

APPROVED
by JSC VTB Bank
General Shareholders Meeting

Minutes No. ___ as of _____ 2010

Regulation on JSC VTB Bank Supervisory Council

1. General Provisions

1.1. JSC VTB Bank Supervisory Council shall perform general management of VTB Bank (hereinafter referred to as the "Bank"), except for the matters falling within the terms of reference of the General Shareholders Meeting subject to the Federal Law "On Joint-Stock Companies".

1.2. In performing its activities, the Council is guided by the Federal Laws "On Banks and Banking Business", "On the Central Bank of the Russian Federation (Bank of Russia)", "On Joint-Stock Companies" and other federal laws, as well as other regulations of the Russian Federation, enactments of the Bank of Russia (hereinafter referred to as the "Legislation"), the Bank's Charter and this Regulation.

1.3. By a decision of the General Shareholders Meeting, existing members of the Bank's Supervisory Council can get remuneration and (or) compensation for the expenses related to their responsibilities. The amount of such remuneration and compensation shall be set by the General Shareholders Meeting.

1.4. Membership in the Supervisory Council may be given only to an individual. A member of the Supervisory Council shall not necessarily be the Bank's shareholder.

Members of the Bank's Management Board shall constitute not more than one fourth of the Supervisory Council. A person acting as President and Chairman of the Board cannot at the same time be the Chairman of the Bank's Supervisory Council.

Members of the Bank's Supervisory Council shall meet qualification and business reputation requirements pursuant to federal laws and applicable regulations of the Bank of Russia.

1.5. The Chairman of the Bank's Supervisory Council is elected from and by the members of the Supervisory Council by a majority vote of the total membership of the Council. The Chairman of the Supervisory Council is elected at the first meeting of the Supervisory Council in its new membership. Such meeting shall be called on the initiative of any member of the Supervisory Council.

The Supervisory Council is entitled to re-elect the Chairman by a majority vote at any time.

The Chairman of the Supervisory Council shall arrange its activities, call and run its meetings, see to it that minutes of the meetings are duly taken, and preside at the Bank's General Shareholders Meeting.

In the absence of the Chairman of the Bank's Supervisory Council, his/her functions shall be performed by one of the Supervisory Council members chosen thereby.

1.6. The Supervisory Council is entitled to make decisions by absentee ballot (by poll). Such voting shall be made through ballot papers (i.e. without a joint presence of the Supervisory Council members to discuss matters on the agenda and make decisions on the motions).

1.7. Technical support of the Supervisory Council activities at and between the meetings is provided by the Executive Secretary of the Bank's Supervisory Council, who is not a member of the Supervisory Council and is appointed by President and Chairman of the Management Board. When absent, the Executive Secretary shall be replaced by the Bank's employee to be appointed by President and Chairman of the Management Board.

1.8. To perform its functions the Bank's Supervisory Council is entitled to establish its committees with respect to different business lines. The committees under the Bank's Supervisory Council shall be formed by the Council's decision from its members and perform their activities subject to the regulations approved by the Supervisory Council.

2. Terms of Reference

2.1. Terms of reference of the Supervisory Council shall include the following:

- 1) setting the Bank's strategy;
- 2) convening annual and extraordinary General Shareholders Meetings of the Bank, except as provided in Clause 8 Article 55 of the Federal Law "On Joint-Stock Companies";
- 3) approving the agenda of the General Shareholders Meeting;
- 4) setting the record date for drafting a list of persons eligible to participate in the General Shareholders Meeting, and making other decisions within the terms of reference of the Supervisory Council subject to the provisions of Chapter VII of the Federal Law "On Joint-Stock Companies" on preparing and holding General Shareholders Meetings;
- 5) increasing the Bank's charter capital by placing additional shares within the number and categories (types) of the authorized shares subject to the Federal Law "On Joint-Stock Companies" and the Charter;
- 6) placing the Bank's bonds and other securities convertible into shares subject to the Federal Law "On Joint-Stock Companies" and the Charter;
- 7) setting the price for (appraising) property; as well as securities offer and buy out prices subject to the Federal Law "On Joint-Stock Companies";
- 8) repurchasing the Bank's shares and other securities subject to the Federal Law "On Joint-Stock Companies";
- 9) forming the Bank's Management Board, defining the number of its members, their election and early removal, appointment and early removal of President and Chairman of the Management Board, and setting the amount of remuneration and compensation to President and Chairman of the Management Board and the Board members;

- 10) giving recommendations as to the amount of remuneration and compensation to the members of the Statutory Audit Commission; and remuneration to the Bank's auditor;
- 11) giving recommendations as to dividend amount and payment procedures;
- 12) developing the Reserve Fund, and the procedure for forming and developing other funds of the Bank;
- 13) approving the Bank's by-laws, except for those falling within the terms of reference of the General Shareholders Meeting subject to the Federal Law "On Joint-Stock Companies" and the Charter, as well as other by-laws, which are to be approved by governance bodies of the Bank in compliance with the Charter;
- 14) opening branches and representative offices of the Bank, as well as transforming the Bank's branches into internal structural divisions of the Bank (Branch);
- 15) approving interested party transactions and major transactions related to property acquired or disposed by the Bank subject to the Federal Law "On Joint-Stock Companies" and the Charter;
- 16) preliminary approving the Bank's annual report;
- 17) appointing and removing the Head of the Bank's Internal Control and Compliance Division, as well as rendering assistance to the governance bodies in ensuring efficient performance of the Bank;
- 18) approving the Bank's Registrar, terms of agreement to be signed with it, and termination thereof;
- 19) writing off unrecoverable loans under USD one million (1,000,000) or an equivalent per one borrower on account of the loan (loan or equivalent indebtedness) impairment reserve;
- 20) placing bonds and other securities of the Bank (except for securities convertible into shares);
- 21) establishing committees under the Bank's Supervisory Council and approving their regulations; and
- 22) discussing other issues as specified by the applicable legislation and the Charter.

2.2. No responsibilities of the Supervisory Council can be transferred to the Bank's Management Board or to President and Chairman of the Management Board.

3. Procedure for Establishing the Supervisory Council

3.1. The number of Supervisory Council members shall be defined by the General Shareholders Meeting subject to the Federal Law "On Joint-Stock Companies" and the Bank's Charter.

Supervisory Council members are elected by cumulative voting, in which the voter is given as many votes as there are positions to be filled and can give all votes to one candidate or distribute them between two or more candidates.

The nominees, who got the majority of shareholders' votes, shall be deemed elected members of the Supervisory Council.

3.2. Supervisory Council members shall be elected by the General Shareholders Meeting in compliance with the procedures set by the Federal Law "On Joint-Stock Companies" and the Bank's Charter, and serve as such till the next annual General Shareholders Meeting.

If the annual General Shareholders Meeting is not held within the period specified in the Bank's Charter, the responsibilities of the Supervisory Council shall be

deemed terminated, except for responsibilities for preparing, convening and holding the annual General Shareholders Meeting.

3.3. There is no limit to the number of times the Supervisory Council members can be re-elected.

The General Shareholders Meeting may decide on removal of any member (all members) of the Supervisory Council.

4. Procedure for Holding the Supervisory Council Meetings

4.1. Meetings of the Supervisory Council are called by the Chairman of the Supervisory Council on its own initiative, at the request of any member of the Supervisory Council, the Bank's Statutory Audit Commission, auditor, Management Board, as well as President and Chairman of the Board.

The meeting of the Supervisory Council called at the request of the Supervisory Council, the Bank's Statutory Audit Commission, auditor, Management Board, as well as President and Chairman of the Board shall be held within 15 days from the date of the request. The request shall be accompanied by relevant documents.

4.2. The Management Board shall provide adequate working environment for the Supervisory Council.

4.3. The quorum for a valid meeting of the Bank's Supervisory Council shall be one half of its elected members.

Should the number of the Supervisory Council members become less than the quorum requirement, the Supervisory Council shall be obliged to convene an extraordinary General Shareholders Meeting to elect new members of the Supervisory Council. The remaining members can only make a decision to convene such extraordinary General Shareholders Meeting.

4.4. When preparing for a meeting of the Supervisory Council or the absentee ballot, the Executive Secretary of the Supervisory Council (hereinafter referred to as the "Executive Secretary") on behalf of the Chairman of the Supervisory Council shall inform President and Chairman of the Board on the date and agenda of the meeting, and the list of arrangements necessary for the meeting to be held.

President and Chairman of the Board shall instruct heads of the involved Bank's divisions on making the necessary arrangements.

4.5. Issues for consideration of the Supervisory Council are usually submitted to the Executive Secretary by the members of the Management Board, the Supervisory Council, the Bank's Statutory Audit Commission, and the auditor. Proposals for the agenda shall be accompanied by relevant documents.

Based on the questions received, the Executive Secretary shall form and agree with the Chairman of the Supervisory Council the meeting's agenda and date.

The Executive Secretary shall distribute the agenda and all relevant documents among the Supervisory Council members not later than 15 days before the date of the meeting.

5. Procedure for Absentee Ballot

5.1. Decision to hold a meeting by the absentee ballot shall be made by the Chairman of the Supervisory Council on its own initiative, as well as at the request of persons entitled to request convocation of the Supervisory Council meeting listed in Clause 4.1 hereof. The Chairman of the Supervisory Council shall form the list of questions brought to the absentee ballot, set the deadline for receiving ballot papers, as well as the date when the absentee ballot results are to be announced, and shall order the Executive Secretary to prepare ballot papers and the materials required on issues put to the vote.

5.2. The Executive Secretary shall notify each Supervisory Council member on the absentee ballot. Simultaneously, ballot papers and other necessary materials on the issues concerned shall also be circulated. The notification shall specify the deadline for receiving ballot papers set by the Chairman of the Supervisory Council.

If the absentee ballot concerns approval of an interested party transaction or setting the price for property acquisition or disposal, members of the Supervisory Council deemed as interested parties (subject to the Federal Law "On Joint-Stock Companies") shall not receive ballot papers and are notified on the reason why they are restrained from voting.

5.3. Notification on the absentee ballot is sent to the Supervisory Council members not later than 1 day before the deadline for receiving ballot papers.

5.4. Each issue is covered by a separate ballot paper.

5.5. A ballot paper shall include the following:

- wording of each motion and of a corresponding decision;
- voting options for each motion expressed as "for", "against" and "abstained";
- deadline for submitting the ballot paper to the Executive Secretary; and
- note that the ballot paper shall be signed by the Supervisory Council member.

5.6. The date of a meeting by absentee ballot shall be the date, which is the deadline for submitting ballot papers.

The filled in ballot papers submitted not later than the deadline set shall be the basis for the Minutes. The Minutes shall be drawn up in compliance with the procedure set in Section 7 hereof.

5.7. In announcing the voting results, ballot papers with only one voting option marked shall be considered valid. Ballot papers that do not meet this requirement shall be considered void and are not taken into account in announcing the ballot results.

6. Procedure for Decision Making

6.1. Decisions at the Supervisory Council Meeting or by the absentee ballot shall be made by a majority vote of members attending the meeting or participating in the absentee ballot, except for the decisions on (i) increasing the Bank's charter capital by placing additional shares (Bank securities convertible into shares), (ii) interested party transactions and major transactions, (iii) the price for acquired or disposed property or services on interested party transactions.

6.2. Decision to increase the Bank's charter capital by placing additional shares (Bank securities convertible into shares) shall require unanimous approval by all existing members of the Supervisory Council, and the votes of exiting Supervisory Council members are not taken into account.

6.3. Decision on major transactions involving property having a value ranging from 25 per cent to 50 per cent of the balance sheet value of the Bank's assets shall require unanimous approval by all existing members of the Supervisory Council.

If the Supervisory Council fails to unanimously approve a major transaction, its members can decide to submit such approval to the General Shareholders Meeting.

6.4. An interested party transaction within the terms of reference of the Supervisory Council shall be approved prior to its execution by a majority of independent members of the Supervisory Council.

If all Supervisory Council members are deemed interested and/or are not recognized as independent members, the transaction may be approved by the General Shareholders Meeting.

A Supervisory Council member shall be deemed independent unless for a year preceding the decision he/she:

- has performed the functions of President and Chairman of the Management Board or a Board member
- his/her spouses, parents, children, brothers or sisters, adoptive parents or children hold positions in the governance bodies of the Bank
- has been the affiliate of the Bank, except for the Supervisory Council member.

Any decision on setting the price for acquired or disposed property or services on interested party transactions shall be made subject to this Clause.

6.5. In decision making (both at the meeting and by the absentee ballot) each Supervisory Council member is entitled to one vote. None of the members may transfer their vote to another person, including another Supervisory Council member. In case of a tie vote, the Chairman of the Supervisory Council shall have a casting vote. If the Chairman of the Supervisory Council failed to participate in the meeting or in the absentee ballot, tie vote means that the decision is not approved.

Any member who failed to attend the meeting of the Supervisory Council can submit its written opinion as to the issues on the agenda, which is to be eligible for counting with the quorum requirement met and voting results announced, provided that they are delivered at least one day before the Supervisory Council meeting. Written opinion of the Supervisory Council member who is absent from the meeting shall be entered upon the Minutes.

7. Minutes of the Bank's Supervisory Council

7.1. Minutes of the Supervisory Council meeting shall be formalized within three days after the meeting and signed by the Chairman of the Supervisory Council, who is responsible for the accuracy of the Minutes, and by the Executive Secretary.

7.2. Minutes of the Supervisory Council meeting shall specify:

- place and time of the meeting;
- list of attendees;

- agenda of the meeting;
- issues put to the vote and voting results for each of them; and
- decisions made.

7.3. Minutes of the absentee ballot shall be executed within three days after the results of absentee ballot are announced and signed by the Chairman of the Supervisory Council or, in his/her absence, by one of the members of the Supervisory Council and by the Executive Secretary thereof. Ballot papers are an integral part of the Minutes.

- 7.4. Minutes of the absentee ballot shall specify:
- date of the absentee ballot;
 - time and place of preparing the Minutes;
 - list of persons participating in the absentee ballot;
 - agenda of the absentee ballot;
 - issues put to the vote and voting results for each of them; and
 - decisions made.

7.5. The Executive Secretary shall keep the original Minutes of the Supervisory Council meetings.

7.6. Extracts from the Minutes of the Supervisory Council shall be signed by the Executive Secretary.

The Executive Secretary may deliver Extracts from the Minutes to heads of Bank structural divisions responsible for implementing the Supervisory Council decisions.

Under instruction of President and Chairman of the Management Board, copies of and extracts from the Minutes of the Supervisory Council may be delivered to other divisions of the Bank, as well as certain corporates and individuals that are not the Bank's shareholders.

8. Responsibility of Supervisory Council Members

8.1. In exercising their rights and performing their duties, the Supervisory Council members shall act in the interests of the Bank. They shall exercise their rights and perform their duties in relation to the Bank reasonably and in good faith.

8.2. Members of the Supervisory Council shall be responsible to the Bank for the losses inflicted upon the Bank through their wrongful act (omission), unless other grounds of responsibility are established by federal laws.

Members of the Supervisory Council shall be responsible to the Bank for the losses inflicted upon the Bank through their wrongful act (omission) that violates the procedure for purchasing the open joint-stock company shares established by Chapter XI.1 of the Federal Law "On Joint-Stock Companies".

At the same time, members of the Supervisory Council, who voted against the decision that resulted in losses incurred by the Bank or its shareholders, or abstained from the vote, shall not be held responsible.

8.3. In determining the grounds and the scope of responsibility of the Supervisory Council members, normal business practices and other pertinent circumstances shall be taken into account.

8.4. The Bank or its shareholder(s) holding in the aggregate at least one per cent of placed ordinary shares of the Bank may file an action against a Supervisory Council member to be reimbursed for the losses inflicted upon the Bank subject to the first paragraph of Clause 8.2 hereof.

8.5. Government representatives in the Bank's Supervisory Council shall bear the same responsibility (as specified hereby) as other members of the Supervisory Council.

Chairman
of the Supervisory Council

Alexei L. Kudrin