements for the purpose of netting debit and credit balances;
- (d) any title transfer or retention of title arrangement entered into by any member of the Group in the normal course of its trading activities on the counterparty's standard or usual terms;
- (e) any Lien arising by operation of law and in the normal course of business;
- (f) Liens incurred, or pledges and deposits in connection with workers' compensation, unemployment insurance and other social security benefits, and leases, appeal bonds and other obligations of like nature in the ordinary course of business;
- (g) Liens for ad valorem, income or property taxes or assessments and similar charges which either are not delinquent or are being contested in good faith by appropriate proceedings for which the Borrower or the Group has set aside in its books of account reserves to the extent required by IFRS, as consistently applied;
- (h) any Lien granted by any Subsidiary of the Borrower in favour of the Borrower;
- (i) any Lien existing on the Closing Date;
- (j) any Lien over assets or revenues which are the subject of a Permitted Securitisation, *provided that* all payment obligations secured by such Lien or having the benefit of such Lien are to be discharged solely from such assets or revenues;
- (k) any Lien relating to Currency Agreements or Interest Rate Agreements entered into in the ordinary course of business and for bona fide hedging purposes;
- (l) any extension, renewal or substitution for any Lien permitted by any of the preceding paragraphs (a) through (k), provided, however, that such extension, renewal or replacement shall be no more restrictive in any material respect than the original Lien; with respect to Liens incurred pursuant to this paragraph (l) the principal amount secured has not increased (other than any increase representing costs, fees, expenses or commission associated with such extension, renewal or substitution) and the Liens have not been extended to any additional property or assets (other than the proceeds of the property or assets in question);
- (m) any Lien over or with respect to any present or future assets or revenues of the Group or any part thereof, which is created pursuant to any Repo transaction, where the aggregate value of the assets or revenues which are the subject of all such transactions does not at any time exceed 10 per cent. (by value) of Total Assets; and
- (n) any other Lien securing Financial Indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other Financial Indebtedness which has the benefit of a Lien given by any member of the Group or in respect of which a Lien has otherwise arisen, in each case, under this paragraph (n)) does not at any time exceed 10 per cent. (by value) of Total Assets.

**“Permitted Securitisation”** means a secured or true-sale financing of receivables which is originated by the Borrower on an arm's length basis and on commercially reasonable terms whereby all payment obligations are to be discharged solely from such receivables, provided that the aggregate value of such receivables, when added to the aggregate value of receivables subject to any Lien described under paragraph (j) of the definition of Permitted Liens, does not at any time exceed 10 per cent. (by value) of Total Assets;

**“person”** means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity;

**“Principal Paying Agent”** has the meaning given to it in the Agency Agreement;

**“Prospectuses”** has the meaning given to it in the Subscription Agreement;

**“Qualifying Jurisdiction”** means any jurisdiction in which the Lender or any successor thereto is entitled to receive payment of interest on the Loan under a double taxation agreement in force on such date (subject to the completion of any necessary procedural formalities) providing for full or partial exemption from Armenian withholding tax on interest derived from a source within the Republic of Armenia to a resident of such jurisdiction;

**“Rate of Interest”** has the meaning given to it in Clause 4.1 (*Rate of Interest*);

**“Rating Agency”** means Fitch or Moody’s, or any of their successors or any rating agency substituted for any of them (or any permitted substitute of them) by the Borrower, from time to time with the prior written approval of the Lender (and, following the assignment of the Assigned Rights, the Trustee without regard to the Lender);

**“Rating Categories”** means (1) with respect to Fitch, any of the following categories (any of which may or may not include a “+” or “-”): AAA, AA, A, BBB, BB, B, CCC, CC, C and D (or equivalent successor categories); (2) with respect to Moody’s, any of the following categories (any of which may or may not include a “1”, “2” or “3”): Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C and D (or equivalent successor categories); and (3) the equivalent of any such categories of Fitch or Moody’s used by another internationally recognised rating agency, if applicable;

**“Rating Decline”** means that, at any time within 90 days (which period shall be extended so long as the corporate credit rating of the Borrower or the credit rating in respect of the Notes is under publicly announced consideration for possible downgrade by any Rating Agency) after the announcement or the occurrence of a Change of Control, the corporate rating of the Borrower or the rating of the Notes is decreased or downgraded by a Rating Agency by one or more Rating Categories below the corporate rating of the Borrower or the rating of the Notes as of the date hereof (or if a Rating Agency has not assigned any such rating as of the date hereof, below the first such rating assigned to the Borrower or the Notes by such internationally recognised rating agency after the date hereof) as a result of such Change of Control, as specified by the relevant Rating Agency;

**“Registrar”** has the meaning given to it in the Trust Deed;

**“Regulation S Global Certificate”** means the single, permanent global Note in fully registered form, without interest coupons, substantially in the form set out in Part A of Schedule 1 to the Trust Deed;

**“Relevant BCBS Standard”** means the standard established by Basel I, Basel II and/or Basel III as and to the extent the relevant standard has, at the time the calculation is made, been implemented by the CBA;

**“Reorganisation”** has the meaning given to it in Clause 10.2 (*Mergers*);

**“Repayment Date”** means 28 January 2025;

**“Repo”** means a sale, transfer or other disposal by the Borrower of any assets on terms whereby they are or may be leased to or re-acquired by a member of the Group;

**“Reserved Rights”** has the meaning given to it in the Trust Deed and the Conditions;

**“Rule 144A Global Certificate”** means the single, permanent global Note in fully registered form, without interest coupons, substantially in the form set out in Part B of Schedule 1 to the Trust Deed;

**“Rules”** has the meaning given to it in Clause 24.2 (*Arbitration*);

**“Same-Day Funds”** means same day, freely transferable, clearly identifiable cleared U.S. dollar-funds or such other funds for payment in U.S. dollars as the Lender may at any time reasonably determine to be customary for the settlement of international transactions in London of the type contemplated hereby;

**“second currency”** has the meaning given to it in Clause 12.4 (*Currency Indemnity*);

**“Securities Act”** means the United States Securities Act of 1933, as amended;

**“Subscription Agreement”** means the subscription agreement relating to the Notes dated the date hereof between the Lender, the Borrower and the Joint Lead Managers;

**“Subsidiary”** means, in relation to any person (the **“first person”**) at any particular time, any other person (the **“second person”**):

- (a) whose affairs and policies the first person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and IFRS, consolidated with those of the first person,
- (c) provided that no company established for the purpose of a Permitted Securitisation shall be a Subsidiary;

**“successor”** means, in the case of a merger, consolidation or combination of a person, or the sale, assignment, transfer, conveyance or other disposal of all or substantially all of a person’s assets, the corporation formed by or resulting from such consolidation or merger or which shall have received such assets;

**“Tax”** means any present or future taxes, duties, assessments, fees or other governmental charges imposed or levied by or on behalf of any Qualifying Jurisdiction or the Republic of Armenia;

**“Total Assets”** means, as at any date of determination, the aggregate of the Borrower’s total assets or, if consolidated financial statements are then prepared, the consolidated total assets of the Group shown on the balance sheet of the Borrower, or the consolidated balance sheet of the Group, as applicable, as of the end of the most recent semi-annual period, in each case prepared in accordance with IFRS consistently applied;

**“Total Operating Income”** means, as at any date of determination, the operating income of the Borrower or, if consolidated financial statements are then prepared, the consolidated operating income of the Group, as shown on the statement of profit or loss and other comprehensive income of the Borrower, or the consolidated statement of profit or loss and other comprehensive income of the Group, as applicable, for the most recent fiscal year in each case prepared in accordance with IFRS consistently applied;

**“Treaty”** means a double taxation agreement between any jurisdiction and the Republic of Armenia which makes provision for either: (i) full exemption from Republic of Armenia Tax

on interest; or (ii) partial exemption from Republic of Armenia Tax on interest, reducing the rate of such Tax to a rate which is no higher than the minimum rate prescribed by the Dutch Treaty;

**“Treasury Rate”** means either (i) the rate per annum equal to the yield, under the heading that represents the average for the week immediately preceding the third Business Day (in New York City) prior to the Optional Prepayment Date, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Repayment Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the U.S. Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the third Business Day (in New York City) prior to the relevant date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the Optional Prepayment Date, in each case calculated on the third Business Day (in New York City) immediately preceding the Optional Prepayment Date;

**“Trust Deed”** means the trust deed relating to the Notes to be dated the Closing Date between the Lender and the Trustee;

**“Trustee”** means Citibank, N.A., London Branch, as trustee under the Trust Deed, and any successor thereto and any additional trustee, in each case as provided thereunder;

**“U.S. dollars”** and **“U.S.\$”** mean the lawful currency of the United States of America; and

**“VAT”** means value added tax and any other tax of a similar nature.

## 1.2 Other Definitions

Unless the context otherwise requires, terms used in this Agreement which are not defined in this Agreement but which are defined in, or are defined by cross-reference to definitions in or other provisions of, the Trust Deed, the Notes (including the Conditions), the Agency Agreement or the Subscription Agreement shall have the meanings given to such terms therein.

## 1.3 Interpretation

Unless the context or the express provisions of this Agreement otherwise require, the following shall govern the interpretation of this Agreement:

- 1.3.1 all references to **“Clause”** or **“sub-Clause”** are references to a Clause or sub-Clause of this Agreement;
- 1.3.2 the terms **“hereof”**, **“herein”** and **“hereunder”** and other words of similar import shall mean this Agreement as a whole and not any particular part hereof;
- 1.3.3 words importing the singular number include the plural and vice versa;
- 1.3.4 all references to **“taxes”** include all present or future taxes, levies, imposts and duties of any nature and the terms **“tax”** and **“taxation”** shall be construed accordingly;

- 1.3.5 any reference to this Agreement or any other document, agreement or deed shall be to this Agreement or such other document, agreement or deed as amended, restated, novated or extended from time to time; and
- 1.3.6 the table of contents and the headings are for convenience only and shall not affect the construction hereof.

## **2. FACILITY**

### **2.1 Facility**

On the terms and subject to the conditions set out herein, the Lender hereby agrees to lend to the Borrower and the Borrower hereby agrees to borrow from the Lender U.S.\$300,000,000.

### **2.2 Purpose**

The proceeds of the Advance will be used by the Borrower for the purposes set out in the Prospectuses and, accordingly, the Borrower shall apply all amounts raised by it hereunder for such purposes, but the Lender shall not be concerned with the application thereof.

### **2.3 Facility Fee**

The Borrower shall pay fees and expenses in an amount to be agreed in writing separately to the Lender in consideration for the arrangement of the Facility (the “**Facility Fee**”) as set out in Clause 3.2 (*Payment of the Facility Fee*) below.

## **3. DRAWDOWN**

### **3.1 Drawdown**

On the terms and subject to the conditions of this Agreement, on the Closing Date, the Lender shall make the Advance to the Borrower and the Borrower shall make a single drawing in the full amount of the Facility.

### **3.2 Payment of the Facility Fee**

- 3.2.1 In consideration of the Lender making the Advance to the Borrower, the Borrower hereby agrees to pay to the Lender, in Same-Day Funds, the Facility Fee promptly, but in any event no later than 10:00 a.m. (London time) on 27 January 2020.
- 3.2.2 In the event that the Lender has not received the Facility Fee from the Borrower by 10:00 a.m. (London time) one Business Day prior to the Closing Date, the Facility Fee shall be deducted from the amount of the Advance.

### **3.3 Disbursement**

Subject to the conditions set out herein, on the Closing Date, the Lender shall transfer the amount of the Advance to the Borrower’s account as follows:

Ardshinbank CJSC  
13 G. Lusavorich Street  
0015 Yerevan  
Republic of Armenia

Bank: CITIBANK N.A., New York, USA  
Account Number: 36209105  
SWIFT: CITIUS33

### 3.4 **Ongoing Fees and Expenses**

In consideration of the Lender making available the Loan to the Borrower, the Borrower shall pay in one or more instalments on demand to the Lender each year an additional fee equating to all properly incurred and documented ongoing fees, taxes and expenses of the Lender (including, without limitation, any corporate service provider fees, stock exchange fees, listing fees, audit fees, legal fees and the anticipated winding-up and liquidation fees and expenses of the Lender) as set out in an invoice from the Lender to the Borrower. Before such payment is made by the Borrower, the Lender shall submit an invoice providing, in reasonable detail, the nature and calculation of the relevant payment or expense.

## 4. **INTEREST**

### 4.1 **Rate of Interest**

The Borrower will pay interest in U.S. dollars to the Lender on the outstanding principal amount of the Loan from time to time at the rate of 6.5 per cent. per annum (the “**Rate of Interest**”).

### 4.2 **Payment**

Interest at the Rate of Interest shall accrue from day to day, starting from (and including) the Closing Date and shall be paid in respect of each Interest Period in arrear not later than 10:00 a.m. (New York City time) on each Interest Payment Date. Interest on the Loan will accrue to (but excluding) the Repayment Date (or any date upon which the Loan is prepaid pursuant to Clause 6 (*Repayment and Prepayment*)) unless payment of principal due on such date is improperly withheld or refused, in which event interest will continue to accrue (before or after any judgment) at the Rate of Interest to (but excluding) the date on which payment in full of the principal thereof is made. The amount of interest payable in respect of the Loan for any Interest Period shall be calculated by applying the Rate of Interest to the Loan, dividing the product by two and rounding the resulting figure to the nearest cent (half a cent being rounded down). If interest is required to be calculated for any period of less than a year, it will be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed. “**Interest Period**” means each period beginning on (and including) the Closing Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

## 5. **CONDITIONS PRECEDENT**

The obligation of the Lender to make the Advance shall be subject to the further conditions precedent that as at the Closing Date (a) the Lender shall have received the full amount of the proceeds of the issue of the Notes pursuant to the Subscription Agreement; and (b) the Lender shall have received in full the amount referred to in Clause 2.3 (*Facility Fee*).

## 6. **REPAYMENT AND PREPAYMENT**

### 6.1 **Repayment**

Except as otherwise provided herein, the Borrower shall repay the Loan not later than 10:00 a.m. (New York City time) on the Repayment Date.

### 6.2 **Prepayment in the Event of Taxes or Increased Costs**

If, as a result of the application of any amendments or clarification to, or change (including a change in interpretation or application) in, or determination under, (a) the Dutch Treaty or the laws or regulations of the Republic of Armenia or the Netherlands or of any political sub-

division thereof or any authority thereof or therein having power to tax, (b) any other applicable Treaty, (c) any applicable Tax law, or (d) the enforcement of the security provided for in the Trust Deed, in each case arising or entering into force after the date of this Agreement, the Borrower would thereby be required to make or increase any payment due hereunder as provided in Clause 7.2 (*No Set-Off, Counterclaim or Withholding; Gross-Up*) or 7.3 (*Withholding on the Notes*) (other than, in each case, where the increase in payment is in respect of any amounts due or paid pursuant to Clause 2.3 (*Facility Fee*)), or if (for whatever reason) the Borrower would have to or has been required to pay additional amounts pursuant to Clause 8 (*Change in Law or Increase in Cost*), and in any such case such obligation cannot be avoided with certainty by the Borrower taking reasonable measures available to it, then the Borrower may (without premium or penalty), upon not less than 30 calendar days' nor more than 60 calendar days' prior written notice to the Lender (which notice shall be irrevocable), prepay the Loan in whole (but not in part) at any time.

Prior to giving any such notice in the event of an increase in payment pursuant to Clause 7.2 (*No Set-Off, Counterclaim or Withholding; Gross-Up*), the Borrower shall deliver to the Lender (with a copy to the Trustee) an Officers' Certificate confirming that the Borrower would be required to increase the amount payable or to pay the additional amounts, supported by an opinion of an independent tax adviser of recognised standing in the relevant jurisdiction.

### 6.3 **Prepayment in the Event of Illegality**

If, at any time, by reason of the introduction of any change after the date of this Agreement in any applicable law, regulation, regulatory requirement or directive of any applicable Agency, (i) the Lender reasonably determines (such determination being accompanied by an Opinion of Counsel if so requested and satisfactory to the Borrower, with the cost of such Opinion of Counsel being borne solely by the Borrower) that it is or would be unlawful or contrary to any applicable law, regulation, regulatory requirement or directive of any Agency or otherwise for the Lender to allow all or part of the Loan or the Notes to remain outstanding or for the Lender to maintain or give effect to any of its obligations in connection with this Agreement and/or to charge or receive or to be paid interest at the rate then applicable to the Loan or (ii) the Borrower reasonably determines (such determination being accompanied by an Opinion of Counsel if so requested and satisfactory to the Lender, with the cost of such Opinion of Counsel being borne solely by the Borrower) that it is or would be unlawful or contrary to such applicable law, regulation, regulatory requirement or directive for the Borrower to borrow the Loan or to allow all or part of the Loan to remain outstanding or to give effect to any of its obligations in connection with this Agreement and/or to pay interest at the rate then applicable to such Loan (in each case, an "**Event of Illegality**"), then upon notice by the Lender to the Borrower or by the Borrower to the Lender, as the case may be, in writing (setting out in reasonable detail the nature and extent of the relevant circumstances), the Borrower and the Lender shall consult in good faith as to a basis which eliminates the application of such Event of Illegality; *provided, however, that* the notifying party (the "**Notifying Party**") shall be under no obligation to continue such consultation if a basis has not been determined within 30 days of the date on which it so notified the other party (the "**Notified Party**"). If such a basis has not been determined within the 30 days, then upon written notice by the Notifying Party to the Notified Party and the Trustee, the Borrower shall prepay the Loan in whole (but not in part) on the next Interest Payment Date or on such earlier date as the Notifying Party shall (acting reasonably) certify to be necessary to comply with such requirements.

### 6.4 **Prepayment upon Change of Control Put Event**

6.4.1 Promptly, and in any event within 30 calendar days after becoming aware of the occurrence of any Change of Control Put Event, the Borrower shall deliver to the

Lender and the Trustee a written notice in the form of an Officers' Certificate, which notice shall be irrevocable, stating that a Change of Control Put Event has occurred and stating the circumstances and relevant facts giving rise to such Change of Control Put Event.

- 6.4.2 If, following a Change of Control Put Event, any Noteholder has exercised its Change of Control Put Option, the Borrower shall on the Change of Control Put Settlement Date, prepay 101 per cent. of the principal amount of the Loan in an amount which corresponds to the aggregate principal amount of the Notes (as notified to the Borrower by the Paying Agents) in relation to which the Change of Control Put Option has been duly exercised together with interest accrued (if any) to, but excluding, the Change of Control Put Settlement Date in accordance with the Conditions.

## 6.5 **Optional Prepayment**

The Borrower may, at any time, on giving not less than 30 nor more than 60 days' notice to the Lender (which notice shall be irrevocable and shall specify the date fixed for prepayment (the "**Optional Prepayment Date**")), prepay the Loan in whole (but not in part):

- 6.5.1 where such Optional Prepayment Date falls any time on or after 28 October 2024, be at a price which shall be equal to the principal amount of the Loan plus accrued and unpaid interest on the Loan to (but excluding) the Optional Prepayment Date; and
- 6.5.2 where such Optional Prepayment Date falls any time before 28 October 2024, at the Make Whole Prepayment Amount plus accrued and unpaid interest on the Loan so prepaid to (but excluding) the Optional Prepayment Date.

## 6.6 **Reduction of Loan upon Cancellation of Notes**

The Borrower or any Subsidiary of the Borrower may from time to time, in accordance with the Conditions, purchase Notes in the open market or by tender or by a private agreement at any price and deliver to the Lender such purchased Notes having an aggregate principal value of at least U.S.\$200,000, together with a request for the Lender to present such Notes to the Registrar for cancellation, or, where the Notes are represented by the Global Certificates, may also from time to time procure the delivery to or to the order of the Registrar or relevant clearing system of instructions (in each case, with a copy to the Lender) to cancel a specified aggregate principal amount of Notes (being at least U.S.\$200,000) represented thereby (which instructions shall be accompanied by evidence satisfactory to the Registrar or relevant clearing system that the Borrower is entitled to give such instructions), whereupon the Lender shall, pursuant to clause 8.1 (*Redemption, reduction and cancellations*) of the Agency Agreement, request the Registrar or relevant clearing system to cancel such Notes (or specified aggregate principal amount of Notes represented by the Global Certificates). Upon any such cancellation by or on behalf of the Registrar or relevant clearing system, the principal amount of the Loan corresponding to the principal amount of such Notes shall be extinguished for all purposes as of the date of such cancellation.

## 6.7 **Payment of Other Amounts**

If the Loan is to be prepaid by the Borrower pursuant to any of the provisions of Clauses 6.2 (*Prepayment in the Event of Taxes or Increased Costs*), 6.3 (*Prepayment in the Event of Illegality*), 6.4 (*Prepayment upon Change of Control Put Event*) or 6.5 (*Optional Prepayment*), the Borrower shall, simultaneously with such prepayment, pay to the Lender accrued interest thereon (calculated up to but excluding the date of scheduled prepayment) and all other sums payable by the Borrower pursuant to this Agreement in relation to the prepaid amount. For the avoidance of doubt, if the principal amount of the Loan is reduced

pursuant to the provisions of Clause 6.6 (*Reduction of Loan upon Cancellation of Notes*), then no interest shall accrue or be payable during the Interest Period in which such reduction takes place in respect of the amount by which the Loan is so reduced and the Lender shall not be entitled to any interest in respect of the cancelled Notes.

#### **6.8 Provisions Exclusive**

The Borrower shall not voluntarily prepay or repay all or any part of the amount of the Loan except at the times and in the manner expressly provided for in this Agreement. The Borrower shall not be permitted to re-borrow any amounts prepaid or repaid.

### **7. PAYMENTS**

#### **7.1 Making of Payments**

All payments of principal, interest and additional amounts (other than those in respect of Reserved Rights) to be made by the Borrower under this Agreement shall be made unconditionally by credit transfer to the Lender not later than 10:00 a.m. (New York City time) on each Interest Payment Date, the Repayment Date, or the date specified for any payment or prepayment (as the case may be) in Same-Day Funds to the Account, or as the Trustee may otherwise direct following the occurrence of a Default or a Relevant Event (as defined in the Trust Deed).

The Borrower shall, before 10:00 a.m. (local time) on the second Business Day prior to each Interest Payment Date, the Repayment Date, or such other date specified for any payment or prepayment (as the case may be), procure that the bank effecting such payments on its behalf confirms to the Principal Paying Agent or to the Borrower (who shall immediately provide the same to the Principal Paying Agent) by authenticated SWIFT the payment instructions relating to such payment.

The Lender agrees with the Borrower that it will not deposit any other monies into the Account and that no withdrawals shall be made from the Account other than as provided for and in accordance with the Trust Deed and the Agency Agreement.

#### **7.2 No Set-Off, Counterclaim or Withholding; Gross-Up**

All payments to be made by the Borrower under this Agreement shall be made in full without set-off or counterclaim and (except to the extent required by law) free and clear of and without deduction for or on account of any Taxes. If the Borrower shall be required by applicable law to make any deduction or withholding from any payment under this Agreement for or on account of any such Taxes, it shall, on the due date of such payment, increase the payment due hereunder to such amount as may be necessary to ensure that the Lender receives a net amount in U.S. dollars equal to the full amount which it would have received had payment not been made subject to such Taxes, and shall account to the relevant authorities for the relevant amount of such Taxes so withheld or deducted within the time allowed for such payment under applicable law, and shall deliver to the Lender without undue delay evidence of such deduction or withholding and of the accounting therefor to the relevant taxing authority. If the Lender pays any amount in respect of such Taxes (including penalties or interest) the Borrower shall reimburse the Lender in U.S. dollars for such properly documented payment on demand. For the avoidance of doubt, this Clause 7.2 (*No Set-Off, Counterclaim or Withholding; Gross-Up*) is without prejudice to any obligations of the Lender in Clause 7.5 (*Mitigation*) and Clause 7.6 (*Tax Treaty Relief*).

### 7.3 **Withholding on the Notes**

Without prejudice to the provisions of Clause 7.2 (*No Set-Off, Counterclaim or Withholding; Gross-Up*), if the Lender notifies the Borrower (setting out in reasonable detail the nature and extent of the obligation with such evidence as the Borrower may reasonably require) that it has become obliged to make any withholding or deduction for or on account of any Taxes imposed, levied, collected, withheld or assessed by or on behalf of the Netherlands (or another relevant Qualifying Jurisdiction) or any political subdivision or any authority thereof or therein having the power to tax from any payment which it is obliged to make, or would otherwise be obliged to make but for the imposition of any such withholding or deduction for or on account of such Taxes, under or in respect of the Notes, the Borrower agrees to pay into the Account in Same-Day Funds, no later than the date on which payment is due to the Noteholders, such additional amounts as are equal to the additional amounts which the Lender would be required to pay in order that the net amounts received by the Noteholders, after such withholding or deduction, will equal the respective amounts which would have been received by the Noteholders in the absence of such withholding or deduction; *provided, however, that* the Lender shall immediately upon receipt from any Paying Agent of any reimbursement of the sums paid pursuant to this provision, to the extent that any Noteholders are not entitled to such additional amounts pursuant to the Conditions, pay such additional amounts to the Borrower (it being understood that neither the Lender, the Principal Paying Agent or any Paying Agent shall have any obligation to determine whether any Noteholder is entitled to any such additional amounts). The Lender will (insofar as permitted by applicable laws) provide the Borrower with such information as the Lender has access to in its capacity as issuer of the Notes that may be of assistance in determining whether the Noteholders are entitled to additional amounts pursuant to the Conditions.

Any notification by the Lender to the Borrower in connection with this Clause 7.3 (*Withholding on the Notes*) shall be given as soon as reasonably practicable after the Lender becomes aware of any obligation on it to make any such withholding or deduction.

### 7.4 **Reimbursement**

To the extent that the Lender subsequently obtains or uses any tax credit or allowance or other reimbursements relating to a deduction or withholding with respect to which the Borrower has made a payment pursuant to this Clause 7 (*Payments*) or obtains any other reimbursement in connection therewith, the Lender shall promptly pay to the Borrower so much of the benefit it received as will leave the Lender in substantially the same position as it would have been had no additional amount been required to be paid by the Borrower pursuant to this Clause 7 (*Payments*) or had no reimbursement been paid to the Lender.

### 7.5 **Mitigation**

If at any time either party hereto becomes aware of circumstances which would or might, then or thereafter, give rise to an obligation on the part of the Borrower to make any deduction, withholding or payment as described in Clauses 7.2 (*No Set-Off, Counterclaim or Withholding; Gross-Up*) or 7.3 (*Withholding on the Notes*), then, without in any way limiting, reducing or otherwise qualifying the Lender's rights, or the Borrower's obligations, under such Clauses, such party shall as soon as reasonably practicable upon becoming aware of such circumstances notify the other party, and, thereupon the parties shall consider and consult with each other in good faith with a view to finding, agreeing upon and implementing a method or methods by which any such obligation may be avoided or mitigated and, to the extent that both parties can do so without taking any action which in the reasonable opinion of such party is prejudicial to its own position, take such reasonable steps as may be available to it to avoid such obligation or mitigate the effect of such circumstances. The Borrower agrees to reimburse the Lender upon receipt of an original demand for payment for all properly

incurred and documented costs and expenses (including but not limited to legal fees) incurred by the Lender in connection with this Clause 7.5 (*Mitigation*).

## **7.6 Tax Treaty Relief**

7.6.1 The Lender shall once in each calendar year, prior to the first Interest Payment Date in that calendar year, at the expense of the Borrower, use its best efforts to obtain and deliver, to the Borrower no later than 10 Business Days prior to such Interest Payment Date, a tax residency certificate issued by the competent authorities of the Netherlands (or another relevant Qualifying Jurisdiction) confirming that the Lender is resident for tax purposes in the Netherlands (or such other relevant Qualifying Jurisdiction) and that it has fulfilled any conditions which must be fulfilled under the applicable Treaty for residents of the Netherlands (or another relevant Qualifying Jurisdiction) to obtain either: (a) full exemption from Tax in the Republic of Armenia on interest payable to the Lender in respect of payments due under the Facility; or (b) partial exemption from Tax in the Republic of Armenia on such interest, reducing the rate of such Tax to a rate which is no higher than the minimum rate prescribed by a Treaty.

7.6.2 The Lender shall use its reasonable and timely efforts to assist the Borrower, at the expense of the Borrower, in obtaining relief from withholding of Armenian income tax pursuant to the applicable Treaty, including completing any and all procedural formalities necessary (including but not limited to any requirements of such applicable Treaty, in each case subject to being informed of any such formalities by the Borrower).

## **8. CHANGE IN LAW OR INCREASE IN COST**

### **8.1 Compensation**

In the event that after the date of this Agreement there is any change in or introduction of any tax, law, regulation, regulatory requirement or official directive (whether or not having the force of law but, if not having the force of law, the observance of which is in accordance with the generally accepted financial practice of financial institutions in the country concerned) or in the interpretation or application thereof by any person charged with the administration thereof and/or any compliance by the Lender in respect of the Loan or the Facility with any request, policy or guideline (whether or not having the force of law but, if not having the force of law, the observance of which is in accordance with the generally accepted financial practice of financial institutions in the country concerned) from or of any central bank or other fiscal, monetary or other authority, agency or any official of any such authority, which:

8.1.1 subjects or will subject the Lender to any Taxes with respect to payments of principal of or interest on the Loan or any other amount payable under this Agreement (other than any Taxes payable by the Lender on its overall net income, or any Taxes referred to in Clauses 7.2 (*No Set-Off, Counterclaim or Withholding; Gross-Up*) or 7.3 (*Withholding on the Notes*));

8.1.2 increases or will increase the taxation of or changes or will change the basis of taxation of payments to the Lender of principal of or interest on the Loan or any other amount payable under this Agreement (other than any such increase or change which arises by reason of any increase in the rate of tax payable by the Lender on its overall net income or as a result of any Taxes referred to in Clauses 7.2 (*No Set-Off, Counterclaim or Withholding; Gross-Up*) or 7.3 (*Withholding on the Notes*)); or

8.1.3 imposes or will impose on the Lender any other condition affecting this Agreement, the Facility or the Loan,

and, if as a result of any of the foregoing:

- (i) the cost to the Lender of making, funding or maintaining the Loan or the Facility is increased;
- (ii) the amount of principal, interest or additional amounts payable to or received by the Lender hereunder is reduced; or
- (iii) the Lender makes any payment or foregoes any interest or other return on, or calculated by reference to, the gross amount of any sum receivable by it from the Borrower hereunder or makes any payment or foregoes any interest or other return on, or calculated by reference to, the gross amount of the Loan,

then, subject to the following and in each such case:

- (a) the Lender shall, as soon as practicable after becoming aware of such increased cost, reduced amount or payment made or foregone, give written notice to the Borrower together with a certificate signed by a director of the Lender or by any persons empowered by the authorised signatories of the Lender on behalf of the Lender describing in reasonable detail the introduction or change or request which has occurred and the country or jurisdiction concerned and the nature and date thereof and demonstrating the connection between such introduction, change or request and such increased cost, reduced amount or payment made or foregone, setting out in reasonable detail the basis on which such amount has been calculated, and providing all relevant supporting documents evidencing the matters set out in such certificate; and
- (b) upon demand by the Lender to the Borrower, the Borrower, in the case of sub-Clauses (i) and (iii) above, shall pay to the Lender such additional amount as shall be necessary to compensate the Lender for such increased cost, and, in the case of sub-Clause (ii) above, at the time the amount so reduced would otherwise have been payable, pay to the Lender such additional amount as shall be necessary to compensate the Lender for such reduction, payment or forgone interest or other return; *provided, however, that* the amount of such increased cost, reduced amount or payment made or forgone shall be deemed not to exceed an amount equal to the proportion which is directly attributable to this Agreement, and *provided, further, that* the Lender will not be entitled to such additional amount where such reduction, payment or forgone interest or other return arises as a result of the negligence or wilful default of the Lender,

provided that this Clause 8.1 (*Compensation*) will not apply to or in respect of any matter for which the Lender has already been compensated under Clauses 7.2 (*No Set-Off, Counterclaim or Withholding; Gross-Up*) and/or 7.3 (*Withholding on the Notes*).

## 8.2 Mitigation

In the event that the Lender becomes entitled to make a claim pursuant to Clause 8.1 (*Compensation*), the Lender shall consult in good faith with the Borrower and shall use reasonable efforts (based on the Lender's reasonable interpretation of any relevant tax, law, regulation, requirement, official directive, request, policy or guideline) to reduce, in whole or in part, the Borrower's obligations to pay any additional amount pursuant to such Clause except that nothing in this Clause 8.2 (*Mitigation*) shall obligate the Lender to incur any costs or expenses in taking any action hereunder which, in the reasonable opinion of the Lender, is prejudicial to it unless the Borrower agrees to reimburse the Lender such costs or expenses.

## **9. REPRESENTATIONS AND WARRANTIES**

### **9.1 The Borrower's Representations and Warranties**

The Borrower represents and warrants to the Lender, with the intent that such shall form the basis of this Agreement, on the date hereof and which shall be deemed to be repeated by the Borrower on the Closing Date, that:

- 9.1.1 the Borrower has been duly registered and is validly existing as a closed joint-stock company under the laws of the Republic of Armenia with powers and authority to own, lease and operate its properties and assets and conduct its business as described in the Prospectuses, and is duly qualified to transact business in each jurisdiction in which its ownership, leasing or operation of its properties or assets or the conduct of its business requires such qualification;
- 9.1.2 this Agreement constitutes a valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium and similar laws of general applicability relating to or affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);
- 9.1.3 the execution and delivery of this Agreement by the Borrower, the compliance by the Borrower with the provisions of this Agreement and the consummation of the other transactions herein contemplated do not (i) require the consent, approval, authorisation, registration or qualification of or with any governmental authority, except such as have been obtained or made and are in full force and effect; (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, (a) any indenture, guarantee, mortgage, deed of trust, lease or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its properties are bound; or (b) the constitutive documents of the Borrower; or (iii) conflict with or violate any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator applicable to the Borrower;
- 9.1.4 (i) the execution and delivery of this Agreement have been duly authorised by all necessary corporate action of the Borrower, (ii) this Agreement has been duly executed and delivered by the Borrower; and (iii) the Borrower has received all licences, approvals, registrations and permissions necessary to effect the transactions contemplated by this Agreement;
- 9.1.5 no Event of Default exists and no event has occurred which, with notice or lapse of time or both, would constitute a default in the due performance and observance of any term, covenant or condition of any agreement or instrument evidencing any Financial Indebtedness of the Borrower, and is continuing and no such event will occur upon the making of the Advance;
- 9.1.6 there are no judicial, arbitral or administrative actions, proceedings or claims pending or, to the knowledge of the Borrower, threatened, against the Borrower, the adverse determination of which could reasonably be expected to have a Material Adverse Effect;
- 9.1.7 there are no acquisitions or disposals of businesses or assets by the Borrower or any member of the Group pending or currently being negotiated, in each case that would, individually or in the aggregate, have a Material Adverse Effect if completed;

- 9.1.8 the Borrower's obligations under the Loan rank at least *pari passu* with all its other unsecured and unsubordinated obligations, except as otherwise provided by mandatory provisions of applicable law applying to companies generally;
- 9.1.9 except for the Liens permitted under this Agreement, the Borrower has the right of ownership (as that expression is defined under the laws of the Republic of Armenia) to its property, free and clear of all Liens (except to the extent that any such Lien could not reasonably be expected to result in a Material Adverse Effect);
- 9.1.10 the Borrower owns or possesses, or can acquire on reasonable terms, all material patents, patent applications, trademarks, service marks, trade names, licences, know-how, copyrights, trade secrets and proprietary or other confidential information necessary to operate the business now operated by it and the Borrower has not received any notice of infringement of or conflict with asserted rights of any third party with respect to any of the foregoing;
- 9.1.11 all licences, consents, certificates, authorisations and permits which are necessary to enable the Borrower to own its assets and carry on its business, the absence of which could reasonably be expected to have a Material Adverse Effect, are in full force and effect;
- 9.1.12 the Borrower and each of its Subsidiaries is in compliance with all applicable provisions of the laws, directives of governmental authorities with the force of law and regulations of the Republic of Armenia and their respective jurisdictions of incorporation, save where such non-compliance would not have a Material Adverse Effect;
- 9.1.13 (i) the Borrower maintains insurance of the types and in amounts adequate for its business and, to the Borrower's knowledge, consistent with insurance coverage maintained by companies carrying on similar business or owning assets of a similar nature in the jurisdiction in which it operates; and (ii) the Borrower has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business;
- 9.1.14 the Borrower has not violated any (i) Armenian or foreign, including in each instance applicable federal, state or local, law or regulation relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants; (ii) any applicable Armenian or foreign, including in each instance federal, state or local, law or regulation relating to discrimination in the hiring, promotion or pay of employees; or (iii) any applicable Armenian or foreign, including in each instance, federal, state or local wages and hours laws or regulations, in each case, except to the extent that any such violation could not reasonably be expected to result in a Material Adverse Effect;
- 9.1.15 there has been no material adverse change since the date of the Original Financial Statements in the financial condition or results of business operations of the Borrower;
- 9.1.16 the execution, delivery and enforceability of this Agreement is not subject to any tax, duty, fee or other charge, including, but without limitation to, any registration or transfer tax, stamp duty or similar levy, imposed by or within the Republic of Armenia or any political subdivision or taxing authority thereof or therein (other than state duty paid on any claim, petition or other application filed with an Armenian court);

- 9.1.17 the Borrower has access, subject to the laws of the Republic of Armenia, to the internal currency market in the Republic of Armenia and, to the extent necessary, valid agreements with Armenian commercial banks for purchasing U.S. dollars to make payments of amounts which may be payable pursuant to this Agreement;
- 9.1.18 there are no labour strikes, disputes, disturbances, lockouts, slowdowns or stoppages of employees of the Borrower which are currently pending, or, to the best knowledge of the Borrower, threatened in writing that could reasonably be expected to have a Material Adverse Effect;
- 9.1.19 neither the Borrower nor any member of the Group is a party to any agreement, arrangement or concerted practice or has carried on or is carrying on a practice, in each case, which in whole or in part contravenes or is invalidated by any anti-trust, anti-monopoly or competition legislation in any jurisdiction in which any member of the Group has assets or carries on business;
- 9.1.20 neither the Borrower nor any member of the Group is engaged in any transactions with its directors, officers, management, shareholders, or any other person, including persons formerly holding such positions, on terms that are not available from other parties on an arm's-length basis and otherwise are on ordinary commercial terms, unless such transaction would not have a Material Adverse Effect;
- 9.1.21 save as disclosed on pages 27 and 38-39 of the Prospectus, in any proceedings taken in the Republic of Armenia in relation to this Agreement, the choice of English law as the governing law of this Agreement and any arbitration award obtained in England in relation thereto will be recognised and enforced in the Republic of Armenia after compliance with the applicable procedures and rules and all other legal requirements and court practice in the Republic of Armenia; and
- 9.1.22 subject to the performance by the relevant parties of the relevant established procedures in connection with the obtaining of an applicable withholding tax exemption for payments hereunder, under the laws of the Republic of Armenia, in conjunction with the Dutch Treaty in force as of the date hereof, the Borrower will not be required to make any deduction or withholding from any payment it may make hereunder, other than as provided under the laws of the Republic of Armenia.

## 9.2 **Lender's Representations and Warranties**

The Lender represents and warrants to the Borrower as follows:

- 9.2.1 the Lender is duly incorporated and validly existing under the laws of the Netherlands and has full power and capacity to execute this Agreement and to undertake and perform the obligations expressed to be assumed by it herein and the Lender has taken all necessary action to approve and authorise the same;
- 9.2.2 the execution of this Agreement and the undertaking and performance by the Lender of the obligations expressed to be assumed by it herein will not conflict with, or result in a breach of or default under, the laws of the Netherlands, any agreement or instrument to which it is a party or by which it or any of its properties are bound or in respect of any Financial Indebtedness guaranteed by it or the constitutive documents of the Lender;
- 9.2.3 this Agreement has been duly authorised and executed by and constitutes a legal, valid and binding obligation of the Lender enforceable against it in accordance with its terms, subject to applicable bankruptcy, examinership, insolvency, liquidation,

administration, moratorium, reorganisation and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity;

- 9.2.4 all authorisations, consents and approvals required by the Lender in the Netherlands for or in connection with the execution of this Agreement and the performance by the Lender of the obligations expressed to be undertaken by it herein have been obtained and are in full force and effect;
- 9.2.5 the Lender is a resident of the Netherlands (and is not resident elsewhere) for taxation purposes and subject to taxation in the Netherlands not merely on the basis of the source of its income or location of its property but on the basis of its registration as a legal entity, location of its management body or other similar criteria. The Lender is entitled to the benefits of the Dutch Treaty. The Lender will also be able to receive certification to the effect that it is resident in the Netherlands for taxation purposes from the relevant Dutch authority. At the date hereof, the Lender reasonably believes that it does not have a permanent establishment or presence in the Republic of Armenia save for any which may be created solely as a result of the Lender entering into and performing its obligations under this Agreement or any other loan agreements entered into with the Borrower and the transactions contemplated herein and therein;
- 9.2.6 the Lender will fully account for the Notes and the Loan on its balance sheet;
- 9.2.7 the Lender does not own, either directly or indirectly, any shares of the Borrower;
- 9.2.8 the Lender has taken no action (other than entering into loan arrangements with the Borrower and the transactions and documents connected therewith) which would cause it to become registered in the Republic of Armenia for VAT purposes;
- 9.2.9 there is no reference to the Republic of Armenia as the actual place of the Lender's activity in the memorandum or articles of association of the Lender; and
- 9.2.10 the sole member of the board of directors of the Lender is an entity that is a tax resident of the Netherlands.

## **10. COVENANTS**

So long as the Loan or any other sum owing hereunder remains outstanding:

### **10.1 Negative Pledge**

The Borrower shall not, and shall procure that none of its Material Subsidiaries shall, directly or indirectly, create, incur, assume or suffer to exist any Liens, other than Permitted Liens, on any of its assets, now owned or hereafter acquired, or any income or profits therefrom, securing any Financial Indebtedness, unless, at the same time or prior thereto, the Borrower's obligations hereunder are secured equally and rateably with such other Financial Indebtedness or have the benefit of such other arrangements as may be approved by an Extraordinary Resolution (as defined in the Trust Deed).

### **10.2 Mergers**

The Borrower shall not enter into any reorganisation (by way of a merger, accession, division, separation or transformation, or other bases or procedures for reorganisation contemplated or as may be contemplated from time to time by Armenian legislation, as these terms are construed by applicable Armenian legislation (each, a "**Reorganisation**")), but excluding, for the avoidance of doubt, a change in the shareholdings of the shareholders of the Borrower or

any Exempt Reorganisation), if any such Reorganisation could reasonably be expected to result in a Material Adverse Effect.

The Borrower shall procure that, save for an Exempt Reorganisation, none of its Material Subsidiaries:

- (i) enters into any Reorganisation; or
- (ii) in the case of a Material Subsidiary incorporated in a jurisdiction other than the Republic of Armenia participates in any type of corporate restructuring or other analogous event (as determined under the legislation of the relevant jurisdiction),

if any such Reorganisation or corporate restructuring could reasonably be expected to result in a Material Adverse Effect.

### 10.3 Disposals

10.3.1 Subject to sub-Clause 10.3.2 below, whilst any Notes remain outstanding, the Borrower shall not, and shall procure that none of its Material Subsidiaries shall, sell, lease, transfer or otherwise dispose of, to a person other than the Borrower or a Material Subsidiary of the Borrower, by one or more transactions or series of transactions (whether related or not), assets representing in aggregate more than 10 per cent. (by value) of the Total Assets, unless such transaction is on an arm's-length basis and on commercially reasonable terms and has been approved by a resolution of the competent decision-making body of the Borrower or, as the case may be, the relevant Material Subsidiary of the Borrower, in accordance with applicable law and/or the constituent documents of the Borrower or the relevant Material Subsidiary, as the case may be, resolving that the transaction complies with the requirements of this Clause 10.3 (*Disposals*) and a copy (in English) of such resolution has been delivered to the Trustee.

10.3.2 Sub-Clause 10.3.1 shall not apply to:

- (a) sales of stock in trade or other sales or disposals of current assets and payments of cash on an arm's-length basis in the ordinary course of business;
- (b) the disposal of any revenues or assets (or part thereof) pursuant to any Repo transaction that would, if it created a Lien, be permitted under sub-Clause (m) of the definition of Permitted Lien; or
- (c) the disposal of any revenues or assets (or any part thereof) pursuant to a Permitted Securitisation.

### 10.4 Transactions with Affiliates

The Borrower shall not, and shall procure that none of its Subsidiaries shall, directly or indirectly, conduct any business, enter into or permit to exist any transaction or series of related transactions (including, without limitation, the purchase, sale, transfer, assignment, lease, conveyance or exchange of any property or the rendering of any service) with, or for the benefit of, any Affiliate (an "**Affiliate Transaction**"), including, without limitation, intercompany loans, unless:

- (a) the terms of such Affiliate Transaction are no less favourable to the Borrower or such Subsidiary, as the case may be, than those that could be obtained in a comparable

arm's-length transaction with a person that is not an Affiliate of the Borrower or such Subsidiary; and

- (b) with respect to any Affiliate Transaction (other than an Exempt Transaction) involving the transfer of assets or provision of services, in each case having a value greater than 20 per cent. of the Capital (as determined based on the most recent IFRS financial statements of the Borrower), the terms of such Affiliate Transaction shall be set forth in writing and such Affiliate Transaction shall be approved by a decision adopted by a competent decision-making body of the Borrower as if it were an "interested party transaction" (as such term is defined by applicable Armenian law) of the Borrower or, as the case may be, of the relevant Subsidiary in accordance with applicable law, and resolving compliance with paragraph (a) above; or
- (c) such Affiliate Transaction is made pursuant to a contract existing on the date of this Agreement.

This Clause 10.4 does not apply to:

- (i) customary directors' fees, indemnification and similar arrangements (including the payment of directors' and other officers' insurance premiums), consulting fees, employee salaries, bonuses, employment arrangements, compensation or employee benefit arrangements, including stock options or legal fees, so long as the Board of Directors of the Borrower or the relevant Subsidiary has approved the terms thereof in good faith and deemed the services therefore or thereafter to be performed for such compensation or payments to be fair consideration therefore; or
- (ii) any Affiliate Transaction between the Borrower and its wholly-owned Subsidiaries or between wholly-owned Subsidiaries of the Borrower.

#### **10.5 Maintenance of Authorisations**

The Borrower shall and shall procure that each of its Material Subsidiaries shall, take all necessary action to obtain and do or cause to be done all things reasonably necessary, in the opinion of the Borrower or the relevant Material Subsidiary, as the case may be, to ensure the continuance of its corporate existence, its business and material intellectual property relating to its business and the Borrower shall take all necessary action to obtain, and do or cause to be done all things reasonably necessary to ensure the continuance of, all consents, licences, approvals and authorisations, and make or cause to be made all registrations, recordings and filings, which may at any time be required to be obtained or made in the Republic of Armenia for the execution, delivery or performance of this Agreement or for the validity or enforceability thereof.

#### **10.6 Maintenance of Property**

The Borrower shall, and shall procure that each of its Material Subsidiaries shall, cause all material property used in the conduct of its or their business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as, in the judgement of the Borrower or the relevant Material Subsidiary, may be reasonably necessary so that the business carried on in connection therewith may be properly conducted at all times.

#### **10.7 Compliance with Applicable Laws**

The Borrower shall, and shall procure that each of its Material Subsidiaries shall, at all times comply, in all material respects, with all provisions of applicable laws, including directives of governmental authorities and regulations.

#### 10.8 **Payment of Taxes and Other Claims**

The Borrower shall, and shall ensure that each of its Material Subsidiaries shall, pay or discharge or cause to be paid or discharged, before the same shall become overdue and without incurring penalties:

- (a) all taxes, assessments and governmental charges levied or imposed upon, or upon the income, profits or property of, the Borrower and its Material Subsidiaries; and
- (b) all lawful claims for labour, materials and supplies which, if unpaid, might by law become a Lien (other than a Permitted Lien) upon the property of the Borrower or any of its Material Subsidiaries;

*provided, however, that* neither the Borrower nor any of its Material Subsidiaries shall be required to pay or discharge or cause to be paid or discharged any such Tax, assessment, charge or claim:

- (a) whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with IFRS, as consistently applied or other appropriate provision, has been made; or
- (b) whose amount, together with all such other unpaid or undischarged Taxes, assessments, charges and claims, does not in the aggregate exceed U.S.\$15 million (or its equivalent in other currencies).

#### 10.9 **Financial Information**

10.9.1 The Borrower shall, as soon as the same become available, but in any event within 120 calendar days after the end of each of its financial years, deliver to the Lender and the Trustee copies of its financial statements (or consolidated financial statements of the Group, if available) prepared in accordance with IFRS for such financial year.

10.9.2 The Borrower shall, as soon as the same become available, but in any event within 90 calendar days after the end of the second quarter of each of its financial years, deliver to the Lender and the Trustee copies of its financial statements (or consolidated financial statements of the Group, if available) prepared in accordance with IFRS for such period.

10.9.3 The Borrower shall ensure that each set of financial statements delivered by it pursuant to this Clause 10.9 (*Financial Information*) is:

- (a) prepared on the same basis as was used in the preparation of its Original Financial Statements and in accordance with IFRS consistently applied;
- (b) in the case of financial statements provided pursuant to sub-Clause 10.9.1 above, accompanied by a report thereon of the Auditors (including opinions of such Auditors with accompanying notes and annexes); and
- (c) in the case of financial statements provided pursuant to sub-Clause 10.9.2 above, certified by an officer of the Borrower as giving a true and fair view of the Borrower's or the Group's, as applicable, financial condition as at the end of the period to which those financial statements relate and of the results of the Borrower's or the Group's, as applicable, operations during such period.

#### 10.10 Capital Adequacy Ratio

The Borrower shall at all times:

- (a) maintain compliance with the prudential supervision ratios and other requirements of the CBA applicable to banks; and
- (b) ensure that its BCBS Capital Adequacy Ratio is no less than the greater of (i) 12 per cent. and (ii) such other minimum percentage specified in Basel III or any subsequent report as may be published by the Basel Committee.

#### 10.11 Change of Business

The Borrower shall procure that no substantial change is made to the general nature of the business of the Borrower from that carried on at the Closing Date.

#### 10.12 Ranking of Claims

The Borrower shall ensure that at all times the claims of the Lender against it under this Agreement rank at least *pari passu* with the claims of all its other unsecured creditors, save for obligations mandatorily preferred by law applying to companies generally.

#### 10.13 Financial Indebtedness

The Borrower shall not, and the Borrower shall ensure that no other member of the Group shall, incur or allow to remain outstanding any Financial Indebtedness, other than:

- (a) any Financial Indebtedness owing to the Borrower or a wholly-owned Subsidiary of the Borrower;
- (b) any Financial Indebtedness of the Borrower or any Subsidiary of the Borrower in existence on the Closing Date; and
- (c) any Financial Indebtedness incurred by, or to finance the business of, the Borrower or any Subsidiary of the Borrower that is a Banking Entity, *provided that*, after giving effect to the incurrence of such Financial Indebtedness and the application of the proceeds thereof, the Borrower and such Subsidiary shall at all times:
  - (i) comply with prudential supervision ratios and other requirements of the relevant national banking supervision authority, except to the extent that (A) failure to comply could not be reasonably expected to have a Material Adverse Effect and (B) such relevant national banking supervision authority has agreed to take no action as result of or otherwise waived such non-compliance; and
  - (ii) the Borrower and such Subsidiary shall be in compliance with the ratios set out in Clause 10.10 (*Capital Adequacy Ratio*),

and, *provided that*, in any case, after giving effect to the incurrence of such Financial Indebtedness and the application of the proceeds thereof, no Default or Event of Default would occur or be continuing.

#### 10.14 Compliance Certificates

The Borrower shall send to the Lender and the Trustee, within 14 days after each date the financial statements are sent to the Lender and the Trustee pursuant to Clause 10.9 (*Financial Information*), and also within 14 days of any request by the Lender or the Trustee, in each

case acting reasonably (in the case of the Trustee, as interpreted in accordance with the Trust Deed), an Officers' Certificate:

- (a) to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Borrower, as at a date (the "**Certification Date**") being not more than seven days before the date of the Officers' Certificate:
  - (i) no Default, Event of Default or Change of Control Put Event had occurred since the date of this Agreement or the Certification Date of the last such Officers' Certificate (if any), whichever date is later, or, if such an event had occurred, giving details of it;
  - (ii) that the Borrower has complied and has procured compliance by each of its Material Subsidiaries (if any) with its obligations under the Conditions and this Agreement; and
- (b) listing those Subsidiaries of the Borrower which as at the last day of the relevant financial period were Material Subsidiaries. An Officers' Certificate stating that, in the opinion of the Authorised Signatories signing such certificate, a Subsidiary of the Borrower is or is not or was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Lender and Borrower.

## 11. EVENTS OF DEFAULT

### 11.1 Events of Default

If one or more of the following events of default (each, an "**Event of Default**") shall occur and be continuing, the Lender shall be entitled to the remedies set out in Clause 11.3 (*Remedies*):

- 11.1.1 **Failure to Pay:** save as provided in Clause 11.1.2 (*Breach of obligations on Prepayment upon Change of Control Put Event*), the Borrower fails to pay any sum due from it hereunder at the time, in the currency and in the manner specified herein, and such failure is not remedied within five Business Days of the due date for payment;
- 11.1.2 **Breach of obligations on Prepayment upon Change of Control Put Event:** the Borrower fails to pay the sum due on the Change of Control Put Settlement Date pursuant to Clause 6.4 (*Prepayment upon Change of Control Put Event*) and such failure is not remedied within 10 Business Days of such date;
- 11.1.3 **Breach of other obligations or undertakings:** the Borrower defaults in the performance or observance of, or compliance with, any of its other obligations or undertakings in respect of this Agreement and such default (provided that it is capable of remedy) is not remedied within 30 days after written notice of such default shall have been given to the Borrower by the Lender;
- 11.1.4 **Cross Default:** (i) any Financial Indebtedness of the Borrower or any Material Subsidiary becomes due and payable prior to its scheduled maturity by reason of an event of default (howsoever described); (ii) the Borrower or any Material Subsidiary fails to make any payment of principal in respect of any Financial Indebtedness on the due date for payment or (as the case may be) within any originally applicable grace period for the payment thereof; or (iii) the Borrower or any Material Subsidiary fails to pay when due any amount payable by it under any present or future Guarantee for, or in respect of, any Financial Indebtedness, *provided that* the aggregate principal amount of any such Financial Indebtedness and Guarantees of the Borrower or such

Material Subsidiary, in the case of (i), (ii) and/or (iii) above, is at least U.S.\$15 million (or its equivalent in any other currency);

- 11.1.5 **Insolvency:** the Borrower or any of its Material Subsidiaries generally suspends or announces an intention to suspend payment of, or is unable to, or admits an inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts, in each case, pursuant to or for the purposes of any applicable law, or is adjudicated or found to be bankrupt or insolvent by a court of competent jurisdiction; or
- 11.1.6 **Moratorium:** (i) proceedings are initiated against the Borrower or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, administrator or other similar official (and such application is not being contested in good faith by the Borrower and is not discharged or stayed within 60 days), or an administrator or liquidator is appointed in respect of the Borrower or any of its Material Subsidiaries or the whole or any part of the business or operations of any of them (and such appointment is not being contested in good faith by the Borrower and is not discharged or stayed within 60 days), or (ii) the Borrower or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations, or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or declares a moratorium, in each case in respect of all of, or a material part of, its Financial Indebtedness;
- 11.1.7 **Winding-up:** an order is made by a court of competent jurisdiction or an effective resolution is passed for the winding-up or dissolution of the Borrower or any of its Material Subsidiaries, provided that such event is not being contested in good faith by the Borrower or any of its Material Subsidiaries, as the case may be, and is not discharged or stayed within 60 days, or the Borrower or any of its Material Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or operations, save in each case for the purpose of and followed by an amalgamation, reorganisation, merger or consolidation or solvent voluntary winding-up;
- 11.1.8 **Seizure of assets:** any Agency (i) seizes, compulsorily acquires, expropriates or nationalises all or a substantial part of the assets or shares of the Borrower or (ii) assumes custody or control over all or substantially all of its assets or shares; or
- 11.1.9 **Unlawfulness or Invalidity:** the validity of this Agreement is contested by the Borrower or any person acting on its behalf or the Borrower or any person acting on its behalf shall deny any of the Borrower's obligations under this Agreement or as a result of any change in, or amendment to, the laws or regulations in the Republic of Armenia, which change or amendment takes place after the date hereof, it becomes unlawful for the Borrower to perform or comply with any of its obligations under or in respect of this Agreement or any of such obligations becomes unenforceable or invalid.

## 11.2 Notice of Default

The Borrower shall deliver to the Lender and the Trustee, immediately upon becoming aware of the same, written notice in the form of an Officers' Certificate of any event which is a Default or an Event of Default, its status and what action the Borrower is taking or proposes to take with respect thereto.

## 11.3 Remedies

If any Event of Default shall occur and be continuing, the Lender or the Trustee, as applicable may, by notice to the Borrower, (a) declare the obligations of the Lender hereunder to be terminated, whereupon such obligations shall terminate; and (b) declare the Loan to be immediately due and payable by the Borrower, and (c) declare all other amounts accrued and/or payable hereunder by the Borrower up to (and including) the date of such termination to be immediately due and payable, whereupon all such amounts shall become immediately due and payable, all without diligence, presentment, demand of payment, protest or notice of any kind, which are expressly waived by the Borrower; *provided, however, that* if any event of any kind referred to in sub-Clause 11.1.5 (*Insolvency*) or sub-Clause 11.1.7 (*Winding-up*) above occurs with respect to the Borrower, all amounts payable hereunder by the Borrower that would otherwise be due after the occurrence of such event shall become immediately due and payable, all without diligence, presentment, declaration, demand of payment, protest or notice of any kind, which are expressly waived by the Borrower.

#### 11.4 **Rights Not Exclusive**

The rights provided for herein are cumulative to the extent permitted by law and are not exclusive of any other rights, powers, privileges or remedies provided by law.

### 12. **INDEMNITY**

#### 12.1 **Indemnification**

The Borrower undertakes to the Lender that, if the Lender, any Affiliate, director, officer, employee or agent of the Lender or any person controlling the Lender (each, an “**indemnified party**”) incurs any loss, liability, cost, claim, charge, expense (including, without limitation, properly incurred legal fees, costs and expenses), demand or damage (a “**Loss**”) as a result of or in connection with the Loan, this Agreement (or the enforcement thereof), and/or the issue, constitution, sale, listing and/or enforcement of the Notes and/or the Notes being outstanding, the Borrower shall pay to the Lender on demand an amount equal, on an after tax basis, to such documented Loss and all properly incurred and documented costs, charges and expenses which may be incurred as a result of or arising out of or in relation to any failure to pay by the Borrower or delay by the Borrower in paying the same, unless such Loss was either caused by such indemnified party’s gross negligence, bad faith, fraud or wilful misconduct or arises out of a breach of the representations and warranties of the Lender contained in this Agreement. The Lender shall not have any duty or obligation whether as fiduciary or trustee for any indemnified party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 12.1 (*Indemnification*).

#### 12.2 **Independent Obligation**

Clause 12.1 (*Indemnification*) constitutes a separate and independent obligation of the Borrower from its other obligations under or in connection with this Agreement or any other obligations of the Borrower in connection with the issue of the Notes by the Lender and shall not affect, or be construed to affect, any other provision of this Agreement or any such other obligations.

#### 12.3 **Evidence of Loss**

A certificate of the Lender, supported by relevant documentation, setting forth the amount of a Loss described in Clause 12.1 (*Indemnification*) and specifying in full detail the basis therefor shall, in the absence of manifest error, be conclusive evidence of the amount of such Loss.

#### 12.4 **Currency Indemnity**

To the fullest extent permitted by law, the obligations of the Borrower under this Agreement in respect of any amount due in the currency (the “**first currency**”) in which the same is payable shall, notwithstanding any payment in any other currency (the “**second currency**”) (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the first currency that the Lender may, acting reasonably and in accordance with normal banking procedures, purchase with the sum paid in the second currency (after any premium and costs of exchange) on the Business Day immediately following the day on which the Lender receives such payment. If the amount in the first currency that may be so purchased for any reason falls short of the amount originally due (the “**Due Amount**”), the Borrower hereby agrees to indemnify and hold harmless the Lender against any deficiency in the first currency. Any obligation of the Borrower not discharged by payment in the first currency shall, to the fullest extent permitted by applicable law, be due as a separate and independent obligation and, until discharged as provided in this Agreement, shall continue in full force and effect. If the amount in the first currency that may be purchased exceeds that Due Amount the Lender shall promptly pay the amount of the excess to the Borrower.

### 13. SURVIVAL

The obligations of the Borrower pursuant to Clauses 7.2 (*No Set-Off, Counterclaim or Withholding; Gross-Up*), 7.3 (*Withholding on the Notes*), 12 (*Indemnity*) and 14.2 (*Stamp Duties*) shall survive the execution and delivery of this Agreement, the drawdown of the Facility and the repayment of the Loan and any other sum due hereunder, in each case by the Borrower.

### 14. GENERAL

#### 14.1 Evidence of Debt

The entries made by the Lender in the accounts maintained by the Lender in accordance with its usual practice and evidencing the amounts from time to time lent by and owing to it hereunder in the Account shall, in the absence of manifest error, constitute *prima facie* evidence of the existence and amounts of the Borrower’s obligations recorded hereunder.

#### 14.2 Stamp Duties

14.2.1 The Borrower shall pay all stamp, registration and documentary taxes or other charges (if any) imposed on the Borrower by any person in the United Kingdom, the Republic of Armenia, Luxembourg, Belgium, the United States or the Netherlands which may be payable or determined to be payable in connection with the execution, delivery, performance, enforcement, or admissibility into evidence of this Agreement and shall indemnify the Lender against any and all costs and expenses which may be incurred or suffered by the Lender with respect to, or resulting from, delay or failure by the Borrower to pay such taxes or similar charges upon presentation by the Lender to the Borrower of documentary evidence of such costs and expenses.

14.2.2 The Borrower agrees that if the Lender incurs a liability to pay any stamp, registration and documentary taxes or other charges (if any) imposed by any person in the United Kingdom, the Republic of Armenia, Luxembourg, Belgium, the United States or the Netherlands which may be payable or determined to be payable in connection with the execution, delivery, performance, enforcement, or admissibility into evidence of this Agreement and any documents related hereto, the Borrower shall reimburse the Lender on demand an amount equal to such stamp or other documentary taxes or duties and shall indemnify the Lender against any and all properly incurred costs and expenses which may be incurred or suffered by the Lender with respect to, or resulting from, delay or failure by the Borrower to procure the payment of such

amounts upon presentation by the Lender to the Borrower of documentary evidence of such costs and expenses.

#### 14.3 **Waivers**

No failure to exercise and no delay in exercising, on the part of the Lender or the Borrower, any right, power or privilege hereunder and no course of dealing between the Borrower and the Lender shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.

#### 14.4 **Prescription**

In the event that any Notes become void pursuant to Condition 11 (*Prescription*), the Lender shall forthwith repay to the Borrower the principal or interest amount in respect of such Note, subject to the Lender having previously received from the Borrower a corresponding principal or interest amount pursuant to this Agreement.

### 15. **NOTICES**

All notices, requests, demands or other communications to or upon the respective parties hereto shall be given or made in the English language by email, fax or otherwise in writing and shall be deemed to have been duly given or made at the time of delivery, if delivered by hand, courier or airmail or in the case of a fax, when the relevant delivery receipt is received by the sender, to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Agreement addressed as follows:

#### 15.1 **if to the Borrower:**

**Ardshinbank CJSC**

13 G. Lusavorich Street

Yerevan 0015

Republic of Armenia

Email: D.Sargsyan@ardshinbank.am

Telephone: +37 (410) 59 05 01

Attention: David Sargsyan, Chief Financial Officer

#### 15.2 **if to the Lender:**

**Dilijan Finance B.V.**

Prins Bernhardplein 200

1097 JB Amsterdam

The Netherlands

Email: securitisation.amsterdam@intertrustgroup.com

Fax: +31 20 521 4888

Attention: Kim Baert and/or Henri Kroner and/or George Staicu

or to such other address, email or facsimile number as any party may hereafter specify in writing to the other.

### 16. **ASSIGNMENT**

#### 16.1 **General**

This Agreement shall inure to the benefit of and be binding upon the parties, their respective successors and any permitted assignee or transferee of some or all of a party's rights or obligations under this Agreement. Any reference in this Agreement to any party shall be

construed accordingly and, in particular, references to the exercise of rights and discretions by the Lender or the forming of an opinion or the making of any determination, following notification to the Borrower of the assignment and/or enforcement of the security, each as referred to in Clause 16.3 (*By the Lender*), shall include references to the exercise of such rights or discretions or the forming of an opinion or the making of any determination by the Trustee (as Trustee). Notwithstanding the foregoing, the Trustee shall not be entitled to participate in any determinations by the Lender, or any discussions between the Lender and the Borrower or any agreements of the Lender or the Borrower, pursuant to Clauses 7.4 (*Reimbursement*), 7.5 (*Mitigation*) or 8.2 (*Mitigation*).

**16.2 By the Borrower**

The Borrower shall not be entitled to assign or transfer all or any part of its rights or obligations hereunder to any other person.

**16.3 By the Lender**

Subject to the provisions of clause 17 (*Substitution*) of the Trust Deed, the Lender may not assign or transfer, in whole or in part, any of its rights and benefits or obligations under this Agreement other than the Reserved Rights except (i) the charge by way of first fixed charge granted by the Lender in favour of the Trustee (as Trustee) of certain of the Lender's rights and benefits under this Agreement; and (ii) the absolute assignment by the Lender to the Trustee of certain rights, interests and benefits under this Agreement, in each case, pursuant to clause 4 (*Security Interests*) of the Trust Deed. Nothing herein shall prevent the Trustee from assigning or transferring any rights held by it in relation to or under this Agreement, *provided that* any such assignment or transfer is in accordance with the Trust Deed.

**17. SUBSTITUTION OF THE ISSUER UNDER THE NOTES**

17.1 Subject to compliance with applicable law and the Borrower's constitutional documents, the Borrower may, at any time, by notice in writing to the Lender, instruct the Lender to request the substitution, in place of the Lender in its capacity as issuer of the Notes, of the Borrower as the principal obligor under the Trust Deed, the Agency Agreement and the Notes. Upon receipt of such written notice from the Borrower, the Lender shall deliver such notice to the Trustee together with a written request for the substitution, in place of the Lender in its capacity as issuer of the Notes, of the Borrower as the principal obligor under the Trust Deed, the Agency Agreement and the Notes.

17.2 This Agreement shall terminate upon the execution of the documents referred to in clause 16.1 (*Procedure for Substitution*) of the Trust Deed and compliance with the other requirements of clause 16.1 (*Procedure for Substitution*) of the Trust Deed.

**18. SEVERABILITY**

In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

**19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, save that the Contracts (Rights of Third Parties) Act 1999 shall apply in favour of the Trustee and the Principal Paying Agent pursuant to Clause 7.1 (*Making of Payments*), 10 (*Covenants*), to the Trustee pursuant to

Clause 16 (*Assignment*) and to the Joint Lead Managers pursuant to Clause 23 (*Limited Recourse and Non-Petition*).

**20. LANGUAGE**

The language which governs the interpretation of this Agreement is the English language.

**21. AMENDMENTS**

Except as otherwise provided by its terms, this Agreement may not be varied except by an agreement in writing signed by the parties hereto.

**22. COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall constitute one and the same binding agreement between the parties hereto.

**23. LIMITED RECOURSE AND NON-PETITION**

The Borrower hereby agrees that it shall have recourse in respect of any claim against the Lender only to sums in respect of principal, interest or other amounts (if any), as the case may be, actually received from the Borrower (after any tax deduction required by law to be made by the Borrower in respect of such sums and for which the Lender has not received a corresponding additional payment from the Borrower pursuant to this Agreement (also after any tax deduction as may be required by law)) by or for the account of the Lender pursuant to this Agreement (the “**Lender Assets**”), subject always to (i) the Security Interests (as defined in the Trust Deed); and (ii) to the fact that any claims of the Joint Lead Managers shall rank in priority to claims of the Borrower and, consequently, any amounts payable by the Lender hereunder after giving effect to the prior ranking claims under the Security Interests shall first be applied in discharging, in full, any claim by the Joint Lead Managers, *provided always that* the total of all such claims shall not exceed the aggregate value of the Lender Assets after meeting claims secured on them. The Trustee having realised the same, neither the Borrower nor any person acting on its behalf shall be entitled to take any further steps against the Lender to recover any further sums and no debt shall be owed by the Lender to such person in respect of any such further sum.

Neither the Borrower nor any other person acting on its behalf shall be entitled at any time to institute against the Lender, or join in any institution against the Lender of, any bankruptcy, administration, moratorium, reorganisation, controlled management, arrangement, insolvency, examinership, winding-up or liquidation proceedings or similar insolvency proceedings under any applicable bankruptcy or similar law in connection with any obligation of the Lender under this Agreement, save for lodging a claim in the liquidation of the Lender which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Lender.

The Borrower shall have no recourse against any director, shareholder, or officer of the Lender in respect of any obligations, covenants or agreement entered into or made by the Lender in respect of this Agreement, except to the extent that any such person acts in bad faith or is negligent in the context of its obligations.

**24. GOVERNING LAW; ARBITRATION; SUBMISSION TO JURISDICTION AND WAIVER**

**24.1 Governing Law**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

## 24.2 Arbitration

- 24.2.1 Subject to Clause 24.3 (*Courts*), any dispute, difference, controversy or claim arising out of or in connection with this Agreement (including regarding the existence, validity, interpretation, performance, breach or termination of this Agreement and any dispute relating to non-contractual obligations arising out of or in connection with this Agreement) (a “**Dispute**”) shall be referred to and finally resolved by arbitration administered by the LCIA under the LCIA Rules (the “**Rules**”), which Rules are deemed incorporated into this Agreement, as amended herein.
- 24.2.2 The arbitral tribunal shall consist of three arbitrators. The Borrower shall nominate one arbitrator; the Lender shall nominate the second arbitrator. Failing such nomination within 30 days of receiving notice of the nomination of an arbitrator by the other side, the relevant arbitrator shall be selected and appointed by the LCIA as soon as possible. A third arbitrator, who shall serve as Chairman, shall be nominated by the two party-nominated arbitrators within 30 days of the confirmation of the appointment of the second arbitrator, or, in default of such agreement, shall be selected and appointed by the LCIA as soon as practicable.
- 24.2.3 If all the parties to an arbitration so agree, there shall be a sole arbitrator selected and appointed by the LCIA, as soon as practicable.
- 24.2.4 The seat (legal place) of arbitration shall be London, England and the language of the arbitration shall be English.
- 24.2.5 Where related Disputes arise under this Agreement, upon the application of any party to an arbitration pursuant to this Clause 24.2 (*Arbitration*), the arbitral tribunal may consolidate the arbitration with any other arbitration or proposed arbitration involving any of the parties and relating to this Agreement and/or any other contract (whether or not such other proceedings have yet been instituted), *provided that* no date for the final hearing of the arbitration or any other such arbitration has been fixed. The arbitral tribunal shall not consolidate such arbitrations unless it determines in its reasonable opinion that: (a) the relevant Disputes sought to be consolidated are so closely connected that it is expedient for them to be resolved in the same arbitration proceedings; and (b) no party to the proceedings sought to be consolidated would be materially prejudiced as a result of such consolidation through undue delay or otherwise.
- 24.2.6 Save as otherwise agreed by all of the parties to the consolidated proceedings or as determined by the arbitral tribunal which ordered consolidation, the parties to each Dispute which is a subject of an order for consolidation shall be treated as having consented to that Dispute being finally decided:
- (a) by the arbitral tribunal which ordered the consolidation (and, where more than one arbitral tribunal orders consolidation of the same Dispute, the arbitral tribunal which was also first formed), unless the LCIA determines that that arbitral tribunal would not be suitable (for reason of lack of impartiality and/or independence or otherwise), in which case the LCIA shall determine the procedure for appointing the arbitral tribunal to determine the consolidated proceedings by reference to the procedure set out above and having given the parties a reasonable opportunity to state their views; and

- (b) in accordance with the procedure, at the seat and in the language specified in the arbitration agreement in the contract under which the arbitral tribunal which ordered the consolidation (and, where more than one arbitral tribunal orders consolidation of the same Dispute, the arbitral tribunal which was also first formed) was appointed.

24.2.7 In the event of inconsistent rulings on consolidation by differently constituted arbitral tribunals, unless the LCIA determines that any party would be unduly prejudiced as a result, the ruling of the arbitral tribunal first formed shall be determinative and shall be final and binding on the parties to the arbitrations sought to be consolidated.

24.2.8 The parties hereby exclude the jurisdiction of the courts under Sections 45 and 69 of the Arbitration Act 1996.

### 24.3 Courts

Before an arbitral tribunal has been appointed to determine a Dispute, the Lender may, at its sole option, by notice in writing to the Borrower, require that all Disputes or a specific Dispute be heard by a court of law in accordance with this Clause 24.3 (*Courts*). If the Lender gives such notice, any Dispute to which such notice refers shall be determined as follows:

24.3.1 the courts of England shall have exclusive jurisdiction to resolve such Dispute;

24.3.2 the parties hereto agree that the courts of England are the most appropriate and convenient courts to resolve such Dispute and accordingly no party, subject to sub-Clause 24.3.3, will argue to the contrary; and

24.3.3 this Clause 24.3 (*Courts*) is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to such Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions in respect of such Dispute.

### 24.4 Process Agent

24.4.1 The Borrower agrees that the process by which any proceedings are commenced in England pursuant to this Clause 24 (*Governing law; Arbitration; Submission to Jurisdiction and Waiver*) may be served on it by being delivered to Law Debenture Corporate Services Limited, Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom. If such person is not or ceases to be effectively appointed to accept service on behalf of the Borrower, the Borrower shall, on the written demand of the Lender, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Lender shall be entitled to appoint such a person by written notice to the Borrower.

24.4.2 The Lender agrees that the process by which any proceedings are commenced in England pursuant to this Clause 24 (*Governing law; Arbitration; Submission to Jurisdiction and Waiver*) may be served on it by being delivered to Law Debenture Corporate Services Limited, Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom. If such person is not or ceases to be effectively appointed to accept service on behalf of the Lender, the Lender shall, on the written demand of the Borrower, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Borrower shall be entitled to appoint such a person by written notice to the Lender.

24.4.3 Nothing in this paragraph shall affect the right of either party hereto to serve process in any other manner permitted by law.

#### 24.5 **Waiver**

To the extent that the Borrower may now or hereafter be entitled, in any jurisdiction in which any legal action or proceedings may at any time be commenced pursuant to or in accordance with this Agreement, to claim for itself or any of its undertaking, properties, assets or revenues present or future any immunity (sovereign or otherwise) from suit, jurisdiction of any court, attachment prior to judgment, attachment in aid of execution of a judgment, execution of a judgment or award or from set-off, banker's lien, counterclaim or any other legal process or remedy with respect to its obligations under this Agreement and/or to the extent that in any such jurisdiction there may be attributed to the Borrower any such immunity (whether or not claimed), the Borrower hereby irrevocably agrees not to claim, and hereby waives, any such immunity to the fullest extent permitted by the laws of such jurisdiction.

#### 24.6 **Consent**

The Borrower irrevocably and generally consents in respect of any proceedings brought pursuant to the terms of this Agreement to the giving of any relief or the issue and service on it of any process in connection with those proceedings, including, without limitation, the making, enforcement or execution against any assets whatsoever of any order or judgment which may be made or given in those proceedings.

#### 24.7 **Lender's Power of Attorney**

If the Lender is represented by an attorney or attorneys in connection with the execution and/or delivery of this Agreement or any agreement or document referred to herein or made pursuant hereto and the relevant power of attorney or powers of attorney is or are expressed to be governed by the laws of the Netherlands, it is hereby expressly acknowledged and accepted by the parties hereto that such laws govern the existence and extent of such attorney's or attorneys' authority and the effects of the exercise thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above.

ARDSHINBANK CJSC

By:

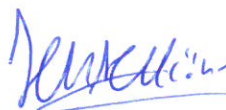
Name: *Artak Ananyan*

Title: *Chairman of the Board*



[Loan Agreement Signature Page]

**SIGNED** for and on behalf of  
**DILIJAN FINANCE B.V.**

  
H.R.T. Kröner  
Proxy holder

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By: Intertrust Management B.V.  
Title: Director

  
P.C. van der Linden  
Proxyholder