

APPROVED  
by the General Shareholders Meeting  
of the Bank for Foreign Trade  
(open joint stock company)

Minutes No.24 as of 23 June 2003

## **Regulation on JSC Vneshtorgbank Supervisory Council**

### **1. General Provisions**

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

1.2. In performing its activities, the Council shall be 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 "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 expenses related to their responsibilities. Amount of such remuneration and compensation shall be set by the General Shareholders Meeting.

1.4. Membership in the Supervisory Council may be given to any individual, who is not forbidden to participate in management bodies of commercial organizations by federal laws and/or court. Member of the Supervisory Council may 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 the President – 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 among the members of the Supervisory Council by a majority vote. 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 majority vote at any time.

The Chairman of the Supervisory Council shall arrange its work, call meetings and preside at them, organize record of minutes, and presides at the Bank's General Shareholders Meeting.

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

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 during the meetings and in-between 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 the President – Chairman of the Management Board. In the absence of the Secretary of the Supervisory Council, its functions shall be performed by the Bank's employee chosen at the respective meeting of the Bank's 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 for cases stipulated in Clause 8 Article 55 of the Federal Law "On Joint Stock Companies" (hereinafter referred to as the "Joint Stock Companies Law");
- 3) Approval of the agenda of the General Shareholders Meeting;
- 4) Setting the record date for drafting a list of persons entitled to participate in the General Shareholders Meeting, and making other decisions related to preparing and holding the General Shareholders Meeting referred to the responsibilities of the Supervisory Council by applicable legislation, the Charter and Regulation 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 as stipulated by applicable legislation and the Charter;
- 6) Placing the Bank's bonds and other securities convertible into shares as stipulated by applicable legislation and the Charter;
- 7) Setting price for (appraising) property; as well as securities offer and buy out prices as stipulated by applicable legislation;
- 8) Repurchasing the Bank's shares and other securities as stipulated by applicable legislation;
- 9) Forming the Bank's Management Board, defining the number of its members, their election and early removal, appointment and early removal of the President – Chairman of the Management Board, and setting the amount of remuneration and compensation to the President – Chairman of the Management Board and the Board members;
- 10) Recommendations as to the amount of remuneration and compensation to members of the Statutory Audit Commission; and remuneration to the Bank's auditor;
- 11) Recommendations as to dividend amount and payment procedures;
- 12) Application of the Reserve Fund, approval of other funds of the Bank;
- 13) Approval of the Bank's by-laws except for those falling within the terms of reference of the General Shareholders Meeting in compliance with applicable legislation and the Charter, and those which are to be approved by executive bodies of the Bank in compliance with the Charter;
- 14) Opening branches and representative offices of the Bank;
- 15) Approval of interested party transactions and major transactions related to property acquisition or disposal by the Bank as stipulated by applicable legislation and the Charter;
- 16) Preliminary approval of the Bank's annual report;

- 17) Appointing and removing the Head of the Bank's Internal Control Service;
- 18) Approval of the Bank's Registrar, terms of agreement to be signed with it, termination thereof;
- 19) Writing off unrecoverable loans out of the Bank's balance in compliance with the procedure set by the Bank of Russia;
- 20) Placing bonds and other securities of the Bank (except for securities convertible into shares); and
- 21) Other issues as specified by applicable legislation and the Charter.

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

### **3. Procedure for Forming the Supervisory Council**

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

Supervisory Council members are elected from the nominees proposed by shareholders according to the procedure stipulated by the Bank's Charter.

Nominees who got majority of shareholders' votes at the General Shareholders Meeting shall be considered 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 herein 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 Clause 13.3 hereof, 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. The Supervisory Council members may be re-elected an unlimited number of times.

The General Shareholders Meeting can remove 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 and President – Chairman of the Board.

The meeting of the Supervisory Council called at the request of the Supervisory Council, the Bank's Statutory Audit Commission and auditor shall be held within 15 days from the date when the request is made. The request should be accompanied by relevant documents.

4.2. The Management Board shall provide necessary conditions for the work of the Supervisory Council.

4.3. Quorum for holding a meeting of the Bank's Supervisory Council shall be 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 this extraordinary General Shareholders Meeting.

4.4. When preparing to hold the meeting of the Supervisory Council, the Executive Secretary of the Supervisory Council on behalf of the Chairman of the Supervisory Council shall inform the President – Chairman of the Board on the date and agenda of the Supervisory Council meeting, as well as the list of arrangements necessary for the meeting to be held.

The President – 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 Secretary of the Supervisory Council by the Management Board, as well as the Supervisory Council members, the Bank's Statutory Audit Commission, and the auditor. Proposals for the agenda are accompanied by relevant material.

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

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

## **5. Procedure for Absentee Ballot**

5.1. Decision to hold a meeting by 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 absentee ballot, set the deadline for receiving ballot papers, as well as the date when absentee ballot results are to be announced, and shall order the Executive Secretary of the Supervisory Council to prepare ballot papers and the required materials on issues put to the vote.

5.2. The Executive Secretary of the Supervisory Council shall notify each member of the Supervisory Council on absentee ballot by registered mail or against signed receipt. Simultaneously, ballot papers and 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, as well as the date when absentee ballot results are to be announced.

If absentee ballot concerns approval of a interested party transaction according to the Joint Stock Companies Law, members of the Supervisory Council deemed as interested parties shall not receive ballot papers and are notified on the reason why they are restrained from participation in voting.

5.3. Notification on absentee ballot is sent to the Supervisory Council members not later than 5 days before the deadline for receiving ballot papers. If the message is delivered against signed receipt, it can be delivered on any other date before the deadline set for receiving ballot papers.

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

5.5. Ballot paper is printed on JSC Vneshtorgbank letterhead and shall contain:

- wording of each motion and of a corresponding decision;
- voting options for each motion expressed as “for”, “against” and “abstained”;

- deadline for submission of the ballot paper to the Executive Secretary of the Supervisory Council;
- date of announcing the results of the absentee ballot; and
- note that the ballot paper should be signed by the Supervisory Council member.

5.6. The filled in ballot papers submitted not later than the deadline set shall be the basis for the Minutes. The Minutes are drawn up according to the procedure set in Section 7 of this Regulation.

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.

5.8. Absentee ballot shall be considered valid if not less than half of the Supervisory Council elected members submit duly filled and signed ballot papers.

Decision by absentee ballot shall be deemed made as on the date when the absentee ballot results are announced (which is also specified in the notice on absentee ballot and in ballot papers).

## **6. Procedure for Decision Making**

6.1. Decisions at the Supervisory Council Meeting or decisions by absentee ballot shall be made by majority vote of decision-making members of the Supervisory Council, except for the decisions on increasing the Bank's charter capital by placing additional shares, decisions on interested party transactions and major transactions made by the Bank's Supervisory Council according to the Bank's Charter and this Regulation.

6.2. Decision to increase the Bank's charter capital by placing additional shares shall require unanimous approval by all existing members of the Supervisory Council.

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 competence of the Supervisory Council shall be approved prior to its execution by a majority of not-interested Supervisory Council members or by the General Shareholders Meeting.

If the number of non-interested members is less than the quorum requirement for holding a meeting of the Supervisory Council, such decision shall be approved at the General Shareholders Meeting by a majority vote of non-interested voting shares.

6.5. In decision making each member of the Supervisory Council is entitled to one vote, which cannot be transferred to any other person, including another member of the Supervisory Council. In case of a tie vote, the Chairman of the Supervisory Council shall have a casting vote. If the Chairman of the Supervisory Council didn't participate in absentee ballot, tie vote means that the decision is not approved.

Any member who is absent from 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 if delivered at

least one day before the meeting. Written opinion of the Supervisory Council member who is absent from the meeting of the Supervisory Council is entered upon the meeting's Minutes.

## **7. Minutes of the Bank's Supervisory Council**

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

7.2. Minutes of the Supervisory Council meeting shall contain:

- time and place of the Meeting;
- list of persons attending the Meeting;
- agenda of the Meeting;
- motions and the result of ballot on them; and
- decisions made.

7.3. Minutes of the absentee ballot shall be formalized within two days after the results of absentee ballot are announced and be signed by the Chairman of the Supervisory Council or, in its absence, by one of the members of the Supervisory Council and by the Executive Secretary of the Supervisory Council. Ballot papers are an integral part of the Minutes.

7.4. Minutes of the absentee ballot shall contain:

- time and place of formalizing the Minutes;
- list of the Supervisory Council members whose ballot papers are taken into consideration at decision making;
- list of void ballot papers;
- motions and the result of ballot on them; and
- decisions made.

7.5. The Executive Secretary shall keep the original Minutes of the Supervisory Council meetings. The Minutes are to be continuously numbered in a chronological order, filed in a separate dossier and kept in compliance with a procedure set for keeping classified documents.

7.6. The Executive Secretary of the Supervisory Council may distribute copies of the minutes between the members of the Supervisory Council or the Bank's shareholders.

The Executive Secretary of the Bank's Supervisory Council prepares and sends extracts from the minutes of the Supervisory Council to the Bank's divisions responsible for fulfilling the decisions made by the Supervisory Council. Extracts are signed by the Secretary of the Supervisory Council. Full copies of the minutes of the Supervisory Council signed by the Secretary of the Supervisory Council are sent to the Legal Department, Internal Control Service and Strategic and Financial Planning Department.

## **8. Liability of the Supervisory Council Members**

8.1. When exercising their rights and liabilities members of the Bank's Supervisory Council shall act in the interests of the Bank, with integrity and in good faith.

8.2. Members of the Supervisory Council shall be held liable to the Bank for the losses caused to the Bank by their actions or failure to act, unless other liabilities are specified by applicable legislation.

In such cases, those members of the Supervisory Council who voted against a decision resulting in the Bank's losses or did not participate in such voting shall not be held liable.

8.3. When defining the reasons for and scope of liability of the members of the Bank's Supervisory Council, the President – Chairman of the Management Board and (or) members of the Board, consideration shall be given to ordinary business environment and other material circumstances.

8.4. The Bank or its shareholder(s) owning at least one per cent of the outstanding ordinary shares shall be entitled to file a claim against a member of the Supervisory Council to be reimbursed for losses caused to the Bank.

Chairman  
of the Supervisory Council

Alexei L. Kudrin