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On the 2nd of October 2008

President of the Central Bank
of the Republic of Armenia

..... A. Dzhavadyan

REGISTERED

By the State Register of Legal Entities
of the Republic of Armenia

On 7th of October 2008,

Registration No 222.160.01020

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Head of the State Register

..... A. Gevorgyan

Charter

“OFFICE OF THE FINANCIAL SYSTEM’S MEDIATOR”
FOUNDATION

YEREVAN – 2008

Chapter 1: General Statements

1.1. This charter has been worked out according to the requirements of Civil Code of the Republic of Armenia and laws of the Republic of Armenia about “Foundations” and “Financial System’s Mediator”.

1.2. The Foundation is a non-profit legal entity and main purpose of its establishment is to support activities of financial system’s mediator and to raise consumers’ awareness about financial sphere.

1.3. The Foundation acts according to the Constitution of the Republic of Armenia, Civil Code of the Republic of Armenia, law about “Financial System’s Mediator” of the Republic of Armenia (hereinafter referred to as Law), law about “Foundations” of the Republic of Armenia, other laws and legal acts, International Agreements of the Republic of Armenia and this particular Charter.

1.4. The name of the foundation:

In Armenian: «ՖԻՆԱՆՍԱԿԱՆ ՀԱՄԱԿԱՐԳԻ ՀԱՇՏԱՐԱՐԻ

ԳՐԱՍԵՆՅԱԿ» հիմնադրամ,

In Russian: “ОФИС ПРИМИРИТЕЛЯ ФИНАНСОВОЙ СИСТЕМЫ” ФОНД

In English: “OFFICE OF THE FINANCIAL SYSTEM’S MEDIATOR” Foundation

1.5. The location of the foundation is: str. V. Sargsyan 6, Yerevan, RA, 0010. The location of the foundation may be changed and according modifications will be made in this Charter.

1.6. The foundation has a round seal which possesses foundation’s name in Armenian. The round seal may also possess foundation’s name in English and/or Russian, as well as symbol image.

1.7. The foundation may possess a symbol.

1.8. The foundation may possess stamps and blanks with its name as well as other means of individuality.

1.9. In this Charter amendments may be made by the decision of the Trustee Board of the Foundation.

1.10. The foundation is considered established from the moment of its state registration and acts termless according to the legislation.

Chapter 2: The Founder of the Foundation

2.1. The Founder of the Foundation is the Central Bank of the Republic of Armenia (hereinafter referred to as Central Bank). The location of the Central Bank is str. V. Sargsyan 6, Yerevan, RA, 0010 (e-mail: info@cba.am), President Arthur Dzhavadyan.

Chapter 3: The Foundation's Purpose

3.1. The purpose of Foundation functioning is to support activities of financial system's mediator and to raise consumers' awareness about financial sphere.

3.2. To implement its purposes the Foundation:

3.2.1. Manages the means of Foundation according to the law, this Charter and regulations stated by the Board of Trustees.

3.2.2. Supports client physical entities to match the content of their requirement with the requirements stated by the law, as well as to decide the size of the property claim,

3.2.3. Collects mandatory fees stated by the law,

3.2.4. Implements other functions stated by the law and this Charter.

3.3. The foundation does not implement commercial activities.

Chapter 4: The Cost of Foundation's Initial Property, Sources of its Formation: The order of Foundation's Property Administration and Management

4.1. The Foundation's initial property is formed by the Central Bank: the mentioned amount of money in the point 4.2 of this Charter had been transferred to the Foundation's special account opened in the Central Bank during ten days from the moment of Foundation establishment.

4.2. The Foundation's property initial cost is 200 000 (two hundred thousands) AMD.

4.3. As a source of Foundation's property formation may be mandatory fees stated by the law and this Charter.

4.4. The Foundation's property administration and management is implemented by the Law,

this Charter and the order stated by the Foundation's Board of Trustees.

4.5 Foundation's expenses are:

1. administrative managerial expenses,
2. expenses directed to implementation of Charter purposes.

4.6. The expenses directed to the implementation of Charter purposes and foundation's administrative managerial costs are stated by the Board to provide foundation's current activities and to implement functions defined by the Law.

4.7. The expenses directed to the implementation of Charter purposes and foundation's administrative managerial costs include wages of Foundation's manager, members of Control commission (control body), staff, expenses to be reimbursed for implementation of Board members' obligations, as well as other expenses to provide foundation's current activities. The accounting of Foundation's administrative managerial expenses must be done apart from other expenses of Foundation in compliance with the order stated by the Law.

4.8. Financing of the Foundation is implemented by the organizations (hereinafter referred to as Organizations) mentioned in the point 4.10. of this Charter through mandatory fees paid for the Foundation. Those fees are entered to the special bank account maintained in the Central bank especially for that purpose.

4.9. Mandatory fees the Organizations pay every trimester in equal portions until the 20th of the first month of current trimester.

4.10. The amount of mandatory fees paid annually by the organizations are:

- 1) banks – 0.01% of assets of the end of previous year,
- 2) credit organizations -0.07% of assets of the end of previous year,
- 3) insurance companies – 0.15% of collected insurance awards of previous year,
- 4) insurance brokers – 90. 000 AMD
- 5) investment companies - 90. 000 AMD
- 6) pawnshops- 45. 000 AMD
- 7) persons implementing currency exchange - 30. 000 AMD
- 8) persons implementing currency broker-dealer exchange -90. 000 AMD
- 9) persons implementing money (pecuniary) transfers – 140. 000 AMD

4.11. Newly licensed Organizations by the Central Bank of RA and/or Organizations simultaneously running two or more types of business that of mentioned in the point 4.8. of this

Charter pay mandatory fees stated by the Law.

4.12. Prohibition of license does not free the Organization from responsibility to pay mandatory fees foreseen by this Charter.

4.13. Termination of license frees the Organization from responsibility to pay mandatory fees foreseen by this Charter.

Chapter 5: Possible Beneficiaries of the Foundation

5.1 Beneficiaries of the Foundation are physical entities who use the services of licensed people provided by the Central Bank of RA or apply for using them (except for people who received currency exchange bargaining license and payment instruments license as well as payment documents processing and clearing license).

Chapter 6: The Board of Trustees, its Structure and the Procedure for Members appointment

6.1. The highest body of the Foundation is the Board of Trustees of the Foundation (hereinafter referred to as Board).

6.2. The Board consists of seven members – Board Director and other members.

6.3. Board members are appointed in the following way:

- One member is appointed by the Government of the Republic of Armenia,
- One member is appointed by the Board of Central Bank,
- Four members are appointed by the unions of licensed people provided by the Central Bank of the Republic of Armenia (except for people who received currency exchange bargaining license and payment instruments license as well as payment documents processing and clearing license) (hereinafter referred to as Organizations) in accordance with the points 6.10 and 6.11 of this Charter,

- One member is appointed by the organizations protecting consumers' rights, in accordance with the points 6.10 and 6.11 of this Charter.

6.4. Board President is elected by the Board members from Board members with the majority of their overall voices in three-year period. The Board can re-elect or elect a new President any time.

6.5. Board members are appointed with indefinite period.

6.6. Board members implement their responsibilities without payment, on voluntary basis.

6.7. Expenses made by Board members while implementing their responsibilities are reimbursed in accordance with the order stated by the Board.

6.8. Competences of Board member stop in cases stated in this Charter and in accordance with the laws of RA.

6.9. In case there is a vacant position of a Board member, the Board informs about it the body which appointed the particular member who stops his/her competences and the latter appoints new Board member in accordance with the Law and order stated in this Charter.

6.10. Organizations' unions and consumers' rights protecting organizations appoint their Board members by the agreement taken among each other. Moreover, Board members may be appointed by those Organizations' unions and consumers' rights protecting organizations which have state registration at least 5 (five) years.

6.11. In case Organizations' unions and/or consumers' rights protecting organizations do not appoint their Board member during a month after appointments of Board members made by the Government of the Republic of Armenia and Central Bank, they are appointed by the Board of Central Bank.

6.12. If a member of Trustee Board of the Foundation or the President are appointed ex officio than his/her competences are considered ended when another person is appointed in his/her position or from the moment of ratification of the decision about that position termination by the authorized body.

Chapter 7: Trustee Board Sessions

7.1. The Board implements its functions through sessions. The Board session is competent if at least four Board members are present. In Board sessions every member has one vote. The Board makes its decisions with simple majority of general votes, except for the cases foreseen by the Law. In case of votes equality the vote of Board President is casting.

7.2. In the Board sessions expert(s) may be invited with the right of consulting vote by the decision of the Board. In the Board sessions financial system mediator (mediators) may participate with the right of consulting vote.

7.3. Board sessions are recorded. Minutes are signed by all the members who were present in the session and are kept in the Foundation at least seven years, except for the cases stated by the law.

7.4. Board sessions of the Foundation may be summoned at least once a trimester by the Board President with the requirement of the Board President, Board member or financial system mediator during 5 (five) working days after presenting the requirement. The Board also can summon special sessions.

Board sessions may be conducted via e-mail or other means of communication, as well as through surveys.

7.5. If the Board President does not summon the session in the mentioned period than the people who presented such requirement may summon the session in compliance with this Charter and working regulations of the Board.

Chapter 8: Trustee Board Competences

8.1. The Board possesses the following competences:

- 1) At least with 5 (five) Board member votes affirms the Foundation's Charter, changes and amendments in it,
- 2) Makes decisions regarding formation of other bodies by financial system mediator

stated by the Charter, decisions regarding their election and stopping competences ahead of time in compliance with the Law,

3) Affirms internal legal acts which regulate activities of the Foundation, including acts defining the rules of behavior and ethics of Board members, financial system mediator and Office staff which also include cases and orders of rejection and self-rejection, discussion and decision-making, motives providing effectiveness of their modes of actions, order of working with commercial or other secret documents, general principles of Board members' motives and conflicts of interests in case of decision-making by the Board, terms regarding work distribution and responsibility among Board members, as well as standing orders of the Board,

4) Listens to the reports of financial system mediator in compliance with the periodicity stated by this Charter,

5) Controls the process of its decisions' implementation,

6) Controls the Foundation's current and financial-economic activities,

7) Affirms the Foundation's budget, its changes and controls the implementation of the budget,

8) Affirms the Foundation's administrative managerial structure,

9) Selects the person who makes audit (auditor) of the Foundation and defines the amount of latter's compensation,

10) Controls the process of its decisions' implementation,

11) Controls the Foundation's current and financial-economic activities,

12) Makes decisions regarding Board president's election and stopping his/her competences ahead of time,

13) Affirms the Foundation's administrative managerial expenses and its changes, annual financial reports and annual reports of Foundation's activities,

14) Affirms the order of salary payment of financial system mediator, Foundation staff, rewards and order of expenses reimbursement of Board members for implementing their responsibilities,

15) Appoints members of control commission of the Foundation or control body and defines the size of their wages,

16) Controls implementation of laws and other legal acts by the Foundation,

17) Estimates the results of implemented auditing, controls the implementation process of revealed shortcomings elimination,

18) Makes suggestions to bodies which appointed Board members for firing a particular Board member,

19) Makes decisions for invitation of experts with the right of consultation in the Board sessions,

20) Makes decisions about establishment of Board adjacent committees,

21) Implements other competences foreseen by the Law and this Charter.

8.2. Questions under competences of the Board may not be passed to other bodies,

8.3. The Board has a right to become acquainted with all the documents of the Foundation. Meanwhile, those examined documents which are present by the clients as claims against financial organizations during professional activities of financial system mediator are not considered as Foundation's documents.

8.4. The Board and Board members have no right to interfere in the professional activities of financial system mediator and (or) influence on the process of claims' discussions and decision making.

Chapter 9: Trustee Board President

9.1. Board President:

1. Organizes Board activities, signs the decisions made by the Board,
2. Summons Board sessions and chairs them,
3. Organizes recording process of sessions,
4. Coordinates activities of Board adjacent committees,

5. Implements other competences foreseen by the Law and this Charter.

9.2. Board President cares responsibility for the trustworthiness of the information presented in the minutes of Board sessions.

9.3. If the Board President is absent his/her responsibilities takes one of the Board members by the decision of the Board.

Chapter 10: Foundation Manager and Financial System Mediator

10.1. The Foundation Manager implements management of current activities of the Foundation. Foundation Manager:

- 1) Provides natural activities of the Foundation,
- 2) Under his/her competences prepares agendas of Board sessions and decisions' drafts, including drafts regarding additional payments made by the Organizations,
- 3) Manages means of the Foundation,
- 4) Acts on behalf of the Foundation without credentials and gives credentials,
- 5) Signs transactions on behalf of the Foundation,
- 6) Signs contracts on behalf of the Foundation, including working contracts,
- 7) Submits Foundation's working internal regulations, Foundation's administrative managerial structure and staff list for the approval to the Board,
- 8) Hires and fires Foundation's employees in compliance with the stated order, applies incentives and disciplinary sanctions,
- 9) Submits outlay of Foundation's administrative managerial expenses for the Board approval,
- 10) Makes reports to the Board about Foundation's activities and means at least once a trimester,
- 11) Makes suggestions regarding summoning special Board sessions,
- 12) Submits annual reports for the Board approval,

13) Signs the contract between independent auditory organization selected by the Board and Foundation for implementing auditory checking,

14) Under its competences adopts individual and internal legal acts, gives compulsory instructions and controls their implementation,

15) After the end of Foundation's fiscal year he/she takes measures for publishing brief conclusions of independent auditory organization regarding Foundation's activities, according to the order.

16) Implements other competences foreseen by the Law and this Charter.

10.2. Foundation Manager cannot be engaged in business activities, be member of governing body of a political organization, be occupied in state or local government bodies, commercial organizations, do other paying job, except for scientific, pedagogical and creative works. In addition, he/she must keep himself/herself from activities putting his/her independence and impartiality under suspicion.

10.3. Foundation Manager cannot be a person, who:

1) Has been declared incompetent or incapacitated by the decision of the Court,

2) Has been convicted for a prescribed offense and the conviction is not detached or cancelled according to the stated order,

3) By the decision of the Court, has been deprived of the right to hold a position or to be engaged in legal or financial spheres.

10.4. Foundation Manager cares responsibility for trustworthiness of provided information regarding accounting management, its condition and reliability, annual report, submission of financial and statistical reports according to the laws and other legal acts to the defined bodies on time, as well as bodies of foundation and other people.

10.5. Financial system mediator acts as a Foundation Manager and if there are two or more Financial system mediators the main one acts as a Foundation Manager.

10.6. The financial system mediator is appointed by the Board in four year period and may be re-appointed in that position.

If there are two or more Financial system mediators the main one is appointed by the Board decision from the number of Financial system mediators. As a Financial system mediator, the Financial system main mediator while implementing competences of Foundation Manager also continues implementing professional activities of Financial system mediator.

10.7. The decision regarding the appointment of Financial system mediators is made at least by the votes of 5 (five) Board members.

10.8. The number of Financial system mediators is decided by the Board.

10.9. If the Financial system main mediator is absent one of the Financial system mediators takes his/her competences by the decision of Financial system main mediator.

10.10. The salary of Financial system mediator must not be less than three times more of banking system average salary. The Financial system mediator's salary is comprised of fixed (base) amount and additional payments from an each examined claim. The size of additional payments and order of its calculation is defined by the Board.

10.11. Cases and order of Financial system mediator's firing and stopping competences ahead of time are stated by the Law.

Chapter 11: Foundation's Control Commission (or control body): its competences

11.1. The Foundation's control commission (or control body) is appointed by the Board in 3 (three) year period,

11.2. The Foundation's control commission's quantitative structure is defined by the Board decision,

11.3. The Foundation's control commission (or control body) in the frame of its competences:

- a) controls Foundation's current activities and operational risks,
- b) controls accounting management and reporting method,
- c) controls if the assigned recommendations are implemented by the Foundation

Manager and subdivisions in accordance with the laws, other legal acts and Foundation's internal acts,

d) reports to the Board if the Foundation's activities correspond to the laws and other legal acts,

e) makes conclusions and suggestions to the questions submitted by the Board, as well as made by own initiative,

f) checks calculation preciseness of compulsory payments paid to the Foundation.

11.4. Control commission (or control body) checks the Foundation's financial economic activities by its own initiative any time or by the Board decision.

11.5. By the requirement of control commission (or control body) all the necessary documents, materials and clarifications concerning the Foundation's financial economic activities must be presented.

11.6. Control commission (or control body) may require summoning special Board session by the order and period defined by the Board.

11.7. Questions under competences of Control commission (or control body) may not be passed to other bodies of Foundation for solution.

11.8. Members of Control commission (or control body) cannot occupy other positions in the Foundation or be interconnected with governing bodies of the Foundation.

11.9. Control commission (or control body) is accountable to the Board. Control commission (or control body) presents reports to the Board according to the defined order.

11.10. If Control commission (or control body) reveals violations of laws and other legal acts, it is obliged to present them to the Board at the same time making suggestions for eliminating those violations and undertaking steps not to repeat them in the future.

Chapter 12: Winding up of the Foundation

12.1. The decision about winding up of the Foundation can be made only by the Court

with the application of interested people.

12.2. The Foundation can be wound up in cases foreseen by the RA law.

12.3. After the Court's decision about liquidation, Trustee Board of the Foundation forms liquidation commission (liquidator) and states liquidation order and terms defined by the Civil Code of the Republic of Armenia, the Law and laws.

12.4. From the moment of appointment of liquidation commission it takes competences of Foundation activities management. Liquidation commission acts in the Court on behalf of liquidating Foundation.

12.5. The information about liquidation process (start and end of liquidation process, structure of liquidation commission) is recorded in state recording book of legal entities on the basis of liquidation commission application.

12.6. Liquidation commission posts announcement about Foundation liquidation and creditors' claims presentation order and term in the press which publishes information about state registration of legal entities. That term cannot be less than two months from the moment of declaring liquidation that is the beginning of Foundation's liquidation process.

12.7. Liquidation commission implements property re-estimation, takes measures for finding creditors and getting receivables debt, as well as informs creditors about Foundation's winding up.

12.8. During liquidation process the Foundation has right to sign new transactions and undertake new responsibilities only if the above mentioned are necessary to implement its responsibilities for finishing current activities.

12.9. After the end of the term for presenting creditors' claims liquidation commission makes interim liquidation balance, which contains information about the structure of liquidating foundation's property, list of claims presented by creditors, as well as the results of claims' discussions.

12.10. Interim liquidation balance is affirmed by the Trustee Board of the Foundation.

12.11. After affirmation of interim liquidation balance, if monetary means of liquidating

Foundation are not enough to satisfy the requirements of creditors, liquidation commission implements selling of Foundation's property through public bargaining by the order stated in this law.

12.12. Liquidation commission makes payments to creditors of liquidating Foundation according to the sequence stated in the article # 70 of Civil Code of the Republic of Armenia and interim liquidation balance starting from the moment of its affirmation.

12.13. After satisfying the requirements of creditor and if the Foundation has no responsibilities in respect to creditors at the moment of interim liquidation balance affirmation, the property is directed to the implementation of Foundation purposes foreseen by the Charter. In case of its impossibility it is transferred to the state budget.

12.14. After implementing complete distribution of Foundation's property, liquidation commission makes a liquidation balance and submits it to the affirmation of Trustee Board of the Foundation. The affirmed liquidation balance which has been affirmed by the Trustee Board of the Foundation is submitted to the affirmation of the Court by the liquidation commission.

12.15. The liquidation commission the affirmed liquidation balance together with other documents stated by the law submits to the state register of legal entities to make state registration about Foundation liquidation.

12.16. Winding up of the Foundation is considered finished and its existence stopped from the moment of its state registration.

12.17. In case the stated competences under the points number one, eight and twelve of this article are not implemented by the Trustee Board of the Foundation in two month period (accordingly from the moment of affirmation of Court decision, submission of liquidation interim balance by the liquidation commission and liquidation balance) the Minister of Justice of the Republic of Armenia appoints temporary board in two month period for implementing competences related with Foundation liquidation.