

Amendments Approved by:
General Meeting of Shareholders of
JSC Microfinance Organization Crystal on 18 April 2024

**JOINT STOCK COMPANY
MICROFINANCE ORGANIZATION CRYSTAL**

**C H A R T E R
(NEW EDITION)**

**Kutaisi, Georgia
2024**

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ARTICLE 1. GENERAL PROVISIONS

- 1.1. Joint Stock Company Microfinance Organization Crystal (the “**Company**”) is a joint stock company founded by Microfinance Fund Crystal pursuant to the Resolution of August 21, 2007.
- 1.2. The Company is a legal entity organized in accordance with the laws of Georgia the capital of which is divided into shares and the rights and obligations of which are defined by this Charter, the Law of Georgia on Entrepreneurs, the Law of Georgia on Microfinance Organizations, instructions of the National Bank of Georgia and all other relevant normative acts of Georgia.
- 1.3. This Charter is a part of the instrument of incorporation concluded between the Shareholders that expresses their mutual will and is binding on them. The provisions of this Charter shall be binding not only on the founders of the Company who signed the Charter, but also on those who will become Shareholders of the Company in the future, despite not having signed the Charter.
- 1.4. The Company owns separate properties and its liability towards its creditors is limited to its assets.
- 1.5. The Company may, in its own name, act in legal relations, acquire property and non-property rights and assume obligations, act as a claimant or respondent in court or arbitration, and own a seal bearing the Company emblem (logo).
- 1.6. The Company has an independent balance sheet and may open settlement and other accounts (including foreign currency accounts) in Georgia as well as abroad.
- 1.7. The objectives of establishing the Company include the following:
 - 1.7.1. Facilitating poverty reduction, raising the self-support level of the socially vulnerable part of the society, improving their social-economic conditions and promoting the economic revival of the country by supporting small business development;
 - 1.7.2. Ensuring the involvement of the socially vulnerable part of the society and small entrepreneurs in economic activity and facilitating the improvement of the business environment in the country by providing the financial services vitally important for the small business development;
 - 1.7.3. Offering high-quality and flexible financial services to the population;
 - 1.7.4. Earning profit out of repeated and independent entrepreneurship.
- 1.8. The term of activity of the Company shall be indefinite.
- 1.9. The fiscal year of the Company shall coincide with the calendar year. It shall consist of 12 months, commencing from January 1st and ending on December 31.

ARTICLE 2. SUBJECT OF ACTIVITY

- 2.1. The subject of the Company activities shall be microfinance activities.
- 2.2. In accordance with the Law of Georgia on Microfinance Organizations, the Company may conduct the following activities:
 - 2.2.1. Granting microloans, including consumer, pawnshop, mortgage, unsecured, group and other loans (credits) to legal entities and individuals;
 - 2.2.2. Investing in state and public securities;
 - 2.2.3. Conducting money transfers;
 - 2.2.4. Discharging the functions of an insurance agent;
 - 2.2.5. Providing consultations in connection with micro-crediting;
 - 2.2.6. Obtaining loans (credits) from resident and nonresident legal entities and individuals;
 - 2.2.7. Holding of interest in the capital of legal entities with value not in excess of 15% of the capital of the Company;
 - 2.2.8. Providing any other financial services or conducting any other operations provided by the effective laws, including but not limited to, micro-leasing, factoring, currency exchange, issuing, selling or buying out notes and bonds and conducting any other operations related thereto; and

2.2.9. Any other activities which are not prohibited under the effective laws.

ARTICLE 3. CAPITAL AND SHARES

- 3.1. The Company has authorized capital and subscribed capital, which are denominated in national currency. The amounts of the Company's authorized capital and subscribed capital are determined by the instrument of incorporation.
- 3.2. Shares may be common and/or preferred. 1 (one) common share shall provide one voting right at the General Meeting. Preferred shares shall not provide voting rights, except for the cases provided for by law. The number of preferred shares shall not exceed half of the number of subscribed shares.
- 3.3. The share registry of the Company may be kept by the Company or through an independent registrar, in accordance with the effective laws.
- 3.4. Any change in the capital of the Company (increase or decrease in capital) may occur by resolution of the Shareholders in accordance with the effective laws and this Charter.
- 3.5. For the purposes of capital increase, the Company may issue common and/or preferred shares, or other securities convertible into common and/or preferred shares.
- 3.6. The subscription price for a newly issued common or preferred share shall not be less than its nominal value.
- 3.7. In the event of increase in the capital of the Company, the Shareholders shall have pre-emptive right of subscription in proportion with the share of their respective shares in the total number of shares of the Company. The pre-emption right for shares may be annulled by a decision of the General Meeting regarding the issuance of new shares, which shall be reached through at least $\frac{3}{4}$ of the total votes present at the General Meeting (at least $\frac{2}{3}$ of the total votes must be present at the general meeting). Without limiting the right of the General Meeting to vote upon the cancellation issue as per its discretion, the said decision may be made based on the written report of the Board of Directors of the Company only, which indicates the grounds for the cancellation of the pre-emptive right of the shares and substantiates the issue price of new shares. The General Meeting shall also decide the terms for paying-up the increased capital in relation to conditions stipulated in article 3.9 below, within the limitations set forth by the Georgian law. The decision of the General Meeting on the cancellation of pre-emptive right of shares must be published in accordance with the procedure established by the effective laws.
- 3.8. Should the Board of Directors decide to increase its capital within the limit of the authorized capital under Article 166 of the Law of Georgia on Entrepreneurs, it is imperative for the Board of Directors to have relevant prior approval from the General Meeting
- 3.9. The Company shall notify the Shareholders holding at least 1% of the voting rights of exercising the right of pre-emption of shares, via registered mail, and other Shareholders, via registered mail or by publishing the respective information on its website or the electronic platform of the registration authority. Unless otherwise decided by the Shareholders, the Company shall grant the Shareholders 20 (twenty) days to exercise such right, which shall commence from the moment of the delivery of the notice to a respective person or the publication of the respective information. If not all of the Shareholders are present or represented upon respective decision-making, the Board of Directors shall, immediately upon adoption of respective decision by the Shareholders, notify those Shareholders, which were not present or represented upon decision-making, of such decision. If the Shareholders do not exercise the right of pre-emption of shares within 20 (twenty) days after the decision is adopted by the Shareholders, the pre-emptive right of the shares shall be deemed revoked. Any shareholder who wishes to exercise their pre-emptive right shall provide the relevant contribution within 30 (thirty) days or such other relevant higher timeframe (as prescribed by the Shareholders) after providing the Company with the notice on exercising pre-emption right under this Article.

- 3.10. Without prejudice to the rights of the Company to acquire its own shares, as provided under the Georgian law, the Company may redeem its own shares in manner and to the extent provided by the effective laws in the following cases:
- (a) In case a shareholder does not support the resolution of the Company which materially violates the rights of such shareholder; or
 - (b) In case a shareholder does not support such resolution which relates to the reorganization of the Company.
- 3.11. The Shareholders may agree on tag-along and drag-along rights.
- 3.12. The Company shares issued under any employee incentive plan shall have the restriction that holders of such shares can execute their respective rights only via the applicable share manager as appointed in the applicable share management agreement.

ARTICLE 4. THE SHAREHOLDERS

- 4.1. The Shareholders of the Company are the persons that duly hold shares of the Company and are registered in the share registry of the Company. The Shareholders of the Company may be legal entities registered in Georgia and/or abroad as well as the citizens of Georgia and/or any other country.
- 4.2. The shareholder's right to ownership of the share is confirmed by an entry in the share register or by the entry of the nominal owner. The shareholder must be given an extract from the share register or an extract from the nominal holder.
- 4.3. The Shareholders shall have the following rights:
- 4.3.1. Dispose their own shares in the manner provided by the effective laws, this Charter and as agreed among the Shareholders. Unless otherwise agreed by the Shareholders, in the event of transfer of ownership title to its shares by a shareholder, the other Shareholders shall have right of first refusal to purchase such shares in proportion to their respective shareholding in the total number of the Company shares. A shareholder shall give the other Shareholders a notice of its intention to transfer ownership title to its shares by sending the relevant notice to them. The Shareholders wishing to exercise the right of first refusal shall purchase the shares within 20 (twenty) days from the date of receipt of the notice. If the Shareholders do not purchase the shares, after expiry of such term the right of first refusal shall be deemed cancelled;
 - 4.3.2. Attend personally or through a representative the General Meetings of Shareholders and in case of common shares - take part in voting (in either case through physical attendance or by means of direct electronic means) and exercise their voting rights;
 - 4.3.3. Shareholders of each class take part in distribution of profits and receive dividends pro-rata with the number of shares held by them in relevant class, as agreed by the Shareholders;
 - 4.3.4. In the event of liquidation of the Company, the ordinary shareholders will receive share or equivalent value of the Company properties remaining after settlements have been made with creditors, in proportion with their shares, provided that properties of the liquidated Company which remaining after payment of debts shall be primarily distributed in respect of the preferred shareholders;
 - 4.3.5. Any shareholder shall have the right to meet with the Company auditors and to discuss with them the issues of business operations and audit;
 - 4.3.6. The holders of 5% or more of all shares may request a special inspection of business transactions if they believe that there have been violations; meanwhile, as prescribed by the legislation, based on an application of Shareholders holding at least 5 % of the shares and a decision of the General Meeting, the Company shall conduct a special inspection of a business transaction of the Company.

- 4.3.7. Any shareholder may request clarifications from the Board of Directors and the Supervisory Board concerning each particular item of the agenda of the General Meeting of Shareholders. Such request, if submitted in writing at least 14 (fourteen) days prior to the date of the General Meeting of Shareholders, shall either be fulfilled or considered as one of the items of the agenda;
 - 4.3.8. Up until 14 (fourteen) days before the date of a General Meeting, a shareholder/group of Shareholders holding at least 5 % of the capital shall have the right to apply in writing to the Board of Directors of the Company and: (a) Request the addition of items to the agenda of the General Meeting, provided that each such item is accompanied by a justification or a draft decision to be adopted; (b) Submit draft decisions for items included or to be included on the agenda of the General Meeting, and justification for such draft decisions. In case such request entails modification of the agenda of the General Meeting already communicated to the shareholder, the Company shall make available to the Shareholders a revised agenda in advance of the applicable record date of the General Meeting as prescribed by the legislation;
 - 4.3.9. Holders of 5% of voting shares shall have the right to demand copies of the transaction documents entered into on behalf of the Company and/or information on the to-be-entered transactions;
 - 4.3.10. The holders of voting shares may exercise their votes for their own interests except where the decision concerns conclusion of a transaction with them or approval of their report in which cases such shareholder(s) shall be required to abstain from voting.
 - 4.3.11. Holders of 5% of voting shares shall have right to submit to the General Meeting proposals regarding distribution of profit.
- 4.4. The Shareholders of the Company shall be obligated to observe and comply with the obligations and other conditions envisaged by this Charter, Shareholders' Agreement and the effective laws.

ARTICLE 5. DISTRIBUTION OF PROFITS

- 5.1. Unless otherwise determined by the Shareholders' decision or the effective laws, within 1 (one) month after completion of the annual audit (however, in any case at least 1 (one) month prior to the date of annual General Meeting of the Shareholders), the Board of Directors of the Company shall prepare a proposal on distribution of profits in compliance with Shareholders' decision, this Charter and applicable law for approval by the Supervisory Board. If the proposal on distribution of profits is agreed upon, the Supervisory Board shall submit a joint proposal of the Supervisory Board and of the Board of Directors to the Shareholders, however, if this issue cannot be agreed upon, the Supervisory Board and the Board of Directors shall separately submit their own proposals and shall provide the General Meeting with the opportunity to make decision considering alternative proposals. The matter and rules of distribution of profit shall be resolved/approved by the Shareholders.
- 5.2. The Shareholders cannot receive any remuneration other than dividends of the Company; however, a shareholder may engage in a business, service or labour relationship with the Company and receive remuneration from it, which is not considered a dividend, as long as the member of the Supervisory Board does not simultaneously hold the position of a member of the Board of Directors.

ARTICLE 6. MANAGEMENT OF THE COMPANY

- 6.1. The General Meeting of Shareholders shall be the supreme managing body of the Company.
- 6.2. Supervision over the business of the Company shall be carried out by the Supervisory Board, the members of which shall be elected by the Shareholders.
- 6.3. Day-to-day activities of the Company shall be carried out and managed by the collegial body - Board of Directors, as detailed out in Article 10 below.
- 6.4. A member of the Supervisory Board may not simultaneously serve as a member of the Board of Directors.

- 6.5. Board of Directors of the Company shall publish information on the composition of the Supervisory Board, the election of the chairperson of the Supervisory Board, and any associated changes on the authorized user's page of the electronic platform, and also make this information available on the Company's website, if applicable.

ARTICLE 7. GENERAL MEETING OF THE SHAREHOLDERS

- 7.1. The requirements of the Law of Georgia on Entrepreneurs apply to the convening and holding of the General Meeting of the Shareholders.
- 7.2. A shareholder can exercise the right to participate and vote in the General Meeting both personally and through a representative.
- 7.3. According to the decision of the Board of Directors of the Company, participants have the option to attend the General Meeting either in person or through the use of electronic communication methods, either in conjunction with the physical attendance or as an alternative. In the event of electronic voting, it is imperative to adhere to the requirements stipulated in the Law of Georgia on Entrepreneurs.
- 7.4. A proxy holder may be appointed and a notification of such appointment shall be made either in writing or in an electronic form. In addition, if the Company is a reporting company under the Law of Georgia on Securities Market, whose securities are admitted for trading on the stock exchange, it shall personally or through a third party offer the Shareholders at least one effective method of notification of the appointment as a proxyholder by electronic means. The above procedure shall also apply to the revocation of the appointment of a proxy holder.
- 7.5. A member of the Board of Directors and a member of the Supervisory Board of Company shall not have the right to participate in a General Meeting as proxy holders.
- 7.6. The ordinary General Meeting of Shareholders must be convened by the Board of Directors or the Supervisory Board (in cases provided under the Georgian law) every year, no later than 3 (three) months after the end of the fiscal year. An extraordinary General Meeting of the Company may be convened at any time by the Board of Directors or, in cases provided under the Georgian law, by the Supervisory Board also or upon the written request of Shareholders holding 5% of the votes.
- 7.7. In case of a violation of the rules established by the law and/or this Charter regarding the convening of a General Meeting, decision-making is allowed if all Shareholders are present at the meeting and all of them agree to hold the meeting and make decisions. Consent will be considered given if the shareholder does not request the meeting to be held at another time due to a violation of the procedure for convening it.
- 7.8. The convening body of this meeting is responsible for duly convening and conducting the General Meeting.
- 7.9. The decision to convene the meeting is made by the majority of votes participating in the voting, which is recorded in the minutes of the meeting. The minutes of the meeting shall indicate whether the General Meeting is convened at the initiative of the Shareholders.
- 7.10. In case of necessity, the Board of Directors of the Company is obliged to publish a decision on convening a General Meeting within 10 (ten) days after receiving this request, based on the written request of the shareholder/Shareholders (group of Shareholders) owning at least 5% of the capital.
- 7.11. The written request of the shareholder/Shareholders for convening the General Meeting must specify the necessity, purpose, and reason for convening the General Meeting, as well as its agenda, which outlines all the issues requested by the shareholder/Shareholders. The Board of Directors of the Company has the right to add issues to the agenda of the General Meeting.
- 7.12. If the request of the Shareholders to convene the General Meeting is not met, based on the application of the aforementioned Shareholders, the Shareholders are entitled to seek appropriate remedies including,

- but not limited to approaching the court to grant the authority to convene the General Meeting to the applicant Shareholders and appoint the Chairman of the General Meeting.
- 7.13. The Board of Directors of the Company is obliged to convene a General Meeting in accordance with the rules established by the legislation and this Charter and to decide all organizational issues necessary for holding a General Meeting.
 - 7.14. The decision to convene the General Meeting must be published on the authorized user page of the electronic portal of the Public Registry at least 21 (twenty-one) days before the date of the General Meeting. The decision to convene the meeting is also published on the website of the Company, if there is one.
 - 7.15. The General Meeting shall be authorized of decision-making if the holders of at least 50% of the voting shares are present or represented thereat. If the meeting is not quorate, a new meeting, with the same agenda, shall be convened within the time-frames determined by the Chairman of the Meeting and in accordance with the procedures set out hereunder. The second meeting shall be quorate if the holders of at least 25% of the voting shares are present or represented thereat. If the meeting is still unauthorized to take decisions, a new meeting, with the same agenda shall be convened within the time-frames determined by the Chairman of the Meeting and in accordance with the procedures set out hereunder. Such meeting shall be quorate irrespective of the number of the shares held by the shareholders present or represented thereat.
 - 7.16. Each subsequent General Meeting may be convened earlier than 21 (twenty-one) days if the General Meeting is convened due to the absence of the quorum required for convening the first General Meeting, the first General Meeting was convened in accordance with the procedure established by law, and no issue has been added to its agenda. In this case, there shall be at least a 10-day interval between the dates of the last General Meeting and the next General Meeting.
 - 7.17. The Board of Directors of the Company is responsible for ensuring the accuracy and accessibility of the published information about the invitation to the General Meeting.
 - 7.18. The published information regarding the convening of the General Meeting must contain, at least, the following data:
 - a) The company name and legal address of the Company;
 - b) The date, place, and time of the General Meeting;
 - c) Whether the next General Meeting is regular or extraordinary;
 - d) The record date of the General Meeting, indicating that only those persons registered as Shareholders on the accounting day have the right to participate and vote in the General Meeting;
 - e) The agenda of the General Meeting;
 - f) Any other information required by law (if necessary).
 - 7.19. The materials on matters included in the agenda of the General Meeting must contain all the information necessary to make a decision.
 - 7.20. In case the agenda of the General Meeting includes the adoption of a new edition of the Charter, the new edition of the Charter must be published together with the information about the convening of the General Meeting unless this documentation is sent to all Shareholders personally.
 - 7.21. The Board of Directors of the Company and the Supervisory Board are obliged to publish on the page of the authorized user of the electronic portal the draft decisions prepared by them on the issues included in the agenda of the General Meeting and indicate the basis for these decisions.
 - 7.22. The Supervisory Board determines the record date of the General Meeting, which shall not be less than 30 (thirty) days before the date of the General Meeting. In the case provided for by Article 7.10 of the Charter, there must be at least 6 (six) days between the date of convening the General Meeting and the record date.
 - 7.23. The General Meeting has decision-making power if it is attended by Shareholders with a majority of votes.

- 7.24. If the quorum for making a decision of the General Meeting is not met, the convener of the meeting can reconvene the meeting in the same manner and with the same agenda. The second meeting is capable of making decisions as provided in Article 7.15 above. The decision to convene the second General Meeting must be notified in the same manner as provided under Article 7.14 of this Charter.
- 7.25. The General Meeting is chaired by the Chairman of the Supervisory Board of the Company. In his absence, the Chairman of the general assembly is elected by the majority of votes.
- 7.26. During the General Meeting, the form of voting is determined by the General Meeting with the majority of the votes of the voting participants.
- 7.27. Within 15 (fifteen) days after the end of the General Meeting, the minutes of the General Meeting must be drawn up and signed by the Chairman and Secretary of the General Meeting. If the General Meeting is attended by a notary, the minutes of the General Meeting are drawn up and signed by the Chairman and the notary. In the event that the Company is a reporting company defined by the Law of Georgia on the Securities Market, whose securities are admitted to trading on the stock exchange, the minutes of the General Meeting are drawn up by a notary and signed by the notary and the Chairman of the General Meeting.
- 7.28. The minutes of the General Meeting must be accompanied by all documents confirming the invitation of the General Meeting in accordance with the established procedure.

ARTICLE 8. COMPETENCE OF THE GENERAL MEETING

- 8.1. The General Meeting of Shareholders shall consider and make decisions on the following matters:
 - 8.1.1. Changes to the Charter of the Company/instrument of incorporation, without limitation including decisions and changes to the Charter in connection with the increase or decrease of the Company capital, changes to the activities, or the number of members of the Supervisory Board, or the number of the members of the Board of Directors, or the rights of the Shareholders;
 - 8.1.2. Full or partial revocation or waiver of the pre-emptive right of the Shareholders to subscribe to the securities in the event of capital increase;
 - 8.1.3. Approval or rejection of the proposal on the utilization of profit (including distribution of profit), or in the event the Supervisory Board and the Board of Directors cannot agree on the use of net profit, the rule specified in Article 5.1 of the present Charter shall apply;
 - 8.1.4. Election and discharge of Supervisory Board members, decision-making on the matter of their remuneration and additional benefits, and entering into and termination of agreements with them;
 - 8.1.5. Approval of the reports of Board of Directors and Supervisory Board;
 - 8.1.6. Approval of the audited financial statements of the Company;
 - 8.1.7. Election and discharge of the auditor;
 - 8.1.8. Taking decisions on participation in litigations against the members of the Supervisory Board, the Board of Directors, as well as appointment of representatives for such litigations;
 - 8.1.9. Taking decisions on acquisition, transfer, exchange or other form of disposal or encumbrance of any such properties of the Company, or assumption or securing of such obligations, the value of which, either in case of a single or series of interrelated transactions, is equal or in excess of 25% of the value of all assets of the Company;
 - 8.1.10. Any merger or consolidation involving the Company, or any corporate reorganization or liquidation of the Company; and
 - 8.1.11. Taking decisions on such matters in other cases envisaged by this Charter, and the effective laws.
- 8.2. All other matters are decided by the Supervisory Board or the Board of Directors.

- 8.3. The General Meeting does not have the right to make decisions on issues that fall within the competence of other bodies, except when these bodies apply to the General Meeting with a request to resolve an issue falling within their competence.
- 8.4. The General Meeting makes a decision by the majority of votes of the voting participants unless a larger number of votes is required to make a decision by law or this Charter.
- 8.5. Any decision on the matters referred to in Article 8.1 shall require votes of the holders of more than 50% of the voting rights present or represented, excluding the decisions on matters provided by Articles 8.1.4, which shall require votes of the holders of more than 2/3 of the voting rights present or represented, and excluding the decisions on matters provided under Articles 8.1.1, 8.1.2, 8.1.3 and; 8.1.10, which shall require votes of holders of more than 3/4 of the voting rights present or represented. For any matter referred to in Article 8.1, the Shareholders can agree advance consultations with particular Shareholders in advance of any decision.

ARTICLE 9. SUPERVISORY BOARD

- 9.1. The Supervisory Board shall consist of at least 3 (three) members. The members of the Supervisory Board shall be appointed to and removed from office by the General Meeting. Composition of the Supervisory Board is determined according to this Charter and applicable law.
- 9.2. Particular shareholder(s), as agreed by the Shareholders, shall be entitled to have at least 1 (one) representative on the Supervisory Board.
- 9.3. Particular shareholder(s), as agreed by the Shareholders, shall be authorized to appoint an alternate member and/or independent member and/or replacement to the main member of the Supervisory Board. Powers and competence of an alternate shall be determined in accordance with the Shareholders' decision of the Company, this Charter and applicable law.
- 9.4. Each member of the Supervisory Board is elected for a term of no more than 3 (three) years. After its expiration, the term of office of a member of the Supervisory Board is automatically extended until the convening of a General Meeting and the election of new members at this meeting. Members of the Supervisory Board may be elected for a new term.
- 9.5. If a new member is not elected within 6 (six) months and the Shareholders have not reduced the number of the Supervisory Board Members within the Instrument of Incorporation after the exit of a member of the Supervisory Board, the Board of Directors may apply to the court to appoint a new member. This rule also applies when the number of Supervisory Board members is less than the number specified in this Charter.
- 9.6. The Supervisory Board elects the Chairman of the Supervisory Board and his Deputy Chairman from among the members of the Supervisory Board by the majority of votes participating in the voting. If the candidates receive an equal number of votes, the oldest member among them will be appointed as the Chairman.
- 9.7. The Chairman of the Supervisory Board coordinates the activities of the Supervisory Board, presides over the meetings of the Supervisory Board, and represents the Supervisory Board with other bodies, officials, and employees of the Company. The Deputy Chairman of the Supervisory Board performs the functions of the Chairman of the Supervisory Board in the absence of the Chairman or in case of his inability to perform his duties.
- 9.8. Meetings of the Supervisory Board will be held four or more times a year. Attendance may be in person, by telephone, or by other means of electronic communication.
- 9.9. Each member of the Supervisory Board or the Board of Directors has the right to request the Chairman of the Supervisory Board to immediately convene a meeting of the board. In the request, the reasons and objectives of holding the extraordinary meeting shall be indicated. The Chairman of the Supervisory

Board is obliged to ensure the holding of the meeting within 10 (ten) days of the request. If the request for convening the meeting is not met, the member of the Supervisory Board or the Board of Directors can call the meeting of the Supervisory Board themselves.

- 9.10. The meeting of the Supervisory Board is chaired by the Chairman of the Supervisory Board, in his absence - by the deputy Chairman of the Supervisory Board, and in his absence - by the oldest member of the Supervisory Board. Minutes of the meeting are drawn up regarding the progress and decisions of the meeting. The Chairman of the meeting is responsible for the accuracy and completeness of the minutes of the meeting.
- 9.11. The Supervisory Board is authorized to adopt decisions if at least half of the members of the Supervisory Board are present at the meeting.
- 9.12. If the Supervisory Board does not meet the quorum, the Chairman of the meeting is obliged to convene a new meeting no later than 10 (ten) days later, which will be considered to meet the quorum requirements if at least 25% of its members are present at the meeting.
- 9.13. Unless otherwise agreed by the Shareholders or provided under this Charter , the decisions of the Supervisory Board are made by the majority of votes participating in the voting, and each member has 1 (one) vote.
- 9.14. Resolutions of the Supervisory Board are recorded in the minutes. The Chairman draws up the minutes of the meeting. The Chairman of the meeting is responsible for the authenticity of the minutes of the meeting and the accuracy of the facts indicated therein.
- 9.15. The following shall fall within the objectives and competence of the Supervisory Board:
 - 9.15.1. Control over the activities of the members of the Board of Directors;
 - 9.15.2. Appointment of the Chief Executive Officer and any other officers of the Company;
 - 9.15.3. Demand of presentation of the Company's activity report by the Board of Directors and Officers;
 - 9.15.4. Control and inspection, either directly by the board or at its instruction by individual board members or engaged experts, of the financial documentation and property objects of the Company, namely of the condition of the cash registry, securities and the goods of the Company;
 - 9.15.5. Calling of General Meetings of Shareholders if so required by the interests of the Company, in cases determined under the effective laws;
 - 9.15.6. Inspection of the annual reports and profit distribution proposals and presentation to the Shareholders for approval;
 - 9.15.7. Appointment and removal of the members of Board of Directors, Corporate Secretary and the employees of the internal audit department of the Company as well as conclusion and termination of the agreements therewith;
 - 9.15.8. Determination of the amount and conditions of remuneration and additional benefits of the Board of Directors, Corporate Secretary and Head of the internal audit department (who in turn approves the remuneration and additional benefits of the employees of the internal audit department based on budget and ranges approved by the Supervisory Board) and other material risk takers, determination of their participation in profits and similar relations, elaboration of their retirement pension principles, as well as elaboration of employee stock option plans and their presentation to the Shareholders for approval;
 - 9.15.9. Approval of plans for educational, residential and transportation conditions improvement loans of the Company to the Shareholders of the Company, members of the Supervisory Board, the Board of Directors, other management employees and other employees of the Company (collectively the "**Related Persons**");
 - 9.15.10. Decision-making in other cases provided by this Charter and the effective laws.
- 9.16. The functions of the Board of Directors and Officers may not be assigned to the Supervisory Board.
- 9.17. The following activities may not be performed without the consent of the Supervisory Board:
 - 9.17.1. Acquisition and disposal of interests and shares in other companies;

- 9.17.2. Establishment of companies with ownership participation, disposal of such interests and liquidation of such companies;
 - 9.17.3. Establishment and liquidation of branches (representations);
 - 9.17.4. Approval of the staff list of the Company and its branches (representations);
 - 9.17.5. Approval of the annual budget and long-term liabilities;
 - 9.17.6. Elaboration and setting of general principles of business policy and business strategy of the Company;
 - 9.17.7. Appointment and discharge of other members of the Board of Directors and trade representatives (proxies);
 - 9.17.8. Granting an approval to the Officers' to delegate their powers of representation and functions to the other members of the Board of Directors.
 - 9.17.9. Listing of the Company shares and other securities at any stock exchange;
 - 9.17.10. Assumption or securing of any obligation (if not delegated to the Assets and Liabilities Committee) or entering by the Company into any transaction with respect to the Company properties or other subject-matters, when the value of a single transaction or series of interrelated transactions is equal to or in excess of 300,000 GEL (the exception includes utility/household expenses: lease, protection/security, electricity, water, gas, cleaning services, Internet, telephone); and
 - 9.17.11. Entering into transactions by the Company with the Related Persons and securing of the obligations of the Related Persons.
- 9.18. A Supervisory Board member shall be required to abstain from voting in connection with decision-making on a matter referred to in Article 9.17.11 when such matter involves a transaction with, or securing of an obligation of, such member personally.
- 9.19. The use of any assets of the Company to guarantee the credit commitments, assuming credit obligations from the creditor and/or the creditor's fund director with whom it has had credit liabilities at least once, terms of the agreements and signature-related issues are approved by the Assets and Liabilities Committee operating under the Supervisory Board. Authority and procedures of the committee regarding assumption of liabilities are defined by the policy of the Assets and Liabilities Committee, which is approved by the Supervisory Board of the Company.

ARTICLE 10. BOARD OF DIRECTORS AND OFFICERS

- 10.1. Managerial authorities in the Company are carried out by the collegial body the Board of Directors.
- 10.2. The Company is managed by the Board of Directors, which, without limitation, includes the Chief Executive Officer (which is the highest ranking executive of the Company and leads the activities of the Board of Directors), Chief Business Officer, Chief Operational Officer, Chief Leasing Officer, Chief Risks Officer, Chief Financial Officer with competencies and spheres of activity determined by the Supervisory Board. The Officers shall, within the scope of the competence and field of activity, manage the structural units under their control. They shall be responsible for the normal operation of such units and for implementation of the policy determined based on the Company strategy.
- 10.3. The Chief Executive Officer is responsible for the following:
 - 10.3.1. Chairing meetings of the Board of Directors, supervising the implementation of decisions of the Board of Directors, the Supervisory Board and the General Meeting of Shareholders, organizing tasks among the Board of Directors members, issuing relevant orders, instructions and other directives for these purposes;
 - 10.3.2. Acting independently on the company's behalf within the competencies defined by the Supervisory Board;

- 10.3.3. Without prejudice to requirements of Georgian law, submitting for approval by the Supervisory Board, recommendations on the remuneration and bonuses of the Company's Board of Directors;
 - 10.3.4. Ensure the fulfillment of the resolutions adopted by the General Meeting of Shareholders or the Supervisory Board.
- 10.4. The Chief Executive Officer has the right to:
- 10.4.1. Independently conclude contracts within the competencies defined and decided by the Supervisory Board; the Chief Executive Officer gives Powers of Attorney to other members of the Board of Directors, according to the delegation matrix for the Board of Directors approved by the Supervisory Board;
 - 10.4.2. Prepare all necessary information/reports and present it to the Supervisory Board and General Meeting of Shareholders; and
 - 10.4.3. Delegate his direct tasks to other Officer(s).
- 10.5. The Board of Directors led by the Chief Executive Officer, subject to the rules and regulations determined by the Supervisory Board, is responsible for the following activities, including but not limited to:
- 10.5.1. Appointing and dismissing employees (other than the Officers, Corporate Secretary and employees of the internal audit department of the Company) in accordance with the employee recruitment plan;
 - 10.5.2. Carrying out any other activity required for attaining the Company's goals, except for the functions imposed on to the General Meeting of Shareholders, the Chief Executive Officer or the Supervisory Board
 - 10.5.3. Determination of bonuses to and penalties on the Company's employees in accordance with the provisions of the Charter and internal policies and in coordination with the Chief Executive Officer.

For the avoidance of doubt, the Chief Executive Officer as the highest ranking executive among the Board of Directors, will bear ultimate responsibility for internal operations, compliance and activities.

- 10.6. The Board of Directors takes decisions through majority of votes of members present or represented at the meeting. In case of even split of votes, the rules and procedures for overcoming the deadlock shall be made in accordance with document approved by Supervisory Board.
- 10.7. The Company is managed and represented in relations with third parties by the Chief Executive Officer, who may delegate his/her powers of representation and functions to the other members of the Board of Director, subject to the Supervisory Board's approval.
- 10.8. The joint managerial roles and responsibilities of the Board of Directors and those of individual Officers are defined by the Supervisory Board in an official document, to avoid unlimited control over the Company's business activities by any person/group of persons.
- 10.9. The members of the Board of Directors may not concurrently be Shareholders or serve as members of the Supervisory Board and/or members of the Board of Directors of any commercial bank, non-banking depository institution – credit union or any other microfinance organization in Georgia.
- 10.10. A person may not serve as the Board of Directors of the Company if:
 - 10.10.1. He/she has been involved in operations, which resulted in substantial damages to a commercial bank, non-banking depository institution – credit union or other microfinance organization, or prejudiced the rights of the depositaries or other creditors of a commercial bank, non-banking depository institution – credit union or other microfinance organization, or caused insolvency or

- bankruptcy of a commercial bank, non-banking depository institution – credit union or other microfinance organization;
- 10.10.2. Served in the past as an administrator of a commercial bank, credit union or other microfinance organization and as a result of his/her activities such commercial bank, credit union or microfinance organization became insolvent;
- 10.10.3. Failed to fulfill financial obligations towards any commercial bank, credit union or microfinance organization;
- 10.10.4. Is declared bankrupt or has been convicted for committing of an economic crime under the Criminal Code of Georgia and his/her criminal record is not annulled in accordance with the effective laws.
- 10.11. Where applicable legislation, the Charter or any existing Shareholders' Agreement so requires, the Board of Directors shall obtain the approval of the Supervisory Board. Such approval must be granted through a resolution of the Supervisory Board.
- 10.12. The Board of Directors of the Company is obliged to prepare, at the request of the General Meeting, those issues, the resolution of which belongs to the competence of the General Meeting.
- 10.13. The content of the relationship of the Company with the member of the Board of Directors and the compensation for his activities are determined by the Law of Georgia on Entrepreneurs and the respective service agreement, which is signed by the Chairman of the Supervisory Board on behalf of the Company after the appointment of a person as the member of the Board of Directors of the Company.
- 10.14. The members of the Board of Directors are appointed to the position for a term of no more than 3 (three) years, with the right to re-appointment. If after the expiry of this term, the registration of a new term of authority of the member of the Board of Directors or the change of the person authorized for management and representation is not carried out in accordance with the law, the authority of the registered member of the Board of Directors shall be considered to be extended for an unlimited period of time. The Company enters into service agreements with members of the Board of Directors and the Supervisory Board, which are not subject to labor law regulations and may be terminated at any time, subject to the terms and conditions of the relevant service agreements.
- 10.15. All issues that do not fall within the competence of the General Meeting or the Supervisory Board by the law or this Charter, shall fall within the competence of the Company's Board of Directors.
- 10.16. The Board of Directors ensures precise and timely execution of the decisions made by the General Meeting of Shareholders and the Supervisory Board.
- 10.17. The Board of Directors shall be obligated to present information to the Supervisory Board concerning the performed activities and financial standing of the Company.
- 10.18. The Board of Directors prepares annual report and the business condition report of the Company as well as the proposal on distribution of profits for submission for approval to the Supervisory Board.
- 10.19. The Board of Directors shall be responsible for the development of financial statements and control systems.
- 10.20. The Board of Directors shall manage the affairs of the Company in accordance with the effective laws, this Charter and the resolutions of the Shareholders.
- 10.21. The Board of Directors shall carry out any other activities, which are not prohibited by the effective laws and which pursuant to this Charter and the effective laws does not fall within the competencies of the Supervisory Board or the General Meeting of Shareholders.
- 10.22. The members of the Board of Directors shall bear responsibility in accordance with the effective laws for the damages inflicted as a result of non-fulfillment of their obligations. They shall be prohibited from taking part in decision-making on such matters in respect of which they have personal interests.

ARTICLE 11. AUDIT, ACCOUNTING AND REPORTING

- 11.1. The Company shall be obligated to:
 - 11.1.1. Maintain transparent financial and tax reporting and observe principle of publicity;
 - 11.1.2. Elaborate and implement the system and procedures of internal control;
 - 11.1.3. Annually engage external auditors to conduct an audit in accordance with the effective laws;
 - 11.1.4. Maintain accounting and financial reporting in accordance with International Accounting Standards and the effective laws;
 - 11.1.5. Present the financial reports to the National Bank of Georgia in the form and within the time-frames established by the National Bank of Georgia;
 - 11.1.6. Be responsible for the accuracy of reports, as well as completeness of the submitted information and reports;
 - 11.1.7. Annually publish in printed media the financial report and external audit report for the fiscal year; and
 - 11.1.8. Maintain on file for a period of 6 (six) years the accounting books, inventory description, balance sheets, other instructions and other organizational documents essential for the purposes of understanding of the foregoing, as well as accounting documents evidencing records of the accounting books and credit documentation subject to financial reporting.
- 11.2. In addition to the foregoing, in relations with the Shareholders the Company shall be obligated to:
 - 11.2.1. Provide each shareholder with external audit report within maximum of 120 (one hundred and twenty) days after the end of the fiscal year; and
 - 11.2.2. Provide each shareholder with provisional and interim financial documents within maximum 30 (thirty) days after the end of the fiscal month.
 - 11.2.3. Additional requirements for reporting to the Shareholders may be provided by the Shareholders' Agreement..

ARTICLE 12. CONFIDENTIALITY

- 12.1. The Company shall be obligated to maintain confidentiality of information.
- 12.2. The information kept with the Company concerning a borrower may be provided only to the given borrower and representative thereof, the National Bank of Georgia, Credit Bureau, and in the cases provided by the effective laws – to Financial Monitoring Service of Georgia. Such information may be provided to other persons only by virtue of respective court decision or by a prior written consent of the borrower.
- 12.3. Except in case of Article 13, the Shareholders, the members of the Supervisory Board, the Board of Directors of the Company as well as other officers of the Company shall be obligated not to use, publish, disseminate or disclose to any person, other than the officers or employees of the Company with respective scope of competence, any confidential information concerning the business, costs, financial or contractual transactions or other agreements, transactions or business relations of the Company that may become known to them. They shall take all the reasonable efforts in order to avoid publication or disclosure of any confidential information relating to the foregoing matters.
- 12.4. The foregoing confidentiality requirements shall not apply to the information that: (a) is deemed to be public information and subject to disclosure under the effective laws; (b) has become publicly accessible from other sources; (c) provision of information to other persons is necessary for implementation of a commercial transaction beneficial for the Company, provided that such person is informed concerning the confidentiality of the disclosed information.
- 12.5. Any material information that is provided to any shareholder of the Company and that, in the opinion of the Supervisory Board, may affect the investment decisions of the Shareholders, shall require to be provided, within the same extent, to the other Shareholders of the Company.

ARTICLE 13. WINDING-UP AND REORGANIZATION

- 13.1. The activity of the Company shall be terminated according to the rules established by the applicable legislation.
- 13.2. The following shall be the basis of winding-up the Company:
- a) The decision of the Shareholders of the Company on winding-up of the Company;
 - b) Violation of the requirements established by law regarding the mandatory number of Shareholders of the Company;
 - c) Entry into legal force of the court verdict in the criminal case on the liquidation of the legal entity;
 - d) A court decision made on the winding-up of the Company based on an application/lawsuit of a shareholder of the Company.
- 13.3. Winding-up of the Company shall be carried out in accordance with the law of Georgia on Entrepreneurs.
- 13.4. It is permissible to reorganize the Company in the following forms:
- a) The transformation of the Company;
 - b) The merger with another company (a merger by acquisition or a merger by the formation of a new company);
 - c) The division of the Company (division or separation).
- 13.5. Reorganization of the Company shall be carried out in accordance with the law of Georgia on Entrepreneurs.

ARTICLE 14. GOVERNING LAW AND DISPUTE RESOLUTION

- 14.1. This Charter shall be governed by and construed in accordance with the laws of Georgia.
- 14.2. Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this Agreement. The number of arbitrators shall be one (1). The seat, or legal place, of arbitration shall be London, UK. The language to be used in the arbitral proceedings shall be English.
- 14.3. Notwithstanding anything stated above, if there is a conflict of governing laws and/or dispute resolution mechanisms of this Charter and the Shareholders' Agreement, then to the extent permissible under the mandatory laws of Georgia, the governing law and the dispute resolution mechanism of the Shareholders' Agreement shall prevail.

ARTICLE 15. PREVAILING FORCE

- 15.1. . For the avoidance of any doubt, it is hereby declared that the Shareholders of the company have concluded the Shareholders' Agreement, which regulates legal relations between them and on the basis of which the parties to the agreement shall exercise the rights attached to the shares, or other contractual rights, according to the agreed terms, and fulfil the respective obligations. The Shareholders' Agreement shall be deemed superior among the Shareholders, whereas the Charter shall prevail in all other cases.
- 15.2. In the event if any provision of this Charter contravenes with a mandatory requirement of the effective laws, the rules prescribed by the effective laws shall prevail over the provisions of this Charter.

ARTICLE 16. FINAL PROVISIONS

- 16.1. This Charter shall become effective from the day of registration hereof with the Entrepreneurial Registry.

- 16.2. Should any of the provisions of this Charter become invalid, such invalidity shall not affect the validity of the remaining provisions hereof.
- 16.3. This Charter is made in Georgian and English languages in 5 (five) equally valid originals.