



Approved by "FINCA" UCO CJSC Management Board  
Resolution № 52/2018 as of 30.07.2018

### Terms and conditions of "Solar" loan

<p><b>Starting from July 31, 2018 the Loan is provided by AMD by following conditions</b></p>						
<p><b>TARGET CUSTOMER</b></p>						
Customer characteristics	RA resident individuals					
Customer age	Persons aged 21 or over. Moreover the customer's age at the time of applying, plus the expected loan expiration date should not exceed 70 years.					
Requirements for potential borrower	<ul style="list-style-type: none"> <li>✓ Availability of documentary supported and stable income</li> <li>✓ Absence of classified loans, except the standard ones</li> <li>✓ Absence of customer data in black lists</li> </ul>					
<p><b>LOAN TERMS AND CONDITIONS PROVIDED BY AMD</b></p>						
Loan amount	75.000-1.500.000					
Loan maturity	6-8	9-12	13-24	25-36	37-48	49-60
Annual Interest Rate (Calculated from loan outstanding)	0 %	10.0 %	10.0 %	11.0 %	12.0 %	13.0 %

Monthly service fee (Calculated from loan outstanding)	0 %	0.1 %	0.6 %	0.75 %	0.85 %	0.85 %
Loan Disbursement Fee, cash disbursement fee, in case the loan is disbursed in cash from cash desk	2.0 %, min` 3000 AMD		3.0 %, min` 4,500 AMD			
<b>GENERAL CONDITIONS</b>						
Loan purpose	The acquisition of solar water heaters through FINCA partner organization(s)					
Loan disbursement method	Non-cash					
Tranches	The tranches are not applicable.					
<b>LOAN SECURITY</b>						
Loan security	Pledge of property acquired through the loan					
<b>ADDITIONAL CONDITIONS</b>						
Maximum number of parallel loans	Max. 3					
Early loan repayment	The borrower is authorized to make early total or partial repayment of the Loan without paying any penalties and implement obligations according to the Agreement. Moreover					
	✓ In case of Loan total repayment, the Borrower pays Loan service and other fees, interest and Loan amount as of the date of payment,					

	<p>✓ In case of Loan partial repayment, from the Borrower is charged total amount of coming repayment according to Borrower's Repayment Schedule, but if the payment exceeds the amount of subsequent repayment, then the exceeding part is channeled to the Loan repayment*.</p> <p>In cases when the payment amount is not enough to cover total amount of subsequent repayment according to Borrower's Repayment Schedule, then the repayment is done in the following order: 1. Service and other fees, 2. Interest 3. Loan,</p>
	<p>✓ The Borrower is authorized to make repayment on his desire for the coming months according to Borrower's Repayment Schedule. In that case repayment will be done in the following order 1) service and other fees for subsequent months, 2) interest calculated as of repayment day, 3) interest for subsequent months on Loan balance, 4) Loan amount for subsequent months. The Borrower is exempted to make repayments according to Borrower's Repayment Schedule for the already repaid months.</p>
<p><b>Penalty for overdue repayments</b></p>	<p>! In case the Borrower breaches the terms of repaying the loan amount, stipulated by the repayment schedule of the loan agreement, the Borrower shall pay the Lender a penalty with a rate of 0.13% on overdue principal and interest amount for each overdue day.</p> <p><i>! In case the Borrower breaches the terms of repaying the loan amount, stipulated by the repayment schedule of the loan agreement, the accrual of the annual interest rate stipulated by the loan agreement is stopped on the overdue loan amount and an annual interest rate of 24% is accrued on the overdue loan amount starting from the overdue day until the overdue loan amount actual repayment day.</i></p> <p><i>In case of existence of overdue liabilities on Loan and interest from the Borrower's side and insufficiency of paid amounts, liabilities are paid in the following order: first are repaid expenses executed by the Lender for bringing back the obligations, then service fee, penalties, interest and Loan amount.</i></p>

	<p><b>!</b> In case the Borrower breaches the terms of repaying the loan amount, stipulated by the repayment schedule of the loan agreement, the Borrower shall pay the Lender a penalty with a rate of 0.13% on overdue principal and interest amount for each overdue day.</p>
Required documents	<p>Mandatory:</p> <ul style="list-style-type: none"> <li>✓ Passports (ID cards) and social security card</li> <li>✓ Certificate of ownership in the name of the customer or his / her family member, or</li> <li>✓ A reference from a local self-governing body or from other competent authority on the permanent residence, or</li> <li>✓ Real estate lease agreement or gratuitous use contract.</li> </ul> <p>Additional (based on Credit Committee decision):</p> <ul style="list-style-type: none"> <li>✓ Other supporting documents</li> </ul>
Maximum period of decision making on loan application	The decision on the loan application is made within maximum of three days, and the purchased equipment is placed at least 15 days after signing the LOAN contract.
Necessary factors for the positive decision of loan granting	<ul style="list-style-type: none"> <li>✓ Sufficient level of creditworthiness</li> <li>✓ High-quality credit history</li> </ul>
Loan rejection factors	<ul style="list-style-type: none"> <li>✓ Insufficient level of creditworthiness</li> <li>✓ Bad credit history</li> <li>✓ Noncompliance with FINCA's minimum requirements</li> </ul>
<b>WARNING</b>	<i>The nominal interest rate for this loan may be changed by FINCA.</i>
	<b>!</b> <i>FINCA has the right to unilaterally change the interest rate of the Loan in case the Borrower breaches the obligations set forth in the Agreement, by the manner and cases prescribed by the Agreement,</i>

	<p><b>! The loan interest rate clause can be subjected to change by "+5" percentage point, but not more than twice as much as the calculated bank interest rate set by the Central Bank of Armenia,</b></p>
	<p><b>! The Borrower must be notified about the amendments no later than 7 (seven) working days prior to the entry into force of that amendment,</b></p>
	<p><b>! Your property (house, car, etc.) can be confiscated in the manner prescribed by law, if you do not make interest and loan repayments in time,</b></p>
	<p><b>! If you do not make interest and loan repayments on time, your information will be recorded in the Credit Registry,</b></p>
	<p><b>! In case of default on the collateral, the obligations will be repaid at the expense of your other property if the collateral is insufficient to cover your loan obligations</b></p>
Loan disbursement place	The loan can be formalized at Gavar, Martuni and Vardenis branches of FINCA.

### Calculation of Annual Percentage Rate

Loan interest is calculated based on the nominal interest rate. Whereas, the annual percentage rate shows the cost of the loan, if the interests and other fees are paid according to the repayment schedule. The Annual Percentage Rate depends on the loan terms (loan amount, maturity, amount of installments and number of installments).

Annual Percentage Rates shall be calculated based on the following formula:

$$A = \sum_{n=1}^N \frac{K_n}{(1+i)^{\frac{D_n}{365}}}$$

where:

A credit sum (initial size of credit provided to consumer by creditor).

n number of the repayment directed to credit coverage

N number of the last repayment directed to credit coverage

$K_n$  amount of the n repayment directed to credit coverage

$D_n$  time span between the day of credit extension and the day of making the n repayment directed to credit coverage, expressed by number of days

i Annual Percentage Rate (APR)

### Example of Calculating Annual Percentage Rate

Loan amount	460.000 AMD
Annual Interest Rate	10 %
Loan Maturity	24 months
Loan Disbursement Fee	3 %, min. 4.500 AMD
Loan Repayment	Monthly equal repayments (the principle amount and the interest together)
Monthly service fee	0.6 %
Grace period	Not required
Loan Disbursement Day	01 September 2018 թ.
First Repayment Date	02 September 2018 թ.
Annual Percentage Rate: ` <b>26.0 %</b>	