

AGREEMENT # --- ON ADJUSTABLE INTEREST RATE SETTING AND CALCULATION

This agreement (hereinafter the “Agreement”) is entered into on [date] in Yerevan under the laws and regulations of Armenia by and between Ameriabank Closed Joint Stock Company (incorporated under the resolution of the CBA Board dated September 8, 1992, registration number 50, certificate № 0154; address: 2 V. Sargsyan, Yerevan) hereinafter the “Bank”, represented by the authorized person acting on behalf of the Bank, and hereinafter the “Client” or the “Borrower”. The Bank and the Client shall be hereinafter jointly referred to as the “Parties” and individually as the “Party”. This Agreement on Adjustable Interest Rate Setting and Calculation forms an integral part of Agreement # [--] (hereinafter referred to as the “Principal Agreement”).

1 SUBJECT OF THE AGREEMENT

- 1.1. The Parties hereby define the procedure for regular revision of the loan interest rate under the Principal Agreement in response to the changes in market interest rates to ensure that the interest rate determined by the Parties is consistent with the market rates to the highest possible degree at all times subject to the procedure established hereby.
- 1.2. The Agreement forms an integral part of the Principal Agreement.
- 1.3. Hereby the Parties agree that the interest rate set by the Principal Agreement shall be considered adjustable and variable (hereinafter “Adjustable Rate”) as stipulated under this Agreement.

2 ADJUSTABLE INTEREST RATE CONSTITUENTS

- 2.1. The Adjustable Rate defined by the Principal Agreement shall consist of the following constituents (components):
 - 2.1.1. Base Rate
 - 2.1.2. Margin (fixed component)
- 2.2. The **Adjustable Rate** is a nominal interest rate calculated in accordance with this Agreement using the following formula: $RA = RB + RM$ where R_A is the Adjustable Rate, R_B is the Base Rate and R_M is the Margin (fixed component).

One primary index (hereinafter “Primary Rate” and/or “Primary Index”) and one secondary index (hereinafter “Secondary Rate” and/or “Secondary Index”) of Base Rate shall be used as basis for calculation and adjusting of the Adjustable Rate, which cannot be changed during the term of the Agreement, except in cases defined in chapter 5. The Secondary Index shall be applied if the Primary Index is inaccessible and setting of the Adjustable Rate for the next period becomes impossible.

- 2.3. The Base Rate shall be determined on the basis of the following market rates, depending on the loan currency:
 - 2.3.1. **In case of Adjustable Rates for AMD-denominated loans:** the primary rate underlying the Base Rate shall be the yield to maturity of Armenian 6-month Government (treasury) bills. Secondary Rate is the average yield of Armenian 6-month (or if not available, closest to 6 months) Government (treasury) bills in primary auction.
 - 2.3.2. In case of Adjustable Rates for **USD-denominated loans:** the primary rate underlying the Base Rate shall be the CME Term SOFR USD 6 Month reference rate. The Secondary Rate shall be the value of 6-month US treasury bills yield curve.
 - 2.3.3. In case of Adjustable Rates for **EUR-denominated loans:** the primary rate underlying the Base Rate shall be the EURIBOR 6 Month rate. The Secondary Index shall be the value of the Germany 6 Month Government EUR Bond yield curve.
- 2.4. Where it is necessary to choose a Secondary Rate, in order to avoid significant fluctuations between interest rates calculated based on Primary and Secondary Rates and prevent either Party from acquiring unjustified economic gain or incurring loss at the expense of the other Party, calculation of interest rate based on Secondary Rate shall include an adjusting factor to balance possible differences between rates (hereinafter “Spread Adjustment”). Spread Adjustment shall be calculated by the Bank and presented to the Borrower with its amount indicated in the selection Offer. During calculation of the Adjustable Rate throughout the term of the Agreement after selection of the Secondary Rate, the Spread Adjustment shall remain unchanged and be included in calculation of interest

rate at all times, and accordingly, calculation of the Adjustable Rate based on Secondary Rate shall be performed using the following formula:

$$RA = R_B + SA + R_M$$

where

R_A is the Adjustable Rate

R_B is the Base Rate

S_A is the Spread Adjustment

R_M is the margin (fixed component)

However, regardless of application of the Spread Adjustment, if the Agreement provides for a maximum Adjustable Rate limit, the interest rate calculated on the basis of the Secondary Rate and Spread Adjustment shall not exceed the set maximum limit¹.

- 2.5. The margin (fixed component) shall be determined based on the terms of lending and shall be fixed in the loan agreement for each loan separately, on the basis of the respective loan decision adopted by the authorized body of the Bank.
- 2.6. For the purpose of this Agreement and the Principal Agreement, the base rate of the Adjustable Rate for the Client (Borrower) at the time of execution of the Principal Agreement shall be equal to _____ percent, while the Margin (fixed component) shall be equal to _____ percent. **Where the base rate of the Adjustable Rate is a negative value, the Adjustable Rate under the Principal Agreement shall be calculated based on 0 (zero).**

3 POSTING, UPDATING AND COMMUNICATING INFORMATION ON THE BASE RATE

- 3.1. Information on the yield to maturity of Armenian Government (treasury) bills can be obtained from the relevant publications (yield curve) on the official website of the CBA at the following link:
<https://www.cba.am/am/SitePages/fmofinancialmarkets.aspx>

Information on the average yield of Armenian 6-month (or if not available, closest to 6 months) Government (treasury) bills in primary auctions can be retrieved from the official website of the Armenian Securities Exchange at the following link:

https://amx.am/am/government_bond_auctions

- 3.2. Information on the CME Term SOFR USD 6 Month reference rate can be retrieved from Bloomberg terminal under TSFR6M ticker (SR6M in Reuters).
- 3.3. Information on the EURIBOR 6 Month rate can be retrieved from Bloomberg terminal under EUR006M ticker (EURIBOR6MD in Reuters).
- 3.4. Information on the yield of 6-month US treasury bills can be retrieved from Bloomberg terminal under H15T6M ticker (US6MT=RR in Reuters).
- 3.5. Information on the yield curve of Germany 6 Month Government EUR Bonds can be retrieved from Bloomberg terminal under YCGT0016 ticker (DE6MT=RR in Reuters).
- 3.6. In case of inaccessibility of the Bloomberg Terminal or impossibility to check the information for any other reason, the Bank shall, upon the Borrower's request, provide the information retrieved from the system to the Borrower by e-mail or other e-channels acceptable to the Parties and/or deliver it to the Borrower within the Bank premises. Whenever Bloomberg Terminal is not accessible, the information retrieved from Thomson Reuters Eikon shall be used as an alternative.

¹ This clause is not applicable in case of mortgage and consumer loans.

- 3.7. Change of any link specified in clauses 3.1, 3.2., 3.3, 3.4 ,3.5 and 3.9. above shall not affect or have any implications for this Agreement and/or its validity, except for the special cases provided for in clause 5.1 below.
- 3.8. The Base Rate shall be revised on February 1 and August 1 each year. In particular:
 - 3.8.1. On February 1, the Base Rate shall be equal to the respective interest rate on the 30th business day preceding February 1 of that year. Where the value is negative, calculation is based on 0.
 - 3.8.2. On August 1, the Base Rate shall be equal to the respective interest rate on the 30th business day preceding August 1. Where the value is negative, calculation is based on 0.
 - 3.8.3. The method of calculation of the Base Rate specified in clause 3.8 herein cannot change during the term of the Agreement and the Principal Agreement.
- 3.9. The revised Base Rate and information about its changes shall be published on the Bank's official website twice a year, on the first business days of February and August.

<https://ameriabank.am/business/sme/financing/support/base-rate>

4 THE PROCEDURE OF REGULAR REVIEW AND REVISION OF THE ADJUSTABLE INTEREST RATE

- 4.1. The first revision of the Adjustable Rate in accordance with this Agreement shall be in 3 (three)² years after execution of the Principal Agreement, except in the case defined under clause 5.1 herein, unless otherwise provided for by the imperative norms of the Republic of Armenia laws and regulations. Thereafter, the Adjustable Rate may be revised regularly every 6 (six) months. Prior to the date of the first revision, the Base Rate shall be deemed equal to the Base Rate effective on the date of execution of the Principal Agreement.
- 4.2. The Base Rate effective on the date of revision shall be deemed the applicable rate for the time span between the given and next revisions. Loan interest payments shall be calculated and made at the revised interest rate.
- 4.3. The date of application (calculation) of changed interest rate shall be the first payment date following the base rate change date (the first day of February and August).
- 4.4. Calculations of the Base Rate shall be performed by rounding the rate to the nearest multiple of 0.5 (zero point five) percent. E.g., 8.23% shall be rounded to 8.0%, 8.25% shall be rounded to 8.5%, and 8.41% shall be rounded to 8.5%.
- 4.5. Hereby the Parties agree that the Base Rate:
 - 4.5.1 Shall be revised by the Bank, if the difference between the interest rate for any particular period (rounded to 0.5 p.p.) and the effective Base Rate is more than 1%. The rate can be revised not more than to the extent of such difference, however, the Bank at its own discretion can revise the rate to a smaller extent which in any case should not be lower than 0.5%. (E.g., if the effective Base Rate is 8% and the new rate is 9.5%, the Bank can revise the rate by 0.5%, 1% or 1.5%).
 - 4.5.2 Can be revised at the Bank's discretion, if the difference between the interest rate for any particular period (rounded to 0.5 p.p.) and the effective Base Rate does not exceed 1%.
The terms of revision of the Base Rate set out in this clause shall be applicable both to upward and downward revision of the rate.
- 4.6. The revised rate shall be applied to the outstanding loan not earlier than 7 (seven) business days after giving notice to the Borrower in the manner of notification/communication specified in the Principal Agreement.
The Parties hereby state that in any case the loan interest rate specified in the Principal Agreement shall not exceed --- percent and shall not be less than ---- percent.
- 4.7. The maximum increase threshold of the loan rate under the Principal Agreement shall not exceed the maximum decrease threshold.³

5 EXCEPTIONAL CIRCUMSTANCES

- 5.1. Where the Primary and Secondary Indicators become inaccessible and impossible, the Parties agree that the Bank shall offer another similar indicator for the next period, relying solely on the standards defined by the CBA or the legislation of the Republic of Armenia. Adjustable Rate shall be considered inaccessible and impossible under the following exceptional circumstances.
 - 5.1.1. Procedure of market interest rate calculation undergoes material changes.

² The 3-year requirement is mandatory in case of mortgage loans only.

³ This clause is effective and applicable in case of mortgage and consumer loans only.

- 5.1.2. Information on the interest rate, specified in clauses 2.3.1, 2.3.2 or 2.3.3, is no longer published for respective currency.
 - 5.1.3. In the reasonable opinion of the Bank’s authorized body the given interest rate no longer represents the actual market situation.
 - 5.1.4. Certain amendments to the Republic of Armenia laws and regulations prohibit or make it impossible to change the interest rate in accordance with the provisions of the Principal Agreement and the Agreement.
 - 5.1.5. There are other economically or legally reasonable and justifiable bases.
 - 5.1.6. In other cases provided for under the laws and regulations of the Republic of Armenia.
- 5.2.** Hereby the Borrower agrees that the Bank shall have the right to revise and adjust the Loan interest rate in favor of the Borrower at any time and any intervals during the term of the Agreement and/or the Principal Agreement.

6 MISCELLANEOUS

- 6.1.** This Agreement shall be binding upon and inure to the benefit of the Parties’ successors and assigns.
- 6.2.** The Agreement is made in Armenian and English in the number of counterparts equal to that of the Parties and persons providing security for obligations (if any). All counterparts are legally equal. Each Party receives one counterpart. By signing the Agreement each of the Parties confirms the receipt of their counterpart. In case of discrepancies the Armenian version shall prevail.
- 6.3.** Disagreements and disputes arising out of or in connection with the Agreement shall be referred to and resolved by the court of general jurisdiction of Yerevan, unless otherwise agreed between the Parties and/or stipulated by imperative legal norms of the Republic of Armenia.
- 6.4.** The Agreement shall become effective upon signing by both Parties and shall remain in full force and effect until proper fulfillment of the liabilities of the Parties under the Agreement.

7 ADDRESSES AND SIGNATURES OF THE PARTIES

Bank	CLIENT/BORROWER
Ameriabank CJSC
Address: 2 V. Sargsyan st., Yerevan	Passport:
Authorized person	Address:
_____	_____
(name, surname, signature)	Signature
Seal	