

AGREED  
by Deputy Governor  
of the Bank of Russia

\_\_signature\_\_ /S.A. Shvetsov/

19 July 2019

**CHARTER  
of VTB Bank  
(Public Joint-Stock Company)**

**VTB Bank (PJSC)**

Approved by  
the General Shareholders Meeting  
Minutes No. 53 dated 05 June 2019

**St. Petersburg  
2019**

## I. GENERAL PROVISIONS

1.1 VTB Bank (public joint-stock company) hereinafter referred to as the Bank is a credit institution.

The Bank was incorporated under the name of the Bank for Foreign Trade of the RSFSR (Vneshtorgbank of the RSFSR) in compliance with the Resolution of Constituent Meeting of the Shareholders dated 16.10.1990 (Minutes No.1).

In conformity with the Resolution of the General Shareholders Meeting dated 23.07.1993 (Minutes No.6), the Bank's corporate (full official) name was changed into THE BANK FOR FOREIGN TRADE OF THE RUSSIAN FEDERATION (VNESHTORGBANK OF RUSSIA) (closed joint-stock company).

In conformity with the Resolution of the annual General Shareholders Meeting dated 30.04.1996 (Minutes No.10), the name of the Bank's legal status was changed in compliance with the legislation of the Russian Federation and its corporate (full official) name was changed into the Bank for Foreign Trade (closed joint-stock company), with the abbreviated corporate name being changed into Vneshtorgbank.

In conformity with the Resolution of the General Shareholders Meeting dated 16.05.1997 (Minutes No.12), the type of joint-stock company was changed and the Bank's corporate (full official) name was changed into the Bank for Foreign Trade (open joint-stock company).

In conformity with the Resolution of the General Shareholders Meeting dated 17.05.2002 (Minutes No.22), the Bank's abbreviated corporate name was changed into JSC Vneshtorgbank.

In conformity with the Resolution of the General Shareholders Meeting dated 19.10.2006 (Minutes No.33), the Bank's names were changed into VTB Bank (open joint-stock company) and JSC VTB Bank.

In conformity with the Resolution of the General Shareholders Meeting dated 04.06.2010 (Minutes No.39 dated 09.06.2010), as well as Resolution of the only shareholder of JSC VTB Bank North-West No.13 dated 22.12.2010, the Bank is restructured in the form of JSC VTB Bank North-West being merged into it.

The Bank is a legal successor of all rights and liabilities of JSC VTB Bank North-West towards all of its debtors and creditors, including liabilities disputed by the parties.

In conformity with the Resolution of the General Shareholders Meeting dated 25.06.2015 (Minutes No.45), the full and abbreviated corporate names of the Bank were changed to VTB Bank (public joint-stock company) / VTB (PJSC) Bank to comply with the applicable legislation of the Russian Federation.

In conformity with the Resolution of the General Shareholders Meeting dated 14.03.2016 (Minutes No.46 dated 15.03.2016) and the Resolution of the sole shareholder of Joint-Stock Commercial Bank "The Bank of Moscow" (Open Joint-Stock Company) dated 08.03.2016 No.03, the Bank was restructured in the form of Joint-Stock Company BS Bank (Bank Spetsialny) being merged into it.

The Bank is a legal successor of all rights and liabilities of Joint-Stock Company BS Bank (Bank Spetsialny) towards all of its debtors and creditors, including liabilities disputed by the parties.

In conformity with the Resolution of the Bank's extraordinary General Shareholders Meeting dated 09.11.2017 (Minutes No.51 dated 10.11.2017), and Resolution of an extraordinary General Shareholders Meeting of VTB 24 (Public Joint-

Stock Company) dated 03.11.2017 (Minutes No.02.17 dated 07.11.2017), the Bank has been reorganized in the form of VTB 24 (PJSC) being merged into it.

The Bank is a legal successor of all rights and liabilities of VTB 24 (public joint-stock company) towards all of its debtors and creditors, including liabilities disputed by the parties.

1.2. The Bank's full corporate name in the Russian language is — “Банк ВТБ (публичное акционерное общество)” — and in the English language — “VTB Bank (public joint-stock company)”.

Abbreviated corporate name of the Bank in the Russian language is — “Банк ВТБ (ПАО)” and in the English language — VTB Bank (PJSC).

The Bank shall have an exclusive right to its corporate name application.

1.3. The Bank is located at: St. Petersburg, Russian Federation.

The Bank's address is: 29 Bolshaya Morskaya Str., St. Petersburg, 190000, Russian Federation.

The Bank's President and Chairman of the Management Board is located at: 29 Bolshaya Morskaya Str., St. Petersburg, 190000, Russian Federation.

1.4. The Bank has a round stamp bearing its full and abbreviated corporate names in the Russian language, as well as its address. Also, the Bank has stamps and letterheads with its name; its own logo and duly registered trademark, as well as other means of personalization.

1.5. The Bank is a commercial institution. The Bank is incorporated into the banking system of the Russian Federation and in performing its activities is guided by the Russian Federation Constitution, Federal Laws “On Banks and Banking Activity”, “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 of the Russian Federation”) and the present Charter.

1.6. The Bank is a legal entity with property in severalty recorded in its independent balance and is liable to the full extent of its property; it can *sui juris* acquire and exercise civil rights and have civil responsibilities, and act as plaintiff or defendant in the court.

1.7. The Bank shall be liable for its obligations with its owned property. The Bank shall not be held liable for its shareholders' responsibilities.

If the Bank's insolvency (bankruptcy) is caused by activity (or inactivity) of its shareholders or other persons that are entitled to make instructions binding upon the Bank or otherwise have an opportunity to direct its actions, then vicarious liability for the Bank obligations may be imposed on aforesaid shareholders and other persons if the Bank's property proves to be insufficient.

The Bank's insolvency (bankruptcy) shall be considered as caused by activity (inactivity) of its shareholders or other persons that are entitled to make instructions binding upon by the Bank or otherwise have an opportunity to direct its actions, only if they used the aforesaid right and (or) opportunity to make the Bank undertake wrongful actions while being fully aware of the Bank's resulting insolvency (bankruptcy).

1.8. Legal entities and (or) individuals can become the Bank's shareholders, unless their participation in the Bank is forbidden by the applicable federal laws. The Bank's shareholders shall not be held liable for any obligation of the Bank and bear only the risk of loss within the cost of their shareholding.

1.9 The Bank's governance bodies are:

- General Shareholders Meeting
- Supervisory Council;
- President-Chairman of the Management Board; and
- Management Board.

1.10. The Bank shall not be held liable for obligations of the State. The State shall not be liable for obligations of the Bank except for cases when the State itself shall assume such obligations.

The Bank shall not be liable for obligations of the Bank of Russia. And the Bank of Russia shall not be liable for obligations of the Bank except for cases when the Bank of Russia itself shall assume such obligations.

1.11. The Bank can have subsidiary companies exercising the rights of legal entities incorporated on the territory of the Russian Federation in compliance with the Federal Law "On Joint-Stock Companies" (hereinafter referred to as the Federal Law "On Joint-Stock Companies") and other federal laws, as well as beyond the territory of the Russian Federation in compliance with the local regulation, unless otherwise stipulated by any international agreement of the Russian Federation.

If the Bank acquires more than 20 per cent of voting shares of another legal entity located on the territory of the Russian Federation, the Bank shall be obliged to immediately publish the relative information following the procedure specified by the Bank of Russia and federal antimonopoly body.

1.12. The Bank's activities are not limited in terms of time.

1.13. The Bank is independent of any government body in making decisions as to its proprietary business activities.

1.14. Safeguarding state secrets is a major activity of the Bank under the Federal Law "On State Secret". The Bank shall safeguard any information bearing state secrets acting within its competency and in compliance with the tasks entrusted. The Bank shall also arrange and hold activities aimed at mobilization training and civil defense.

At the Bank, responsibility for ensuring the security of information constituting a state secret rests with the President and Chairman of the Bank's Management Board.

1.15. The Charter is a constituent document of the Bank. Its provisions are binding upon the Bank's bodies, shareholders and officers.

## **II. BRANCHES AND REPRESENTATIVE OFFICES, INTERNAL STRUCTURAL DIVISIONS**

2.1. The Bank can open branches and representative offices in compliance with the Russian Federation Civil Code, Federal Law "On Joint-Stock Companies" and other applicable legislation.

2.2. Branches and representative offices of the Bank are not legal entities and shall perform their activities on the basis of Regulations approved by the Bank's Management Board.

The Bank shall endow its branches and representative offices with property that is recorded both in their separate balance sheets and in the Bank's balance sheet.

Heads of branches and representative offices shall be appointed by President and Chairman of the Management Board and act under powers of attorney issued by the Bank.

Branches and representative offices shall act on behalf of the Bank. The Bank shall be responsible for activities of its branch or representative office.

2.3. The Bank (or its branch) can open internal structural divisions beyond location of the Bank (branch), such as sub-offices, credit and cash offices, operational offices, and cash desks.

Sub-offices and operational offices are opened (closed) by the Management Board. Credit and cash offices, and cash desks of the Bank (branch), as well as sub-offices and operational offices of the Bank's branches are opened (closed) by a decision of President and Chairman of the Management Board or by an authorized person.

### **III. BUSINESS OBJECTIVES**

3.1. A major objective of the Bank's activities is gaining revenue from banking transactions, which are performed under special permit (license) by the Bank of Russia in accordance with procedures set in the Federal Law "On Banks and Banking Activities".

3.2. The Bank is entitled to perform the following banking transactions:

3.2.1. Raising funds from individuals or legal entities as (demand or term) deposits;

3.2.2. Placing the funds specified in paragraph 3.2.1 of Clause 3.2 hereof in its name and at its own account;

3.2.3. Opening and maintaining bank accounts for individuals and legal entities;

3.2.4. Making fund transfers as instructed by individuals and legal entities, including correspondent banks, in their bank accounts;

3.2.5. Collecting cash, bills, payment and settlement documents; providing cash services to individuals and legal entities;

3.2.6. Purchasing and selling foreign currencies in cash and non-cash forms;

3.2.7. Taking precious metals for (demand or term) deposits from individuals and legal entities, except for precious metal coins;

3.2.8. Placing precious metals referred to in paragraph 3.2.7 of Clause 3.2 hereof in its name and at its own account;

3.2.9. Opening and maintaining bank accounts for individuals and legal entities in precious metals, except for precious metal coins;

3.2.10. Making transfers as instructed by individuals and legal entities, including correspondent banks, on their bank accounts in precious metals;

3.2.11. Issuing bank guarantees;

3.2.12. Making fund transfers without opening bank accounts, including electronic funds (except for postal money orders).

3.3. In addition to banking operations specified in Clause 3.2 hereof, the Bank shall be entitled to perform the following operations:

3.3.1. Issuing suretyships in favor of third parties for performance of payment obligations;

3.3.2. Acquiring chose in action against third parties for performance of payment obligations;

3.3.3. Performing money and other asset trust management under an agreement with individuals or legal entities;

3.3.4. Trading in precious metals or precious metal coins in compliance with the applicable legislation of the Russian Federation;

3.3.5. Leasing special premises or safe boxes located therein to individuals or legal entities for safe-keeping documents or valuables;

- 3.3.6. Executing leasing operations; and
- 3.3.7. Providing advisory and information services.

The Bank shall have the right to perform other operations in compliance with the applicable legislation of the Russian Federation.

3.4. The Bank is not entitled to be engaged in production, trade or insurance activities. These limitations shall not apply to agreements which are derivative financial instruments implying a liability of one party to deliver goods to the other party, or a liability of one party upon demand of the other party to buy or sell goods on the terms and conditions specified in such agreement, if such liability to deliver goods is ceased without being performed in kind; and also to agreements to perform functions of a central counterparty and an operator of commodities supplies in compliance with the Federal Law "On Clearing, Clearing Activities and Central Counterparty". Such restrictions shall not extend to the sale of property acquired by the Bank to perform its activities, and to the sale of property sold by the Bank upon enforcement of security due to failure to perform by a borrower of its obligations secured by property or property received by the Bank as compensation for termination of contract. Such restrictions shall not extend to the sale and purchase of precious metals and precious metal coins referred to in paragraph 3.3.4 of Clause 3.3 hereof.

3.5 The Bank may issue, purchase, sell, record, safe-keep and perform other transactions in securities as payment documents, in securities as certificates of deposits or account balances, and in other securities that can be handled without any special license under applicable federal laws; the Bank may also perform trust management of the above securities under agreements with individuals or legal entities.

3.6. The Bank shall perform professional activities in the securities market under the legislation of the Russian Federation.

3.7. The Bank is entitled to act as a certifying center in accordance with the Federal Law "On Electronic Digital Signature".

#### **IV. CHARTER CAPITAL**

4.1. The Bank's charter capital amounts to RUB 651,033,883,623.38 (Six hundred and fifty-one billion thirty-three million eight hundred and eighty-three thousand six hundred and twenty-three point thirty-eight Rubles) divided into:

- 12,960,541,337,338 (Twelve trillion nine hundred and sixty billion five hundred and forty-one million three hundred and thirty-seven thousand three hundred and thirty-eight) ordinary registered shares with nominal value of RUB 0.01 (Point zero one Ruble) each;

- 21,403,797,025,000 (Twenty-one trillion four hundred and three billion seven hundred and ninety-seven million twenty five thousand) preference registered shares with a nominal value of RUB 0.01 (Point zero one Ruble) each;

- 3,073,905,000,000 (Three trillion seventy-three billion nine hundred and five million) Type A preference registered shares with a nominal value of RUB 0.1 (Point one Ruble) each.

4.2. No raised funds can be used to form the charter capital. When increasing the charter capital, the Bank's additional shares cannot be paid for by off-setting any claim to the Bank, except for monetary claims for the payout of declared dividends in monetary form.

4.3. The amount of the Bank's charter capital can be increased by increasing the nominal value of previously issued shares or by issuing new shares.

An increase in the charter capital is permitted after it is paid in full.

4.4. A decision to increase the charter capital by an increase in the nominal share value shall be made by the Bank's General Shareholders Meeting.

4.5. A decision to increase the charter capital by additional share placement shall be made in compliance with the legislation of the Russian Federation and the present Charter by the Bank's General Shareholders Meeting or Supervisory Council.

4.6. The charter capital increase by additional share placement can be executed at the account of the Bank's property. The charter capital increase by an increase in the nominal share value can only be exercised at the account of the Bank's property.

The decision to increase the Bank's charter capital by additional share placement at the account of the Bank's property shall be taken by the General Shareholders Meeting.

The amount equal to the Bank's charter capital increase at the account of its property shall not exceed the difference between the **value** of the Bank's equity (capital) and the amount of the charter capital plus the Bank's reserve fund.

If the Bank's charter capital is to be increased at the account of its property by placing additional shares, such shares shall be offered to all shareholders, with each shareholder being offered shares of the same category (type) as the shares they hold pro rate to their shareholdings. The Bank's charter capital increase at the account of the Bank's property by issuing additional shares that results in fractional shares shall not be permitted.

4.7. The Bank is entitled, and in cases stipulated by the Federal Law "On Joint-Stock Companies" is obliged, to decrease its charter capital.

The Bank's charter capital can be decreased by decreasing the nominal share of its shares or by reducing their total volume, including buy-out and redemption by the Bank of part of its shares. A decision to decrease the Bank's charter capital by decreasing the nominal share value or reducing their total volume shall be made by the General Shareholders Meeting.

The shares purchased by the Bank on the basis of a resolution made by the General Shareholders Meeting to decrease the Bank's charter capital by purchasing the shares to reduce their total volume are subject to redemption upon acquisition.

## **V. SHARES, BONDS AND OTHER ISSUE-GRADE SECURITIES**

5.1. All shares of the Bank are non-documentary registered shares.

The Bank may place ordinary shares, Type 1 preference shares and Type 2 preference shares. The amount of dividends on Type 1 preference shares and Type 2 preference shares is based on the results for the first three, six and nine months and/ or for the whole reporting year and is determined by the General Shareholders Meeting on the recommendation of the Supervisory Council of the Bank.

Ordinary shares, Type 1 preference shares and Type 2 preference shares shall not be converted into bonds or any other securities.

5.2 Nominal value of one registered ordinary share of the Bank is RUB 0.01 (Point zero one Russian Ruble), with the form of issue being non-documentary.

Nominal value of one registered Type 1 preference share of the Bank is RUB 0.01 (Point zero one Russian Ruble).

Nominal value of one registered Type 2 preference share of the Bank is RUB 0.1 (Point one Russian Ruble).

5.3 The total number of outstanding ordinary shares is 12,960,541,337,338 (Twelve trillion nine hundred and sixty billion five hundred and forty-one million three hundred and thirty-seven thousand three hundred and thirty-eight Russian Ruble).

The total number of outstanding registered Type 1 preference shares is 21,403,797,025,000 (Twenty-one trillion four hundred and three billion seven hundred and ninety-seven million twenty five thousand Russian Ruble).

The total number of outstanding registered Type 2 preference shares is 3,073,905,000,000 (Three trillion seventy-three billion nine hundred and five million Russian Ruble).

5.4. The maximum amount of authorized ordinary shares is 14,000,000,000,000 (Fourteen trillion) with a nominal value of RUB 0.01 (Point zero one Russian Ruble) each.

Any resolution on amendments to the Bank's Charter related to regulations on authorized shares and their quantity, except for amendments related to their reduction due to placement of additional shares shall be made by the Bank's General Shareholders Meeting.

5.5. In compliance with a resolution by the General Shareholders Meeting, the Bank can consolidate some of its outstanding shares with two or more shares being converted into one new share. Relative amendments shall be made to the Charter to reflect the nominal value and amount of the Bank's outstanding and authorized shares.

5.6. In compliance with a resolution by the General Shareholders Meeting, the Bank can split the Bank's outstanding shares resulting in one share of the Bank to be converted into two or more shares. Relative amendments shall be made to the Charter to reflect the nominal value and amount of the Bank's outstanding and authorized shares.

5.7. The Bank is entitled to issue bonds and other issue-grade securities as stipulated by the legislation of the Russian Federation on securities.

5.8. Bonds and other issue-grade securities of the Bank (except for issue-grade securities convertible into shares) shall be placed in compliance with a relative decision of the Bank's Supervisory Council.

## **VI. SHAREHOLDER'S RIGHTS**

6.1. Each of the Bank's ordinary shares entitles the shareholder, its owner, to an equal scope of rights.

Shareholders owning ordinary shares of the Bank have the right to:

- Participate in the General Shareholders Meeting with the right to vote on all issues within its terms of reference (participate in managing the Bank's business);
- In relevant instances and in accordance with provisions of the applicable legislation and this Charter, obtain information on the Bank's business and gain access to its accounting and other documents;
- Appeal against resolutions of the Bank's management bodies which have civil law consequences in relevant instances and in accordance with the procedure established by the applicable legislation;
- On behalf of the Bank, demand reimbursement of losses inflicted on the Bank;



- On behalf of the Bank, challenge the Bank's transactions entered into by it, on the grounds specified in Article 174 of the Civil Code of the Russian Federation or the Federal Law "On Joint-Stock Companies" and demand application of consequences of their invalidity and application of consequences of invalidity of the Bank's void transactions;

- Participate in allocation of the Bank's profit (receive dividends); and
- In case of the Bank's liquidation, receive a part of the Bank's property remaining after settlement with creditors, or its value.

Shareholders who are owners of Type 1 preference shares and Type 2 preference shares do not have voting rights at the General Meeting of Shareholders, unless otherwise stipulated by the Federal Law "On Joint-Stock Companies".

Shareholders owning the Bank's Type 1 preference shares and Type 2 preference shares are entitled to:

- Receive dividends on Type 1 preference shares and Type 2 preference shares based on the results for the first three, six and nine months and/ or for the whole reporting year and determined by the General Shareholders Meeting on the recommendation of the Supervisory Council of the Bank;

- Participate in the General Shareholders Meeting with the right to vote in the cases stipulated by the Federal Law "On Joint-Stock Companies" (participate in managing the Bank's business);

- In relevant instances and in accordance with provisions of the applicable legislation and this Charter, to obtain information on the Bank's business and gain access to its accounting and other documents;

- Appeal against resolutions of the Bank's management bodies which have civil law consequences in relevant instances and in accordance with the procedure established by the applicable legislation;

- On behalf of the Bank, demand reimbursement of losses inflicted on the Bank;

- On behalf of the Bank, challenge the Bank's transactions entered into by it, on the grounds specified in Article 174 of the Civil Code of the Russian Federation or the Federal Law "On Joint-Stock Companies" and demand application of consequences of their invalidity and application of consequences of invalidity of the Bank's void transactions;

- In case of the Bank's liquidation, receive a part of the Bank's property remaining after settlement with creditors, or its value.

The Bank's shareholders are entitled to dispose of their shareholdings without consent of other shareholders or that of the Bank.

Shareholders can also exercise other rights stipulated by the legislation of the Russian Federation and this Charter.

6.2. The Bank's shareholders have statutory pre-emptive rights to subscribe for additional shares to be placed by an open subscription and issue-grade securities to be converted into shares, pro rata to the number of their existing shares of the same category (type).

6.3. The Bank's shareholders voting against or not participating in the vote on the share placement by a close subscription to shares or issue-grade securities convertible into shares, have a pre-emptive right to acquire additional shares and issue-grade securities convertible into shares to be placed by close subscription in the amount pro rata to the number of the shares of this category (type) they own. Such right shall not

apply to shares or other issue-grade securities convertible into shares to be placed by closed subscription only among the shareholders, if the shareholders can acquire a whole number of shares or other issue-grade securities convertible into shares to be placed pro rata to the number of the shares of appropriate category (type) they own.

6.4. If the decision underlying the placement of additional shares and issue-grade securities convertible into shares is made by the Bank's General Shareholders Meeting, the pre-emptive right shall be given to the persons who are shareholders of the Bank as at the date to determine (cut off) the persons eligible to participate in the General Shareholders Meeting; and if the decision is made by the Bank's Supervisory Council, than – to the persons who are shareholders of the Bank as at the tenth day from the day the Bank's Supervisory Council makes the decision, unless a later date is set out by such a decision.

6.5. The persons having the pre-emptive right to acquire additional shares and issue-grade securities convertible into shares shall be notified of their pre-emptive right to be exercised under the procedure specified for the notice on convening the General Shareholders Meeting.

The notice should contain information on the number of the shares and issue-grade securities convertible into shares to be placed, the offering price of these securities or the procedure for determining it (including when exercising a preemptive right to purchase the securities), or an indication that the price or the procedure for determining it will be stipulated by the Bank's Supervisory Council prior to the start of placement of the securities, as well as information on the procedure for determining the number of securities which each person having the pre-emptive right can acquire, the procedure for submitting applications by the persons for acquiring the shares or issue-grade securities convertible into shares to be placed, and the deadlines for the application submission to the Bank (hereinafter referred to as the pre-emptive right validity period).

6.6. The person having pre-emptive right to acquire additional shares or issue-grade securities convertible into shares can, within the pre-emptive right validity period, fully or partially exercise its pre-emptive right by submitting an application for acquisition of the securities to be placed and performance of its obligation to pay therefor.

Until the pre-emptive right validity period expires, the Bank shall not be entitled to offer additional shares and issue-grade securities convertible into shares to any persons not having such pre-emptive right.

6.7. If while exercising the pre-emptive right to acquire additional shares, and when consolidating the shares, the shareholder fails to acquire the whole number of shares then share fractions are to be formed (hereinafter referred to as fractional shares).

Fractional shares entitle the shareholder, their owner, to the rights vested in a share of the relative category (type) pro rata to the fraction of the whole share it makes. For the purpose of recording the total number of outstanding shares in the present Charter, all outstanding fractional shares are summed up. If the summing results in a fractional number, the quantity of the outstanding shares is expressed by the fractional number. Fractional shares are floated in the same way as whole shares do. If a person acquires two or more fractional shares of the same category (type), these shares shall form one whole share and/or fractional shares equal to the sum of these fractional shares.

6.8. Unless otherwise required by the federal law, shareholders who own voting shares are entitled to demand that the Bank should buy out all or part of their shares in the case of:

- A resolution taken by the General Shareholders Meeting on the Bank's reorganization or on entering into or a further approval of a major transaction involving property accounting for more than 50 per cent of the balance sheet value of the Bank's assets according to its financial statements as at the latest reporting date (including interested-party transactions), if they voted against the resolution on its reorganization, or on entering into and further approval of the transaction, or they did not participate in the voting on these issues;

- Any amendment or addition made to the present Charter (the adoption of a resolution by the General Shareholders Meeting serving as the basis for making amendments and addenda to this Charter) or approval of the revised Charter, which restrict their rights, if they voted against the relative resolution or did not take part in the voting;

- Adoption of a resolution by the General Shareholders Meeting on issues covered by Clause 3, Article 7.2 and Subclause 19.2, Clause 1, Article 48 of the Federal Law "On Joint-Stock Companies", if they voted against the resolution or did not take part in the voting.

The list of shareholders eligible to demand that the Bank should buy out their shares shall be made on the basis of data contained in the list of persons eligible to participate in the General Shareholders Meeting with agenda items where voting, in accordance with the Federal Law "On Joint-Stock Companies", resulted in the right to demand share buyout, and shareholder demands to buy out their shares submitted to the Bank.

6.9. The Bank shall inform its shareholders of their right to have their shares bought out by the Bank, as well as the buy-out price and procedure, including the address / addresses where the shareholders registered in the Bank's Shareholders Register are to deliver their share buy-out demands.

In case of putting on the agenda the issues the voting on which in conformity with the Federal Law "On Joint-Stock Companies" can cause initiating the right for the shareholders to demand the buy-out by the Bank, the notice of such a General Shareholders Meeting shall include the information on such right, the price and procedure for such share buy-out, as well as address / addresses where the shareholders registered in the Bank's Shareholders Register are to deliver their share buy-out demands.

6.10. A demand for a share buy-out by a shareholder registered in the Bank's Shareholders' Register, or a revocation of such a demand shall be presented to the Registrar as a written document signed by the shareholder and delivered by mail or in person against signature, or, if envisaged by the rules regulating the Registrar's activities as an electronic document signed by a qualified electronic signature. The rules may provide for an option of such an electronic document being signed by a simple or unqualified electronic signature. In such a case, the electronic document signed by a simple or unqualified electronic signature shall be deemed equal to the hard-copy document hand-written by the shareholder.

A share buy-out demand presented by a shareholder registered in the Bank's Shareholders Register should bear information to allow for the identification of the

shareholder presenting the demand, and also the number of shares of each category (type) subject to the buy-out demand.

Any shareholder not registered in the Bank's Shareholders Register shall exercise the right to demand a buy-out by the Bank of its shareholding by giving a relative instruction to the person accounting its rights to the Bank's shares. In this case, such an instruction shall be given in compliance with the applicable Russian legislation in securities and shall include information on the number of shares of each category (type) subject to the buy-out demand of the shareholder.

6.11. Such shareholders' share buy-out demands shall be presented to or revoked within 45 days from the date when a relative resolution is adopted by the General Shareholders Meeting. Revocation of the share buy-out demand is only possible with respect of all shares of the Bank presented for the buy-out. A shareholder's share buy-out demand or a revocation thereof shall be deemed presented to the Bank the day it is received by the Registrar from the shareholder registered in the Bank's Shareholders Register, or the day the Registrar receives from a nominal shareholder registered in the Bank's Shareholders Register a notice stating a declaration of the shareholder's intention.

6.12. Upon expiry of the time brackets stated in Clause 6.11 hereof, the Bank is to buy-out within 30 days the shares from the shareholders included in the list of persons eligible to demand a buy-out by the Bank of the shares they own, or within 5 business days to deliver a notice to the Bank's Registrar stating that the Bank shall not exercise any share buy-out under Clause 8, Article 76 of the Federal Law "On Joint-Stock Companies". If such a demand for a share buy-out is presented by any person non included in the above list, the Bank shall within five business days after the expiry of the time brackets stated in Clause 6.11 hereof, send its refusal to satisfy the demands.

6.13. The Bank shall buy out the shares at the price specified in the notice of the General Shareholders Meeting which is to consider the issues the voting on which in conformity with the Federal Law "On Joint-Stock Companies" can cause initiating the right for the shareholders to demand the buy-out. The total amount of funds the Bank can channel into the share buy-out shall not exceed 10 per cent of the Bank's equity (capital) dated the date when the decision initiating the right for the buy-out demand is made. If the total amount of shares demanded to be bought out exceeds the amount of shares the Bank can actually buy out subject to the above limitation, the shares shall be bought out pro rata to the demands submitted.

6.14. The shares bought out by the Bank shall be at the disposal of the Bank. Such shares shall not be voting; neither shall they be considered in vote counting, nor shall they earn dividends. Such shares shall be realized by a price not lower than their market value within one year after the title to their ownership is assigned to the Bank, otherwise the General Shareholders Meeting shall make a decision to decrease the Bank's charter capital by redeeming such shares.

## **VII. PLACEMENT OF SHARES AND OTHER ISSUE-GRADE SECURITIES. PURCHASE AND BUY OUT OF THE OUTSTANDING SHARES**

7.1. The Bank shall place its shares and other issue-grade securities in compliance with the applicable Russian legislation. The Bank is entitled to place additional shares and other issue-grade securities through subscription or conversion.

The Bank may place its shares by conversion under a relative resolution of the Bank's General Shareholders Meeting.

7.2. The Bank can offer its shares and issue-grade securities convertible into shares by either open or closed subscription except for cases when closed subscription is restricted by the applicable legislation of the Russian Federation.

Additional shares and other issue-grade securities of the Bank eligible for subscription are only placed after their full payment.

Placement through open subscription of the Bank's shares (issue-grade securities convertible into shares) constituting 25 per cent or less of the outstanding registered shares requires a unanimous decision of the Bank's Supervisory Council (retired or removed Supervisory Council members shall not vote).

7.3. Placement of the Bank's shares (issue-grade securities convertible into shares) by closed subscription shall only be performed on the basis of a decision of the General Shareholders Meeting to increase the Bank's charter capital by issuing new shares (issue-grade securities convertible into shares) approved by a three-quarter majority of voting shares participating in such a General Shareholders Meeting, unless otherwise stipulated by federal laws.

7.4. Placement by open subscription of ordinary shares constituting more than 25 per cent of the outstanding ordinary shares shall only be performed on the basis of a decision of the General Shareholders Meeting approved by a three-quarter majority of voting shares participating in such a General Shareholders Meeting.

7.5. Placement by open subscription of ordinary shares constituting more than 25 per cent of the outstanding ordinary shares shall only be performed on the basis of a decision of the General Shareholders Meeting approved by a three-quarter majority of voting shares participating in such a General Shareholders Meeting.

7.6. Payment for shares can be made either in Russian Rubles, or in any foreign currency, as well as contribution-in-kind as specified by the Bank of Russia. Limits for contribution-in-kind into a charter capital of the Bank, as well as types of foreign currencies to pay in for the Bank's shares shall be determined by the Bank of Russia.

If the Bank's charter capital is to be increased at the account of its property by placing additional shares, such shares shall be offered to all shareholders, with each shareholder being offered shares of the same category (type) as the shares they hold pro rate to their shareholdings.

Payment for the Bank's additional shares to be placed by subscription shall be made at the price that is determined, or for determining which the procedure is set forth by the Bank's Supervisory Board, in accordance with clause 7.13 of this Charter, but no lower than their nominal value. The placement price of the additional shares placed by public offering, or the procedure for determining it, should be contained in the resolution to increase the Bank's charter capital by placing additional shares, unless that resolution stipulates that this price or the procedure for determining it shall be set forth by the Bank's Supervisory Board by the start of the additional share placement.

In the case of in-kind payment for additional shares, the property contributed as such payment shall be appraised by the Bank's Supervisory Council in compliance with Clause 7.13 hereof.

If shares are paid for in kind, market value of such property shall be defined by an appraiser, unless otherwise required by the federal law. The estimation made by the Bank's Supervisory Council cannot exceed the estimation made by such appraiser.

7.7. Shares with the ownership title transferred to the Bank shall not be voting; neither shall they be considered in vote counting, nor shall they earn dividends. Such shares shall be realized by a price not lower than their market value within one year after the title to their ownership is assigned to the Bank, otherwise the General Shareholders Meeting shall make a decision to decrease the Bank's charter capital by redeeming such shares.

7.8. The Bank is entitled to buy out the outstanding shares on the basis of a decision made by the Supervisory Council. The Bank is not entitled to make any decision on the outstanding share buy-out, if the nominal value of such outstanding shares is less than 90 per cent of the Bank's charter capital.

The decision on a share buy-out shall specify the category (type) of the shares to be bought out, number of the shares to be bought out by the Bank in each category (type), buy-out price, form and schedule of payment, as well as time brackets for the shareholders to present their applications to sell to the Bank the shares they own or to revoke such applications.

7.9. The shares bought out by the Bank shall be paid for in money. The time brackets for the shareholders to present their applications to sell to the Bank the shares they own or to revoke such applications cannot be less than 30 days, with the time brackets for the Bank to pay for the bought-out shares cannot be more than 15 days as from the date the time for the application presentation or revocation expires. The price for the Bank's buy-out of shares shall be determined in compliance with Clause 7.13 hereof.

Each shareholder owning shares of certain categories (types), resolved to be bought out, is entitled to sell such shares, with the Bank being obliged to buy them. If the total number of the shares applied for the sale to the Bank exceeds the number of shares the Bank can actually buy subject to restrictions imposed by Clause 7.8 hereof, the shares shall be bought out from shareholders pro rata to their applications.

No later than 20 days before the opening time bracket for the shareholders to present their application to sell the shares they own or to revoke such applications, the Bank shall inform shareholders owning shares of certain categories (types), which are decided to be bought out. The notice shall contain information specified in Paragraph 2, Clause 7.8 hereof. The notice shall be delivered to the shareholders owning shares of certain categories (types), which are decided to be bought out, following the procedure set out for a notice on holding a General Shareholders Meeting.

7.10. The Bank is not entitled to purchase its outstanding ordinary shares if:

- The charter capital of the Bank has not been paid in full;
- The Bank shows on the purchase date, or will show as a result of such purchase, any signs of insolvency (bankruptcy) in accordance with the legislative acts of the Russian Federation on insolvency (bankruptcy) of credit institutions; or
- The value of the Bank's equity (capital) is less than the sum of its charter capital and reserve fund dated the purchase date or will become less than this sum as a result of such purchase.

The Bank is not entitled to purchase its outstanding preference shares if:

- The charter capital of the Bank has not been paid in full;
- The Bank shows on the purchase date, or will show as a result of such purchase, any signs of insolvency (bankruptcy) in accordance with the legislative acts of the Russian Federation on insolvency (bankruptcy) of credit institutions; or

- The **value** of the Bank's equity (capital) is less than the sum of its charter capital and reserve fund dated the purchase date or will become less than this sum as a result of such purchase.

7.11. No shareholder of the Bank can be exempt from payment for its shareholding including by set-off of money claims to the Bank, except for set-off of money claims related to payment of stated dividends in monetary form.

7.12. Unless otherwise stipulated by federal laws, the acquisition, including any donation, and/ or receiving in asset management (hereinafter referred to as acquisition) of more than one per cent of the Bank's shares as a result of one transaction or more transactions performed by a legal entity or an individual shall require a notice to be delivered to the Bank of Russia, and in the case of acquisition of more than 10 per cent – a prior approval by the Bank of Russia.

The prior consent of the Bank of Russia is also required when an individual or legal entity, as the result of a single transaction or several transactions, establishes direct or indirect (through third parties) control over Bank shareholders holding more than 10 per cent of the Bank's shares (hereinafter, the establishment of control over Bank shareholders).

The requirements established by this clause also extend to cases of the acquisition of more than one per cent of Bank shares, more than 10 per cent of Bank shares, and (or) the establishment of control over Bank shareholders by a group of entities, recognized as such under the Federal Law "On Protection of Competition".

7.13. If the Charter requires that the price (or appraisal) of the property, as well as the price of the share placement or share buy-out, or the procedure for determining it, be determined by the Bank's Supervisory Council, then they shall be based on their market value.

The price (appraisal) of the property or services related to an interested party transaction shall be determined by majority vote of the Supervisory Council members who are not interested in such transaction regulated by provisions of Clause 3, Article 83 of the Federal Law "On Joint-Stock Companies".

Market value of such property may be defined by an appraiser.

The appraiser's services are mandatory when determining the price of the Bank's buy-out of shares from shareholders in compliance with Article 76 of the Federal Law "On Joint-Stock Companies", as well as in other cases if directly stipulated in the Federal Law "On Joint-Stock Companies".

7.14. Acquisition by any person of more than 30 per cent of the total shares of the Bank which are considered voting shares under the Federal Law "On Joint-Stock Companies", together with the shares already belonging to the person shall be performed in compliance with the procedures set in the Federal Law "On Joint-Stock Companies".

## **VIII. SHAREHOLDERS REGISTER**

8.1. An organization which holds a license required by the law (a registrar) shall maintain the Bank's Shareholders Register and act as the Bank's counting board.

The Bank shall ensure that its Shareholders Register is maintained and stored in compliance with the requirements set by the applicable legislation of the Russian Federation, starting from the Bank's state registration date.

8.2 Upon request of a shareholder or nominee shareholder, the Bank's Shareholders Register holder shall confirm their rights to shares by producing a statement from the Shareholders Register, provided that such statement shall not constitute a security.

## IX. DIVIDENDS

9.1. Based on its performance in the first quarter, six months, nine months of a reporting year and/or based on annual performance for a reporting year, the Bank may resolve (announce) to pay dividends on the outstanding shares. Such resolution (announcement) on dividend payment may be made within three months after the end of the respective first quarter, six-month or nine-month period of a reporting year.

The Bank shall pay the announced dividends on shares of each category (type). Dividends shall be paid in monetary form. Dividends shall be payable from the Bank's net profit (after-tax earnings). For the purpose of dividend calculation, the net profit is determined according to the Bank's accounting (financial) statements.

A resolution (announcement) on dividend payment shall be made by the General Shareholders Meeting. Such resolution shall determine the dividend amount for shares of each category (type), form of payment, and date when the list of persons entitled to receive dividend is determined. Resolution on the date for determination of the list of persons entitled to receive dividend shall only be made on recommendation of the Bank's Supervisory Council. The dividend amount may not exceed the dividend amount recommended by the Supervisory Council.

9.2. The Bank cannot decide on (announce) the dividend payment on shares if:

- The charter capital of the Bank has not been paid in full;
- All of the shares which are to be bought out under Article 76 of the Federal Law "On Joint-Stock Companies" have not actually been bought out;
- The Bank shows on the decision date, or will show as a result of such dividend payment, any signs of insolvency (bankruptcy) in compliance with the applicable legislation of the Russian Federation;
- On the decision date, the **value** of the Bank's equity (capital) is less than the sum of its charter capital and reserve fund; or will become less than this sum as a result of such decision; or
- In other cases stipulated by federal laws.

9.3. The Bank cannot pay out the announced dividends on shares if on the payment date:

- The Bank shows on the decision date or will show as a result of the dividend payment, any signs of insolvency (bankruptcy) in compliance with the applicable legislation of the Russian Federation;
- On the decision date, the **value** of the Bank's equity (capital) is less than the sum of its charter capital and reserve fund; or will become less than this sum as a result of such decision;
- In other cases stipulated by federal laws.

After these circumstances cease to exist, the Bank shall be liable to pay the announced dividends to its shareholders.

## FUNDS



10.1. To ensure its financial soundness, the Bank shall create reserves (funds), including provisions for securities devaluation, in compliance with the procedures for their formation and use set by the Bank of Russia. The Bank of Russia shall also set minimal amounts of such reserves (funds).

The Bank shall deposit part of the raised funds as mandatory reserves with the Bank of Russia, it shall also form insurance funds and other reserves in compliance with the procedures set by the Bank of Russia.

10.2. The Bank shall form a reserve fund in compliance with the legislation of the Russian Federation, which cannot be less than 5 per cent of the Bank's charter capital.

The reserve fund is formed by making mandatory annual payments out of the net profit gained in the reporting year. The annual payment to the reserve fund cannot be less than 5 per cent of the net profit until the fund amounts to 5 per cent of the Bank's charter capital.

Payments to the reserve fund from the net profit of the accounting year shall be made after the General Shareholders Meeting approves the annual financial statements.

The reserve fund can only be used to cover the Bank's losses incurred as a result of the accounting year, as well as to redeem the Bank's bonds and buy out the Bank's shares if no other funds are available. The reserve fund cannot be used for any other purpose.

The Bank shall be entitled to form other funds in compliance with the legislation of the Russian Federation.

## **XI. SAFEGUARDING CUSTOMER INTERESTS**

11.1. The Bank shall safeguard the money funds and other valuables entrusted by its customers and correspondents. Their safety is secured and guaranteed by all movable and immovable property of the Bank, its money funds and reserves formed in compliance with legislation of the Russian Federation and this Charter, as well as measures to ensure financial stability and liquidity of the Bank undertaken by the Bank in compliance with the procedures set by the Bank of Russia.

11.2. The Bank shall be permanently ready to duly discharge its liabilities by regulating its balance structure in compliance with mandatory ratios set by the Bank of Russia for credit institutions' performance.

11.3. Money funds or any valuables held by individuals and legal entities on their accounts or deposits with the Bank, or kept in custody with the Bank, as well as electronic fund balances, can only be subject to attachment by court, arbitrage, or a judge; and also by a decision of preliminary investigation agencies accompanied by a court decision.

11.4. The Bank shall keep in secrecy information on transactions, bank accounts and deposits of its customers and correspondents. The Bank's employees shall be obliged to safeguard the secrecy of any transaction, account or deposit of the Bank's customers or correspondents, and of any other information classified by the Bank as secret if it complies with federal laws.

List of information comprising commercial secrets of the Bank shall be defined by the Management Board in compliance with legislation of the Russian Federation. Procedures for handling information classified as the Bank's commercial secret and

responsibility for any violation of such procedures shall be set by the Management Board.

11.5. The Bank shall set up an internal control system to ensure proper level of reliability in keeping with the nature and scope of the Bank's operations and the level and makeup of its assumed risks, in accordance with the requirements of the Bank of Russia.

The Bank's system of internal control shall comprise the following:

- Governance bodies (General Shareholders Meeting, Supervisory Council, Management Board, President and Chairman of the Management Board);
- Statutory Audit Commission;
- The Bank's Chief Accountant (its deputies);
- Branch Managers (their deputies) and Chief Accountants (their deputies) of the Bank's branches;
- A division of the Bank in charge of risk management in compliance with their terms of reference as specified in the Bank's by-laws;
- Divisions (officers) of the Bank in charge of internal control in compliance with their terms of reference as specified in the Bank's by-laws (including the Bank's structural division in charge of internal audit, the Bank's structural division in charge of internal control, responsible officer and the Bank's structural division in charge of anti-money laundering and terrorist financing, and financing of proliferation of weapons of mass destruction, controller of the Bank's professional activity in the securities market, the responsible officer providing control for compliance with the requirements of the Federal Law "On Countering Illegal Use of Insider Information and Market Manipulation and on Amending Certain Legislative Acts of the Russian Federation" and any regulatory and legal acts adopted in accordance therewith).

Procedures for establishing internal control bodies, as well as their terms of reference shall be defined by this Charter and the Bank's by-laws.

11.6. In order to perform internal audit, an independent division shall be created within the Bank that shall operate on the basis of legislation of the Russian Federation, this Charter, Regulation on the Charter approved by the Supervisory Council and other by-laws of the Bank.

The Head and employees of the Bank's audit division have the right to:

- Enter the inspected division's premises and also to enter premises used for storage of documents (archives), cash and valuables (cash storage vaults), data processing (computer halls) and for storage of data on machine carriers complying with procedures for access determined by internal regulations of a credit institution;
- Receive documents and copies of documents and other information along with any data that is available in information systems of the Bank that is necessary for control (complying with Russian Federation legislation requirements and Bank requirements for working with restricted data);
- Involve Bank employees in inspection and to demand that they ensure access to documents and other information that is required for audits.

In its activities, the Bank's division in charge of internal audit shall be independent from other divisions of the Bank.

The Head of such division of the Bank shall report to the Bank's Supervisory Council. Decisions to appoint and remove the Head of this Bank Division shall be made by the Bank's Supervisory Council.

The structure and staff of the Bank's division in charge of internal audit shall be approved by the President — Chairman of the Management Board.

In its activities, this division shall be accountable to the Bank's Supervisory Council and submit reports to the Supervisory Council at least twice a year, including audit follow up reports, and also twice a year – information on implementation of the recommendations made and remedial actions. The activities of the division shall be monitored in compliance with regulations of the Bank of Russia.

The division in charge of internal audit can perform audits and checks along all business lines of the Bank, assess the efficiency of the internal control system on the whole and perform other actions in compliance with the legislation of the Russian Federation, regulations and by-laws of the Bank.

11.7. Internal control for the purposes of anti-money laundering, counteracting terrorist financing and counteracting the financing of mass destruction weapons/proliferation (AML/CTF/CPF) is a part of the Bank's internal control system and shall be performed on a regular basis.

A responsible officer of the Bank in charge of AML/CTF/CPF shall be appointed and removed by President and Chairman of the Management Board. Such an AML/CTF/CPF officer of the Bank shall be independent from other divisions of the Bank and shall operate under general governance of the Bank's President and Chairman of the Management Board.

AML/CTF/CPF officer of the Bank shall have the following authority to:

- Request and receive necessary documents, including executive and accounting documents from the Bank divisions' managers and other employees;
- Make copies from received documents, and electronic files;
- Get access to the premises of Bank divisions and premises used for storing documents (archives), cash and valuables (cash storage vaults), computer data processing and storage of data on machine carriers;
- Give instructions as to performing an operation, including a directive of its delay to get additional information or to check the available information on the customer or the operation (within the deadlines set for performing such an operation by the applicable Russian legislation);
- Other authorities in accordance with the internal regulatory and executive documents of the Bank.

The Bank shall also establish a division in charge of AML/CTF/CPF to carry out regulatory and methodological support to AML/CTF/CPF activities, organization and coordination of the Bank's divisions in this area, operational control over compliance by the Bank's divisions with AML/CTF/CPF regulating documents. Tasks, objectives and functions of such a division in charge of AML/CTF/CPF shall be determined by the Bank's by-laws.

11.8. An independent internal control division shall be created at the Bank, formed and operating in accordance with the applicable legislation of the Russian Federation, this Charter, the Regulation on the division, and other by-laws of the Bank.

Such a division of the Bank shall be authorized to identify regulatory (compliance) risk, submit recommendations on regulatory (compliance) risk management (if necessary) and other powers in accordance with the applicable legislation of the Russian Federation, this Charter, the Regulation on the division, and other by-laws of the Bank.

The Head of the Bank's division in charge of internal control shall be appointed and removed by the President and Chairman of the Management Board.

11.9. The Head of the Bank's division in charge of risk management shall be appointed and removed by the President and Chairman of the Management Board.

11.10. Any person appointed as Head of the Bank's division in charge of risk management, Head of the Bank's division in charge of internal audit, or Head of the Bank's division in charge of internal control shall, at the time of such appointment and throughout the period it holds the appointment (including the period of its acting as such), comply with qualification requirements set by the Bank of Russia and business reputation requirements specified in Clause 1 of Part One, Article 16 of the Federal Law "On Banks and Banking Activities".

Any person appointed as AML/CTF/CPF Officer of the Bank shall, at the time of its appointment and throughout the period it holds the appointment (including the period of its acting as such), comply with the qualification requirements set by the Bank of Russia as agreed with an AML/CTF/CPF authorized body, and business reputation requirements specified in Clause 1 of Part One, Article 16 of the Federal law "On Banks and Banking Activities".

## **XII. ACCOUNTING AND REPORTING. DOCUMENT SAFEKEEPING**

12.1. The Bank shall maintain accounting records and shall submit accounting (financial) statements in compliance with the legislation of the Russian Federation.

The Bank is entitled to prepare its accounting (financial) statements, including their published forms, under the International Financial Reporting Standards.

The Bank shall keep books on statistics as provided by the applicable legislation of the Russian Federation.

12.2. President — Chairman of the Management Board and Chief Accountant of the Bank shall be responsible for duly accounting procedures and adequate accounting policy in the Bank, and presentation of accounting (financial) statements to respective bodies on a timely basis in compliance with the applicable legislation of the Russian Federation.

12.3. Accuracy of data contained in the Bank's annual report and its annual accounting (financial) statements shall be confirmed by the Bank's Statutory Audit Commission. The Bank shall appoint an auditor not bound by any property interest with the Bank or its shareholders to perform annual audit of the Bank's accounting (financial) statements.

12.4. The Bank's Annual Report is subject to preliminary approval by the Supervisory Council at least 30 days prior to the General Shareholders Meeting.

12.5. The Bank shall provide state bodies with information necessary for efficient tax collecting and maintaining the federal system of processing economic information.

12.6. The Bank shall publish information on its securities issues in such volume, in such time brackets and in compliance with such procedures as specified by the legislation of the Russian Federation.

12.7. The Bank shall post its performance indicators in monthly, quarterly and annual balance sheets, in the profit and loss statement, and in the annual report to be duly submitted to the Bank of Russia within the set time brackets.

12.8. After review by the Statutory Audit Commission, the annual financial statements, and the profit and loss statement of the Bank shall be approved by the General Shareholders Meeting and are to be published.

12.9. The Bank's reporting year shall begin on the 1st of January and end on the 31st of December.

12.10. The Bank shall be obliged to keep documents envisaged by the Federal Law "On Joint-Stock Companies", this Charter, the Bank's by-laws, resolutions of the General Shareholders Meeting, Supervisory Council, Management Board and President - Chairman of the Management Board, as well as other document stipulated by the applicable legislation of the Russian Federation.

12.11. The Bank shall provide its shareholders with access to the following documents:

- A resolution on creating the Bank, its memorandum of association, the Bank's Charter and duly registered amendments thereto;
- Documents evidencing the Bank's state registration;
- A decision on issuance (additional issuance) of securities, any amendment thereto; report of the issuance (additional issuance) results, any notice thereon;
- By-laws of the Bank regulating the activities of its bodies and approved by the General Shareholders Meeting;
- Regulations on the Bank's branches and representative offices;
- Annual Reports;
- Annual financial statements and a relative auditor's opinion;
- Appraisers' reports issued under the Federal Law "On Joint-Stock Companies" in the case the Bank buys out its shares on demand of the shareholders;
- Documents received by the Bank under Chapter XI.1 of the Federal Law "On Joint-Stock Companies";
- Minutes of the General Shareholders meetings;
- Lists of the Bank's affiliates;
- Opinions of the Bank's Statutory Audit Commission;
- Issue prospectuses, quarterly issuer's reports and other documents containing information to be published or otherwise disclosed under the Federal Law "On Joint-Stock Companies" and other applicable legislation;
- Notices on entering into shareholders' agreements delivered to the Bank, and on the lists of persons participating in such agreements;
- Court orders and judgements concerning disputes related to the Bank's creation, management thereof, or participation therein, judicial acts under such disputes, including decisions to begin proceedings on a case and to accept statements of case or a request to change the grounds or subject of a previously presented case.

12.12. On demand of a shareholder (shareholders) owning at least one per cent of the Bank's voting shares, the Bank shall provide access to the following information and documents:

- Information on transactions (unilateral transactions), which, under the Federal Law "On Joint-Stock Companies" are major transactions and/ or interested-party transactions, including the type, scale and scope, as well as value of such transactions, their execution date and maturity of obligations thereunder, information on actual or subsequent approval of their execution;
- Minutes of the Bank's Supervisory Council meetings;

- Appraisers' reports related to the Bank's property involved in transactions which under the Federal Law "On Joint-Stock Companies" are major transactions and/or interested-party transactions.

12.13. The demand made by a shareholder (shareholders) owning at least 25 per cent of the Bank's voting shares to provide documents and information referred to Clause 12.12 hereof should state what the documents are requested for.

12.14. On demand of a shareholder (shareholders) owning at least 25 per cent of the Bank's voting shares, the Bank shall provide access to the following information and documents:

- Minutes of the Bank's Management Board meetings;
- Accounting documents.

12.15. Documents referred to in Clauses 12.11, 12.12 and 12.14 hereof shall be made available at the premises of the Bank's executive body within seven business days from a relative request. Upon the request of the shareholders eligible for the access to the documents referred to in Clauses 12.11, 12.12 and 12.14 hereof, the Bank shall also provide copies of the documents to such shareholders. The fee charged for the provision of such document copies cannot exceed the actual cost of copying, and, if the request states the need for delivering the copies to the address specified by the shareholder, the mailing costs.

If a shareholder fails to cover the Bank's expenses related to making copies of the Bank's documents under a previously received and executed request, the period of provision of the Bank's documents in response to subsequent requests shall begin on the date such payment is received.

12.16. The Bank shall ensure the safety of its archives, including staff profiles, for the terms specified by federal laws and other applicable regulations of the Russian Federation, as well as by a nomenclature list approved in compliance with these laws and regulations.

At the request of state or municipal bodies, legal entities or individuals, the Bank is obliged to provide free of charge any duly executed archive copy or extract of record related to social security of people, their retirement plans, benefits and compensations payable in compliance with applicable legislation of the Russian Federation, if the correspondent archive documents are available in the Bank.

### **XIII. GENERAL SHAREHOLDERS MEETING**

13.1. The General Shareholders Meeting is the Bank's highest governance body.

13.2. The terms of reference of the General Shareholders Meeting shall include:

- 1) Review and approval of a new version of the Bank's Charter;
- 2) Reorganization of the Bank;
- 3) Liquidation of the Bank, appointment of a liquidation commission, and approval of interim and final balance sheet at liquidation;
- 4) Determination of the number of members to be elected to the Bank's Supervisory Council, their election and early termination of powers, as well as adoption of resolutions on remuneration and compensations to the Supervisory Council members for performing their functions;
- 5) Determination of the number, face value, category (type) of authorized shares and the rights granted thereby;

6) Increase of the Bank's charter capital by increasing the face value of shares or by placing additional shares, except where such resolutions are within the terms of reference of the Bank's Supervisory Council;

7) Reduction of the Bank's charter capital by decreasing the face value of shares, by repurchasing a portion of the Bank's shares in order to reduce their total number, and by redeeming the repurchased or treasury shares;

8) Election of the Bank's Statutory Audit Commission members and their early removal; determination of remuneration and compensations payable to them;

9) Approval of the Bank's auditor;

10) Payment (announcement) of dividends based on the results of the first quarter, six months, and nine months of a reporting year;

11) Approval of annual reports, annual accounting (financial) statements of the Bank;

12) Allocation of the Bank's profit (including payment (announcement) of dividends, excluding payment (announcement) of dividend after the first quarter, after six months, and after nine months of a reporting year), and the Bank's loss for the reporting year;

13) Determination of the General Shareholders Meeting rules of procedure;

14) Consolidation and splitting of shares;

15) Approval of related party transactions as required by the Federal Law "On Joint-Stock Companies" and the Bank's Charter;

16) Approval of major transactions as required by the Federal Law "On Joint-Stock Companies" and the Bank's Charter;

17) Repurchase of the Bank's outstanding shares as required by the Federal Law "On Joint-Stock Companies" and the Bank's Charter;

18) Adoption of resolutions on the Bank's participation in associations and other groups of commercial entities;

19) Approval of by-laws regulating the activities of the General Shareholders Meeting, the Supervisory Council, the Management Board and the Statutory Audit Commission;

20) Adoption of resolutions on filing an application for delisting of the Bank's shares and (or) equity securities of the Bank convertible into shares; and

21) Adoption of resolutions on other issues as required by the Federal Law "On Joint-Stock Companies".

No matters falling within the terms of reference of the General Shareholders Meeting may be transferred to any executive body of the Bank, unless otherwise stated in the Federal Law "On Joint-Stock Companies".

No matters falling within the terms of reference of the General Shareholders Meeting may be transferred to the Bank's Supervisory Council, unless otherwise stated in the Federal Law "On Joint-Stock Companies".

The General Shareholders Meeting shall not be entitled to consider and adopt resolutions on any matters which are beyond its terms of reference according to the Federal Law "On Joint-Stock Companies" and this Charter.

13.3. General Shareholders Meetings can be annual and extraordinary. The Bank shall hold an annual General Shareholders Meeting every year but not earlier than two months and not later than six months after the end of the fiscal year.

Agenda of Annual General Shareholders Meetings shall include election of Supervisory Council and Statutory Audit Commission members, appointment of the Bank's auditor, issues specified by paragraphs 11 and 12 of Clause 13.2 hereof; and other issues falling within the terms of reference of the General Shareholders Meeting. Any General Shareholders Meeting held in addition to the Annual General Shareholders Meeting shall be deemed extraordinary.

13.4. Any resolution of the General Shareholders Meeting on any motion put to the vote shall be made by a simple majority of votes cast by shareholders owning voting shares and participating in the Meeting, unless otherwise stipulated by the Federal Law "On Joint-Stock Companies" or this Charter.

A separate (specific) resolution shall be made on any item put to the vote.

Any resolution on items specified in Paragraphs 1-3, 6-7, 14-20, Clause 13.2 hereof shall be adopted by the General Shareholders Meeting if only proposed by the Supervisory Council.

Any resolution on items specified in Paragraphs 1-3, 5, 16, 17 and 20, Clause 13.2 hereof shall be adopted by a three-quarter majority vote cast by shareholders holding voting shares and participating in the General Shareholders Meeting, unless otherwise stipulated by federal laws.

Any resolution on items specified in Paragraph 20, Clause 13.2 hereof shall only become effective if the total number of shares subject to buyback demand does not exceed number of shares which may be repurchased by the Bank in compliance with the restriction imposed by Clause 5, Article 76 of the Federal Law "On Joint-Stock Companies".

The General Shareholders Meeting may not adopt any resolution on items which are not included in its agenda nor may it amend the meeting agenda.

To hold the General Shareholders Meeting in the form of meeting (joint presence of the shareholders to discuss and make decisions as to issues put to the vote), information and communication technologies may be used to provide remote facilities to participate in the General Shareholders Meeting, discuss the issues on the agenda and make decisions on the issues put to the vote, without being present at the location of the General Shareholders Meeting.

13.5. A General Shareholders Meeting can adopt resolutions without holding a meeting (i.e. without a joint presence of shareholders to discuss and make decisions as to issues put to the vote) by holding absentee ballot.

The General Shareholders Meeting which is to elect members of Supervisory Council and Statutory Audit Commission, to appoint the Bank's auditor and discuss issues specified in Paragraph 11, Clause 13.2 hereof cannot be held by absentee ballot.

13.6. A list of persons entitled to participate in the General Shareholders Meeting is based on the applicable legislation of the Russian Federation on securities for compiling a list of persons exercising their rights under the securities.

The date to determine (cut off) the persons entitled to participate in the Bank's General Shareholders Meeting may not be set earlier than 10 days following the date the resolution is adopted to hold the General Shareholders Meeting, and more than 25 days prior to, or as provided by Clauses 2 and 8, Article 53 of the Federal Law "On Joint-Stock Companies", more than 55 days prior to the date on which the General Shareholders Meeting is to be held.

For the General Shareholders Meeting with the Agenda including an issue of the Bank's reorganization, the date to determine (cut off) the persons entitled to participate



in the Bank's General Shareholders Meeting may not be set more than 35 days prior to the date on which the General Shareholders Meeting is to be held.

Information on the date to determine (cut off) the persons entitled to participate in the General Shareholders Meeting shall be disclosed by the Bank at least 7 days prior to that date.

The Bank shall disclose the list of persons entitled to participate in the General Shareholders Meeting, except for the information on such persons' declaration of intention, to the persons included in such a list and holding at least one per cent of the rights under any issue put on the Agenda of the General Shareholders Meeting, at their request. Any information allowing for the identification of natural persons included in the List, except for the full names thereof, shall be only provided subject to such persons' consent.

13.7. A notice on holding the General Shareholders Meeting shall be made public at least 30 days prior to the meeting unless otherwise specified by the legislation of the Russian Federation.

Within the above time brackets, the notice on holding the General Shareholders Meeting shall be disclosed to the persons entitled to participate in the General Shareholders Meeting and registered in the Bank's Shareholders Register by posting it on the Bank's Internet site at: [www.vtb.ru](http://www.vtb.ru).

Additionally, the notice on holding the General Shareholders Meeting may be delivered to the persons entitled to participate in the General Shareholders Meeting and registered in the Bank's Shareholders Register by either of the following means:

1) as an electronic message to the email of the relative person specified in the Bank's Shareholders Register;

2) as a text message with the information on the procedure for getting familiar with the notice on holding the General Shareholders Meeting, to a contact phone number or email specified in the Bank's Shareholders Register.

Ballot papers are delivered by ordinary post.

13.8. The notice on the General Shareholders Meeting shall include the following information:

- Full corporate name of the Bank and its location;
- Form of holding the General Shareholders Meeting (meeting or absentee ballot);
- Date, location (address of the place where the Meeting is to be held), time schedule of holding the General Shareholders Meeting and the postal address where the executed ballot papers can be sent to, or in case of absentee ballot, the deadline for receiving ballot papers and postal address where the executed ballot papers must be sent to;
- Registration period for participants of the General Shareholders Meeting;
- Registration place for participants of the General Shareholders Meeting;
- The date to determine (cut-off) the persons eligible to participate in the Bank's General Shareholders meeting;
- Agenda of the General Shareholders Meeting;
- Access procedures as to information (materials) to be disclosed before the General Shareholders Meeting and address (addresses) where such information (materials) shall be available;
- Website to fill in an electronic form of such ballot papers;

- Categories (types) of shares, whose holders have the right of voting on all or some of the issues put on the Agenda of the General Shareholders Meeting.

- If any issues are put on the Agenda of the General Shareholders Meeting and voting thereon may under the Federal Law “On Joint-Stock Companies” cause initiating the right for the shareholders to demand the share buy-out by the Bank, the notice of such a General Shareholders Meeting shall include the information referred to in Clause 1, Article 76 of the Federal Law “On Joint-Stock Companies”.

13.9. Shareholder(s) holding in the aggregate at least two per cent of the Bank’s voting shares may propose items to be included in the General Shareholders Meeting’s agenda or propose nominees to be elected to the Bank’s Supervisory Council or Statutory Audit Commission, provided that the number of nominees shall not exceed the approved number of members of such bodies. Such proposals shall be submitted to the Bank within 60 days after the end of the reporting year.

Proposals to include an issue to the General Shareholders Meeting’s agenda or proposals of nominees to be elected shall be made specifying the names of the relative shareholder(s), number and category (type) of shares they own, and be signed by the shareholder(s) or their representatives. The Bank’s shareholder(s) **not** registered in the Bank’s Shareholders Register may also make proposals to include an issue to the General Shareholders Meeting’s agenda and proposals of nominees to be elected by giving relative directions (instructions) the person registering their rights to the shares. Such directions (instructions) shall be given in compliance with the applicable legislation of the Russian Federation on securities.

Proposals to include an issue to the General Shareholders Meeting’s agenda shall include the wording of each issue proposed. Proposals of nominees to be elected shall specify the name of each nominee, details of its identification document (the series and/or number of the document, date and place of its issuance, and the issuing body), and the name of body the nominee is to be elected to. Proposal of an issue to the agenda may also include draft resolution for such issue.

The Bank’s Supervisory Council shall consider the proposals submitted and decide on either their inclusion into the General Shareholders Meeting’s agenda or rejection within five days after the end of the submission period specified in paragraph 1 of this Clause. Any issue proposed by shareholder(s) to be included in the General Shareholders Meeting’s agenda, as well as any nominee proposed for election to a relative body of the Bank shall be included in the agenda or voting list, respectively, unless:

- Shareholder(s) fail to comply with the submission period specified in paragraph 1 of this Clause;

- Shareholder(s)’ shareholdings are less than those specified in paragraph 1 of this Clause;

- The proposal does not comply with requirements specified in paragraphs 2 and 3 of this Clause; or

- The issue proposed to be included in the General Shareholders Meeting’s agenda does not fall within its terms of reference and (or) does not comply with the Federal Law “On Joint-Stock Companies” or any other applicable Russian legislation.

A well-grounded decision of the Bank’s Supervisory Council rejecting any proposal to include an issue to the General Shareholders Meeting’s agenda or a proposal of nominees to be elected shall be delivered to the shareholder(s) submitting such a proposal within three days after the decision is made. If such a proposal enters

the Bank from persons not registered in the Bank's Shareholders Register as a direction (instruction) to the persons accounting their rights to the shares, the above decision of the Bank's Supervisory Council shall be delivered to such persons within three days after the decision is made in compliance with the applicable legislation of the Russian Federation on securities for disclosing information and materials to persons exercising their rights under securities.

The Bank's Supervisory Council shall not be entitled to make any amendment in the wording of issues proposed to be included in the General Shareholders Meeting's agenda, or relative draft resolutions.

In addition to issues proposed to be included into the General Shareholders Meeting's agenda by shareholders, as well as by the nominees proposed by the shareholders for forming a relative body, the Bank's Supervisory Council is entitled to include such issues in the General Shareholders Meeting's agenda and/ or propose such nominees for election as it deems necessary at its own discretion. The number of nominees proposed by the Bank's Supervisory Council cannot exceed the quantitative membership of a relative body of the Bank.

13.10. While preparing the General Shareholders Meeting, the Bank's Supervisory Council shall set the following:

- Form of such General Shareholders Meeting (meeting or absentee ballot);
- Date, place and time schedule for such General Shareholders Meeting, or in case of absentee ballot – deadline for accepting ballot papers;
- Postal address to dispatch the ballot papers and the Bank's website to fill in such ballot papers on-line;
- The start time for registering persons participating in the General Shareholders Meeting (when the General Shareholders Meeting is held in the form of a meeting);
- The date to determine (cut off) the persons eligible to participate in the Bank's General Shareholders meeting;
- The cut-off date for accepting shareholders' proposals of nominees to be elected members of the Bank's Supervisory Council, if the agenda of an extraordinary General Shareholders Meeting includes an issue of electing members of the Bank's Supervisory Council;
- Agenda of the General Shareholders Meeting;
- Procedures for notifying shareholders of the General Shareholders Meeting;
- List of information (materials) to be disclosed to shareholders while preparing the General Shareholders Meeting; access procedures;
- Form and text of a ballot paper, as well as motions put to the vote under the issues on the General Shareholders Meeting's agenda, which are to be delivered in the electronic form (as electronic documents) to the nominal holders of the shares registered in the Bank's Shareholders Register.
- Type (types) of preference shares, whose holders have the right of voting on the issues put on the Agenda of the General Shareholders Meeting.

A General Shareholders Meeting of the Bank shall be held at one of the following cities: St. Petersburg, Moscow, Yekaterinburg, Stavropol, Krasnodar, Kaliningrad, Nizhny Novgorod, Kazan, Voronezh, Novosibirsk, Krasnoyarsk, Khabarovsk, or Vladivostok.

During the preparation for a General Shareholders Meeting of the Bank, a list of information (materials) to be disclosed to persons eligible to participate in the Bank's

General Shareholders Meeting shall be determined in compliance with Clause 3, Article 52 of the Federal law "On Joint-Stock Companies", regulatory documents of the Bank of Russia and the Bank's Regulation on Preparing, Convening and Holding General Shareholders Meetings approved by the Bank's General Shareholders Meeting.

13.11. An extraordinary General Shareholders Meeting may be called by the Supervisory Council on its own initiative, or at the request of the Statutory Audit Commission, the Bank's auditor, or shareholder(s) owning in the aggregate at least 10 per cent of the voting shares of the Bank dated the request date.

An extraordinary General Shareholders Meeting at the request of the Statutory Audit Commission, the Bank's auditor, or shareholder(s) owning in the aggregate at least 10 per cent of the voting shares of the Bank shall be convened by the Supervisory Council within 40 days after the request for convening an extraordinary General Shareholders Meeting is made.

If the proposed agenda for an Extraordinary General Shareholders Meeting includes the matter of electing members of the Bank's Supervisory Council, then that General Shareholders Meeting should be held within 75 days following the moment the request to hold the Extraordinary General Shareholders Meeting is submitted. In this case, the Bank's Supervisory Council is to determine a cut-off date to accept the nominees to be elected members of the Bank's Supervisory Council.

The request for convening an extraordinary General Shareholders Meeting shall contain issues to be included in the agenda of such meeting; it may also contain draft resolutions and proposal as to the form of holding the General Shareholders Meeting. If the request contains a proposal of nominees, then it falls under provisions of Clause 13.9 hereof.

The Supervisory Council shall not be entitled to make any amendment in the wording of issues proposed to be included in the agenda, or relative draft resolutions, or proposed form of the extraordinary General Shareholders Meeting to be convened at the request of the Statutory Audit Commission, the Bank's auditor, or shareholder(s) owning in the aggregate at least 10 per cent of the voting shares.

The request for the extraordinary General Shareholders Meeting made by shareholder(s) shall contain the names of such shareholder(s) and the number and category (type) of the shares they own. Any request for an extraordinary General Shareholders Meeting shall be signed by the person(s) initiating the request.

Within five days after the request is made by the Statutory Audit Commission, the Bank's auditor, or shareholder(s) owning in the aggregate at least 10 per cent of the voting shares of the Bank to convene an extraordinary General Shareholders Meeting a decision shall be made either to convene such meeting or to reject the request for its convention.

Decision to reject the request to convene an extraordinary General Shareholders Meeting made by the Statutory Audit Commission, the Bank's auditor, or shareholder(s) owning in the aggregate at least 10 per cent of the voting shares of the Bank may be made in the following circumstances:

- The procedure for submitting a request to convene an extraordinary General Shareholders Meeting has not been exactly followed;
- Shareholder(s) requesting for an extraordinary General Shareholders Meeting do not own the shares specified in Paragraph 1 of this Clause;

- Neither of the issues proposed to be included in the General Shareholders Meeting's agenda fall within its terms of reference and (or) comply with the Federal Law "On Joint-Stock Companies" or any other applicable legislation.

A decision made by the Bank's Supervisory Council to convene an extraordinary General Shareholders Meeting or reasons for a rejection to convene it shall be delivered to the person(s) requesting for such meeting within three days after the day such a decision is made. If such a request to convene an extraordinary General Shareholders Meeting enters the Bank from persons not registered in the Bank's Shareholders Register as a direction (instruction) to the persons accounting their rights to the shares, the above decision of the Bank's Supervisory Council shall be delivered to such persons within three days after the decision is made in compliance with the applicable legislation of the Russian Federation on securities for disclosing information and materials to persons exercising their rights under securities.

If the Bank fails to make a decision to convene an extraordinary General Shareholders Meeting or to reject the request for its convention within the time brackets set by the Federal Law "On Joint-Stock Companies", the Bank's body or persons requesting for its convention can appeal to the court to enforce the Bank to hold an extraordinary General Shareholders Meeting.

13.12. At a General Shareholders Meeting, the functions of a Counting Board shall be performed by the Bank's Shareholders Register's holder.

13.13. A shareholder may exercise its right to participate in the General Shareholders Meeting either in person or by proxy. Shareholder may at any time change its representative at the meeting or attend it in person.

Shareholder's representative at the General Shareholders Meeting shall act as empowered by federal legislation, regulations of authorized state bodies or local bodies, or written proxy. Such proxy shall bear information of proxy issuer and proxy holder (for an individual - name, details of its identification document (the series and/or number of the document, date and place of its issuance, and the issuing body), for a legal entity – name and location).

In the case when any shares are transferred after the date determined for setting (fixing) the persons eligible to participate in the General Shareholders Meeting, but before the date of the General Shareholders Meeting, the person eligible to participate in the General Shareholders Meeting shall be obliged to issue a proxy to the buyer of such shares or to vote at the General Shareholders Meeting as instructed by the buyer if so stipulated by the share transfer agreement.

If a Bank share is owned by several persons, the voting right at the General Shareholders Meeting shall be exercised either by one of such persons at its own discretion or by their common. In both cases powers of such persons are to be duly formalized.

13.14. General Shareholders Meeting shall be deemed authorized (or having a quorum) if attended by shareholders owning in the aggregate more than half of the Bank's outstanding voting shares.

Shareholders shall be recognized as attending the General Shareholders Meeting if they are duly registered to participate therein, including via the website specified in the notice on holding the General Shareholders Meeting, and also if they submit the filled-in ballot papers or fill in ballot papers on the website specified in the notice on holding the General Shareholders Meeting at least two days prior to the date of such a General Shareholders Meeting. Shareholders may fill in electronic ballot

papers on-line during the General Shareholders Meeting, if they have not exercised their right to participate in the meeting otherwise.

Shareholders shall be recognized as voting by absentee ballot if their ballot papers are submitted or filled in on the website specified in the notice on the General Shareholders Meeting before the cut-off date for accepting ballot papers.

Shareholders shall also be recognized as attending the General Shareholders Meeting if they give their voting directions (instructions) to the persons accounting their rights to the shares in compliance with the applicable legislation of the Russian Federation on securities, given their declaration of intention is received at least two days prior to the date of the General Shareholders Meeting or to the cut-off date for accepting ballot papers in holding the General Shareholders Meeting by absentee ballot.

If the General Shareholders Meeting's agenda includes issues to be voted by different voters, the quorum requirements for such voting is to be decided on a case-by-case basis. If the necessary quorum is not available for some of such issues, it shall not prevent shareholders from voting under the other issues where voting is made by another composition of votes and where the quorum is sufficient.

If the necessary quorum requirement is not met for holding an annual General Shareholders Meeting, a repeated General Shareholders Meeting with the same agenda must be held. If there is no sufficient quorum for holding an extraordinary General Shareholders Meeting, a repeated General Shareholders Meeting with the same agenda may be held.

A repeated General Shareholders Meeting shall be deemed authorized (or having a quorum), if shareholders holding at least 30 per cent of the Bank's outstanding voting shares are present at the meeting.

Notice of a repeated General Shareholders Meeting shall be delivered in compliance with Clauses 13.7 – 13.8 hereof. When holding a repeated General Shareholders Meeting within 40 days after the scheduled General Shareholders Meeting failed, the persons eligible to participate in such a General Shareholders Meeting shall be determined (cut off) as at the date when the persons eligible to participate in the General Shareholders Meeting failed were determined (cut off).

13.15. The General Shareholders Meeting shall be run by Chairman of the Bank's Supervisory Council or, if absent, by one of the Supervisory Council members approved by the Bank's Supervisory Council.

13.16. The General Shareholders Meeting votes on the basis of the principle "one vote per one voting share", except for the cumulative voting to be held in cases stipulated the Federal Law "On Joint-Stock Companies".

Equal to voting by ballot papers shall be notices with the declaration of intention received by the Bank's registrar from the persons eligible to participate in the General Shareholders Meeting, who are not registered in the Bank's Shareholders Register and who, under the applicable legislation of the Russian Federation on securities, give voting directions (instructions) to the persons accounting their rights for securities.

13.17. Minutes of the General Shareholders Meeting shall be executed within 3 business days after the General Shareholders Meeting date. The Minutes shall be signed by the Chairperson and Secretary of the General Shareholders Meeting.

Extracts from the Minutes shall be signed by the Secretary of the Bank's General Shareholders Meeting.

Minutes of the General Shareholders Meeting shall be published on the Bank's website at: [www.vtb.ru](http://www.vtb.ru).

13.18. General Shareholders Meeting shall be held in compliance with the legislation of the Russian Federation, the Charter and Regulation on Preparing, Convening and Holding General Shareholders Meetings to be approved by the Bank's General Shareholders Meeting.

#### **XIV. SUPERVISORY COUNCIL**

14.1. The Supervisory Council shall exercise general governance of 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".

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. The amounts of such remuneration and compensation shall be set by the General Shareholders Meeting.

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

- 1) Setting the Bank's priority business lines;
- 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) Determining the date for setting out (fixing) the persons eligible to participate in the General Shareholders Meeting, and taking other resolutions within its terms of reference subject to the provisions of Chapter VII of the Federal Law "On Joint-Stock Companies" on preparing and holding the General Shareholders Meeting;
- 5) Increasing the Bank's charter capital by placing additional shares within the number and categories (types) of the authorized shares as stipulated by the Federal Law "On Joint-Stock Companies" and this Charter;
- 6) Placing the Bank's bonds or other issue-grade securities other than shares;
- 7) Setting the price for (appraising) property; securities offer prices (except for offer prices of bonds inconvertible into the Bank's shares) or the procedure of determination thereof as well as securities buy back prices as stipulated by 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" or other federal laws;
- 9) Forming the Bank's Management Board, defining the number of its members, their election and early removal, appointment and early removal of President - Chairman of the Management Board, and setting the amount of remuneration and compensation to President - Chairman of the Management Board and the Board members;
- 10) Defining the remuneration for the auditor's services and recommendations as to the remuneration and compensation to be paid to members of the Bank's Statutory Audit Commission;
- 11) Giving recommendations as to dividend amount and payment procedures;
- 12) Using the Reserve Fund, identifying procedures of creating and using 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 Bank’s Charter, and except for other by-laws, which are to be approved by the Bank’s executive bodies in compliance with the Bank’s Charter;

14) Opening and closing branches and representative offices of the Bank, as well as liquidation thereof, changing the status of branches into internal divisions of the Bank (branch);

15) Resolving on entering into or a further approval of related party transactions as required by the Federal Law "On Joint-Stock Companies" and this Charter;

16) Preliminary approving the Bank’s annual report;

17) Approving and resolving to remove the head of the Bank’s Division in charge of internal audit;

18) Approving the Bank’s Registrar, terms of agreement to be signed with it, and termination thereof;

19) Filing an application for listing of Bank shares and/or Bank equity securities convertible into the Bank’s Shares;

20) Establishing committees of the Supervisory Council, approving by-laws regulating their competence, working procedures, membership, appointment and dismissal of the committees’ chairman and members;

21) Appointing and removing the Bank’s Corporate Secretary, approving the regulation on the Bank’s Corporate Secretary, assessing of the Corporate Secretary’s performance and approving Corporate Secretary performance reports;

22) Approving regulations on risk and capital management, considering annual reports on risk and capital management status and efficiency;

23) Approving regulations on internal control at the Bank;

24) Approving regulations on the Bank’s division in charge of internal audit;

25) Approving action plans and considering performance reports of the Bank’s division in charge of internal audit;

26) Considering quarterly reports of the Controller of the Bank’s professional activity in the securities market;

27) Approving regulations on dividend policy;

28) Considering quarterly reports on the results of internal control over insider trading and market manipulation prevention;

29) Assessing the Bank’s corporate governance system;

30) Approving the Bank’s Corporate Governance Code;

31) Approving the Bank’s Code of Ethics;

32) Resolving on participation and termination of the Bank’s participation in subsidiary companies;

33) Approving the Bank’s risk and capital management strategy, including maintenance of equity (capital) adequacy and sufficient liquidity to cover risks, both for the Bank as a whole and for its separate business lines, as well as approving the significant risk management procedure and monitoring its implementation;

34) Approving the rules of applying banking methodology for risk management and risk scoring models (to the extent provided by Article 72.1 of the Federal Law “On the Central Bank of the Russian Federation (Bank of Russia)”), including assessment of assets and liabilities, the Bank’s off-balance sheet claims and liabilities, as well as stress-testing scenarios and results thereof;

35) Approving the conflict of interest prevention procedure, financial capability recovery plan in the case of material deterioration in the Bank’s financial standing, the



plan aimed at providing business continuity and/or operational recovery of the Bank in the case of any exceptions or emergencies;

36) Assessing compliance by the Bank's sole and collective executive bodies with the policies and procedures approved by the Supervisory Council based on the reports made by the Bank's division in charge of internal audit;

37) Resolving on the duties of the Supervisory Council members, assessing their performance and submitting the results thereof to the Bank's General Shareholders Meeting;

38) Approving the Bank's HR policies;

39) Approving the Bank's remuneration policy and monitoring its implementation;

40) Approving the Bank's procurement policies with regard to goods, works and services;

41) Defining the Bank's position as to performance, amendment or early termination by the Bank's subsidiary (with at least 5 per cent of consolidated asset value or at least 5 per cent of consolidated revenue (according to the recent financial statements of the Bank)) of a transaction/ a group of related transactions involving property totaling over 25 per cent of the balance sheet value of the subsidiary's assets as at the recent reporting date;

42) Approval of the Bank's financial and economic plan (budget);

43) Considering reports on the system of quality management of the Bank's products (services);

44) Approving principles and approaches to the Bank's risk management, internal control and internal audit;

45) Approving procedures and time frames for disclosing insider information (certain types thereof) of the Bank, which is not included into the list of insider information approved by the Bank of Russia;

46) Setting out terms and conditions for performing operations in financial instruments by persons referred to in Clauses 7 and 13, Article 4 of the Federal Law No.224-FZ dated 27.07.2010 "On Counteracting Illegal Use of Insider Information and Market Manipulation and Amending Certain Legislative Acts of the Russian Federation", included into the Bank's Insider List, and persons related thereto;

47) Other issues as provided for by the Federal Law "On Joint-Stock Companies" and this Charter.

No issues falling under the terms of reference of the Supervisory Council can be transferred to the Bank's Management Board or President - Chairman of the Management Board.

14.3. The number of Supervisory Council members shall be defined by the General Shareholders Meeting in compliance with the Federal Law "On Joint-Stock Companies". Supervisory Council member are elected by cumulative voting. Those nominees shall be considered as elected members of the Supervisory Council who got majority of votes.

14.4. Supervisory Council members shall be elected by the General Shareholders Meeting in compliance with procedures specified in the Federal Law "On Joint-Stock Companies" and the 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 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.

Members of the Bank's Supervisory Council and candidates for these positions should meet the business reputation requirements stipulated in Article 16 of the Federal Law "On Banks and Banking Activities", and the qualification requirements set in accordance with federal laws.

The Bank's Supervisory Council members may be re-elected an unlimited number of times.

The General Shareholders Meeting can terminate the powers of the Bank's Supervisory Council members ahead of time.

14.5. Only individuals can serve as members of the Bank's Supervisory Council. And a member of the Supervisory Council may not necessarily be a shareholder of the Bank.

President - Chairman of the Management Board and the Board members may not account for more than one fourth of the Supervisory Council membership. A person performing the functions of President - Chairman of the Management Board cannot simultaneously be a Chairman of the Bank's Supervisory Council.

14.6. Chairman of the Bank's Supervisory Council is elected by and from among the members of the Supervisory Council by a majority vote out of the total membership of the Supervisory Council.

The Supervisory Council may at any time re-elect its Chairman by a majority vote out of the total membership of the Supervisory Council.

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 act as a Chairman at the Bank's General Shareholders Meeting.

If the Chairman of the Bank's Supervisory Council is absent, its functions shall be performed by one of the Supervisory Council members approved by the Council.

14.7. Supervisory Council Chairman shall call a meeting of the Council either on its own initiative, or at the request of a member of the Supervisory Council, Statutory Audit Commission, the Bank's auditor, Management Board or President - Chairman of the Management Board, and a head of the Bank's division in charge of internal audit.

Procedures for convening and holding a meeting of the Supervisory Council are defined by the Regulation on the Supervisory Council approved by the General Shareholders Meeting.

14.8. 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.

14.9. The Supervisory Council shall make its resolutions at meetings or absentee votes by a majority of votes cast by the participating members of the Supervisory Council, unless otherwise provided for by the Federal Law "On Joint-Stock Companies" and this Charter.

Resolutions on items specified in Paragraphs 1, 7, 11, 19, 27, 41 Clause 14.2 hereof, and on approval of recommendations as to voluntary or mandatory proposals received by the Bank, as well as on other issues connected with submission of items to the General Shareholders' Meeting (specified in Paragraphs 1, 2, 3, 6, 7, 20 of Clause

13.2 hereof) shall be made by a majority of votes of all elected members of the Bank's Supervisory Council, except for retired members of the Supervisory Council.

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.

An absent member of the Supervisory Council can submit its written opinion on the issues put on the Agenda of the meeting of the Supervisory Council, which is to be eligible for the quorum and vote counting.

When making their decisions at meetings held in person or by absentee ballot, members of the Bank's Supervisory Council may use a special software application for the on-line voting.

14.10. Every meeting of the Supervisory Council shall be recorded in the Minutes, which are to be finalized within three days after the meeting and be signed by the Chairperson of the meeting who will be responsible for the Minutes' accuracy and by the Secretary of the Supervisory Council.

Minutes of the Supervisory Council meeting shall contain:

- Time and place of the Meeting;
- List of persons attending the Meeting;
- The Meeting Agenda;
- Motions put to the vote and voting results;
- Resolutions adopted.

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

14.11. The Supervisory Council may make a decision by absentee ballot (or opinion poll).

Supervisory Council shall not be entitled to make decisions by absentee ballot on the following issues:

- Setting priority lines of the Bank's performance;
- Convention of an annual General Shareholders Meeting and making decisions required for its convention and holding;
- Election and re-election of the Supervisory Council Chairman;
- Formation of executive bodies of the Bank and early termination of their responsibilities;
- Submission of proposals on the Bank's reorganization or liquidation to be considered by the General Shareholders Meeting, on making decisions about submitting an application for de-listing Bank shares and (or) Bank issue-grade securities that are convertible into Bank shares;
- Increase of the Bank's charter capital by placing additional shares within the number and categories (types) of authorized shares in the cases stipulated by the Federal Law "On Joint-Stock Companies" and this Charter;
- Approval of the Bank's registrar and terms of the registrar agreement conclusion and termination;
- Submission of an application for listing the Bank's shares and (or) Bank issue-grade securities that are convertible into Bank shares;
- Approval of the Regulation on the Bank's internal audit division;
- Approval of the Regulation on Dividend Policy;

- Recommendations on the received mandatory or voluntary offer for acquisition of more than 30 percent of Bank's shares.

14.12. When performing their functions, members of the Supervisory Council shall act in the interests of the Bank, with integrity and in good faith.

14.13. The Supervisory Council shall act in compliance with the legislation of the Russian Federation, the Charter and Regulation on the Supervisory Council approved by the Bank's General Shareholders Meeting.

To have its functions efficiently performed, the Supervisory Council can establish committees for various lines of its activities. Such committees of the Supervisory Council shall be established by a relative decision of the Bank's Supervisory Council out of its members. They shall be governed by the relative Regulations to be approved by the Supervisory Council.

## **XV. EXECUTIVE BODIES**

15.1. President - Chairman of the Management Board as a single-person executive body, and the Management Board as a collective executive body, shall be responsible for the day-to-day management of the Bank. The executive bodies shall report to the Bank's General Shareholders Meeting and Supervisory Council

The Bank's executive bodies are formed and dissolved by a decision of the Supervisory Council, which shall also determine the quantitative and individual membership of the Board. Terms of services of President - Chairman of the Management Board and other members of the Management Board shall be set in the Supervisory Council's decision on the formation of the executive bodies and shall not exceed five years.

Deputy Chairmen of the Management Board are ex officio members of the Management Board.

15.2. Terms of reference of the executive bodies shall include all issues related to day-to-day activities of the Bank except for issues falling within the scope of activities of the Bank's General Shareholders Meeting and Supervisory Council.

Executive bodies shall be in charge of implementing resolutions adopted by the General Shareholders Meeting and decisions made by the Supervisory Council.

15.3. Rights and responsibilities of the President - Chairman of the Management Board, as well as those of the Board members shall be set by Federal Law "On Joint-Stock Companies", other applicable legislation of the Russian Federation, the Charter and a contract to be signed between the Bank and each of them. On behalf of the Bank, such contract shall be signed by Chairman of the Bank's Supervisory Council or any other person authorized by the Supervisory Council. Contracts with the President - Chairman of the Management Board and the Board members cannot be signed for a longer term than their terms of reference set by a relative decision of the Supervisory Council.

Only those provisions of the Labor legislation shall apply to relationship between the Bank and President - Chairman of the Management Board and (or) members of the Board which do not contradict the Federal Law "On Joint-Stock Companies". Members of the Management Board having an employment contract with the Bank shall fall under Article 43 of the Labor Code of the Russian Federation.

Neither President - Chairman of the Management Board nor members of the Board may hold positions of head, chief accountant at other organizations that are credit

institutions, insurance or clearing organizations, professional securities market participants, organizers of trade on commodity and/or financial markets, or at joint-stock investment funds, specialized depositaries at investment funds, private pension funds, organizations engaged in retirement savings programs and retirement insurance, or related to the management of investment funds, joint-stock investment funds, mutual funds, and private pension funds, at organizations that are involved in leasing activity or are entities affiliated with the Bank (except for cases when the Bank and the credit institution (Bank and a foreign bank) are a principal and a subsidiary entity to each other). These limitations shall not apply to participation of President - Chairman of the Management Board and members of the Board in Board of Directors (Supervisory Councils) of other legal entities.

Participation of a person performing the functions of President - Chairman of the Management Board, and members of the Board in governance bodies of other legal entities shall only be permitted if approved by the Bank's Supervisory Council.

15.4. The Supervisory Council shall at any time be entitled to remove the President - Chairman of the Management Board and members of the Board by terminating the contracts with them and make a decision to form new executive bodies of the Bank.

15.5. President-Chairman of the Management Board shall:

- Act on behalf of the Bank without any power of attorney, and represent the Bank's interests;
- Enter into transactions and sign documents for the Bank;
- Decide on opening (closing) internal divisions of the Bank (of a branch) except for sub-offices and operational offices of the Bank;
- Approve the staff list;
- Issue orders and give instructions binding on all staff members of the Bank;
- Issue internal regulations and by-laws of the Bank (except for regulations to be approved by the General Shareholders Meeting or the Supervisory Council);
- Issue powers of attorney, set procedures for signing agreements and contracts, and for issuing powers of attorney; select officials authorized to represent the Bank in relationships with third parties;
- Act as Employer in labor relationships in compliance with the Labor Code of the Russian Federation entering and terminating employment contract with the Bank employees, stimulating the best performers or imposing disciplinary sanctions;
- Approve nominees to be elected deputy branch managers and deputy chief accountants of a branch;
- Determine the price for the placement of bonds not convertible into the Bank's shares or set a procedure for the determination thereof;
- Approve procedures for the Bank's risk and capital management, as well as stress-testing procedures within the Bank's risk and capital management strategy approved by the Supervisory Council of the Bank, and shall also ensure the performance of internal procedures applied to assess the Bank's equity (capital) adequacy and maintain it at the set level;
- Approve quarterly reports of the issuer of the Bank's issue-grade securities;
- Approve reports on the Bank's securities issuance (additional issuance) results, any notice thereon;

- Make decision on writing off any unrecoverable debt under a loan in the amount of not more than RUB five million (or its equivalent in a foreign currency) per borrower against a loan impairment provision;

- Make other decisions on the Bank's day-to-day activities.

President - Chairman of the Management Board can transfer the responsibility to decide on some issues falling within its terms of reference to members of the Board, heads of the Bank's branches and representative offices, other persons.

President - Chairman of the Management Board may submit some issues to the Supervisory Council for its approval.

When absent, President - Chairman of the Management Board can transfer its responsibilities to one of the Board members.

15.6. Management Board is a collective executive body of the Bank headed by President - Chairman of the Management Board. The Management Board shall be guided by the Federal Law "On Joint-Stock Companies", the Charter and the Regulation on the Management Board to be approved by the General Shareholders Meeting.

Terms of reference of the Management Board shall include the following:

- Implementing resolutions approved by the General Shareholders Meeting and decisions made by the Supervisory Council;

- Providing adequate working environment for the General Shareholders Meeting, Supervisory Council and Statutory Audit Commission of the Bank;

- Reviewing the Bank's financial statements, including those prepared under the IFRS;

- Making decisions on the publication of the IFRS financial statements;

- Making decisions on the Bank's participation in or exit from other institutions (save for participations in associations and other unions of commercial institutions, and also participation in subsidiary companies);

- Making decisions on opening sub-offices and operational offices of the Bank;

- Setting fees for recovery of lost Bank bearer bonds;

- Defining the scope of information qualified as business secrets, and setting procedures for safeguarding business secrets at the Bank;

- Approving Regulations on the Bank's branches and representative offices, as well as collective bodies and divisions of the Bank;

- Submitting materials to the Supervisory Council for approval;

- Approving candidates for branch manager and chief accountant positions in Bank branches;

- Approving a Branch standard organizational structure and remuneration system;

- Approving the Bank's performance results for the reporting period and decision-making on bonuses to the Bank's employees;

- Reviewing the Bank divisions' performance reports;

- Approving the Bank's budgeting for the next fiscal year;

- Writing off unrecoverable debt under a loan in the amount of not more than RUB five million (or its equivalent in a foreign currency) per borrower against loan impairment provisions;

- Approving decisions on credit transactions involving acceptance of risk exposure by the Bank for its subsidiaries;

- Other issues related to the Bank's daily activities submitted to the Management Board for approval by the President - Chairman of the Board.

15.7. Quorum for holding a meeting of the Management Board shall be half of elected members of the Management Board. Should the number of the Management Board members become less than the quorum requirement, the Supervisory Council shall be obliged to make a decision to form the Management Board.

15.8. President - Chairman of the Management Board shall arrange its meetings to be held when necessary but not less than once per month. A meeting of the Management Board can be called by the Supervisory Council.

The Management Board shall make its decisions by a majority of votes cast by the attending members. None of the Board members can transfer its vote to another person, including another Board member. In case of a tie vote, the President - Chairman of the Management Board shall have a casting vote.

The Management Board may make a decision by absentee ballot (or opinion poll) provided that at least half of its elected members participate in such voting.

15.9. Each meeting of the Management Board shall be recorded in the Minutes. The Minutes shall be made available to members of the Supervisory Council, Statutory Audit Commission, the Bank's auditor and shareholder(s) owning at least 25 per cent of the Bank's voting shares in the aggregate, a head of the Bank's division in charge of internal audit, at their request.

## **XVI. RESPONSIBILITIES OF GOVERNANCE BODIES' MEMBERS**

16.1. When exercising their rights and liabilities, members of the Bank's Supervisory Council, President - Chairman of the Management Board and members of the Board shall act in the interests of the Bank, with integrity and in good faith.

16.2. Members of the Supervisory Council, President - Chairman of the Management Board and members of the Management Board 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 federal legislation.

Members of the Supervisory Council, President - Chairman of the Management Board and members of the Management Board shall be held liable to the Bank for the losses caused by their actions (or failure to act) violating the procedure for purchasing shares of a joint-stock company as specified by Chapter XI.1 of the Federal Law "On Joint-Stock Companies".

In such cases, those members of the Supervisory Council or Management Board who voted against a decision resulting in the losses of the Bank or its shareholder or, acting in good faith, did not participate in such voting shall not be held liable.

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

16.4. If under the present Article liability is vested with several persons, it shall be considered a joint liability towards the Bank.

16.5. The Bank or its shareholder(s) owning at least one per cent of the outstanding ordinary shares of the Bank shall be entitled to file a claim against a member of the Supervisory Council, President - Chairman of the Management Board

and (or) a member of the Management Board to be reimbursed for losses caused to the Bank in the case specified in the first paragraph of Clause 16.2 hereof.

The Bank or its shareholder shall be entitled to file a claim against a member of the Supervisory Council, President - Chairman of the Management Board and (or) a member of the Management Board to be reimbursed for losses caused to the Bank in the case specified in the second paragraph of Clause 16.2 hereof.

16.6. Persons under the business reputation requirements in accordance with the Federal Law "On Banks and Banking Activities" who have become aware of a fact suggesting that their business reputation is no longer sufficient must notify the Bank thereof in writing within two working days.

## **XVII. MAJOR TRANSACTIONS, INTERESTED-PARTY TRANSACTIONS**

17.1. A major transaction is a transaction (a number of interrelated transactions), which is beyond the scope of ordinary business activities and:

- Involves an acquisition, disposal or possibility of disposal by the Bank (whether direct or indirect) of its property (including a loan, credit, pledge or guarantee, acquisition of such a number of shares or other issue-grade securities convertible into the Bank's shares resulting in the Bank's obligation to make a mandatory offer in compliance with the Federal Law "On Joint-Stock Companies"), with the price of book value thereof accounting for or exceeding 25 per cent of the book value of the Bank's assets as determined by its latest financial statements,
- Provides for the Bank's obligation to transfer the property for temporary possession and/ or use, or provide the third person with the right to use intellectual property or with the means of individualization under a license, if the book value thereof accounts for or exceed 25 per cent of the book value of the Bank's assets as determined by its latest financial statements.

The Bank's Supervisory Council shall make a resolution on entering into a major transaction, which would include, in particular, information on possible consequences of the transaction for the Bank's business, and assessment of such a transaction's appropriateness. Resolutions on entering into a major transaction shall be included into the information (materials) to be provided to shareholders when preparing for a General Shareholders Meeting of the Bank to consider the issue on resolving on entering into a major transaction and a further approval thereof.

17.2. Any entering into a major transaction shall be agreed with the Bank's Supervisory Council or General Shareholders Meeting as stipulated by the Federal Law "On Joint- Stock Companies" and this Charter.

17.3. A resolution on entering into a major transaction and a further approval thereof, which involves property with the value accounting for 25 to 50 per cent of the book value of the Bank's property shall require an unanimous approval by all of the members of the Bank's Supervisory Council disregarding the retired ones.

If the Supervisory Council fails to unanimously resolve on entering into a major transaction and a further approval thereof, its members can decide to submit such resolution on entering into a major transaction and a further approval thereof to the General Shareholders Meeting. In this case, a resolution on entering into a major



transaction and a further approval thereof shall be made by a majority of the voting shareholders participating in such General Shareholders Meeting.

A resolution on entering into a major transaction or a further approval thereof, which involves property with the value accounting for over 50 per cent of the book value of the Bank's property shall be made at the General Shareholders Meeting and require a three-quarter majority vote by the voting shareholders participating in such General Shareholders Meeting.

17.4. A resolution on entering into a major transaction or on a further approval thereof shall specify its party (parties), beneficiary (beneficiaries), price, subject matter, and other material terms and conditions, as well as a procedure for their determination.

A resolution on entering into a major transaction may also specify the minimal and maximum parameters for the terms and conditions of such a transaction (the highest price limit for a property acquisition or the lowest price limit for a property disposal) or a procedure for the determination thereof, agreement to enter into similar transactions, alternative terms and conditions of such a transaction, and agreement to enter into a major transaction provided that several transactions are entered into simultaneously.

17.5. A interested party transaction include transactions involving a member of the Supervisory Council, President – Chairman of the Management Board, a member of the Management Board, or a person controlling the Bank, or a person entitled to given instructions binding for the Bank. Such transactions shall be performed by the Bank in compliance with the applicable provisions of the Charter.

The above persons shall be deemed interested in the Bank's performance of the transaction if such persons, their spouses, parents, children, brothers and sisters (whether full- or half-blooded), adoptive parents and adopted children, and/ or persons (entities) under their control are:

- A party to, a beneficiary of, an intermediary or a representative in a transaction;
- A controlling person of a legal entity being a party to, a beneficiary of, an intermediary or a representative in a transaction;
- A member of governance bodies of a legal entity being a party to, a beneficiary of, an intermediary or a representative in a transaction, or a member of governance bodies of a company controlling such a legal entity.

The Bank shall be obliged to notify all members of the Bank's Supervisory Council and those of the Management Board on any interested party transaction, and if all members of the Bank's Supervisory Council are interested in such a interested party transaction, it shall notify the Bank's shareholders following the procedure set out for notification on holding a General Shareholders Meeting.

Such a notice shall be dispatched on later than on the transaction performance date and shall specify the party (parties) thereto, a beneficiary (beneficiaries), price, subject matter and other material terms and conditions or procedure for determination thereof, as well as the person (each of the persons) interested in such a transaction performance, and grounds for recognizing this person (each of the persons) being interested in the transaction performance

17.6. Persons specified in Clause 17.5 above shall be obliged to notify the Bank, within two months as from the day they become or are expected to become aware of the circumstances leading to their recognition as being interested in the Bank's performance of a transaction, of the following:

- Any legal entity where they, their spouses, parents, children, brothers and sisters (whether full- or half-blooded), adoptive parents and adopted children, and/ or persons (entities) under their control are controlling persons or entitled to give any binding instruction;

- Any legal entity where they, their spouses, parents, children, brothers and sisters (whether full- or half-blooded), adoptive parents and adopted children, and/ or persons (entities) under their control are members of any governance bodies;

- Any actual or proposed transaction where they can be recognized as related parties.

Such notices may be delivered to the Bank by registered letter with delivery receipt, by courier, and also by electronic means of communication, including fax and telegraph, and by email.

The Bank shall make the information received in such notices available to the Bank's Supervisory Council, Statutory Audit Commission of the Bank, and also an auditor of the Bank, upon its demand.

17.7. A interested party deal shall not be subject to any preliminary approval to be entered into.

Nevertheless, before being entered into, any interested party transaction may be agreed with the Bank's Supervisory Council or General Shareholders Meeting upon demand of the Bank's President-Chairman of the Bank, a member of the Management Board or of the Supervisory Council, or of a shareholder (shareholders) holding more than 1 per cent of the Bank's voting shares.

A demand to hold a General Shareholders Meeting or a meeting of the Bank's Supervisory Council to resolve on entering into a interested party transaction shall be made and considered following the procedure specified in Clause 13.11 hereof. The Supervisory Council reject such a demand to hold a General Shareholders Meeting or a meeting of the Bank's Supervisory Council on the grounds set out in Clause 13.11 hereof, and also if at the moment of such a demand being considered, a resolution has already been made on entering into such a transaction or on refusing to enter into it. A repeated demand may be made no earlier than in three months.

The Supervisory Council shall resolve on entering into an interested party transaction by a majority of votes of its members who are not interested in such a transaction and who are not or were not for a year preceding such a resolution:

- President-Chairman of the Bank's Management Board and a member of the Management Board;

- a person controlling the Bank or entitled to give instructions binding on the Bank.

If the number of the Supervisory Council members, who are not interested in a transaction and meet the requirements set out in this Clause, is less than two members, a resolution on entering into such a transaction shall be made by the General Shareholders Meeting.

At the General Shareholders Meeting, a resolution on entering into a interested party transaction shall be made by a majority of votes of all voting shareholders participating in the General Shareholder Meeting, who are not interested in such a transaction, in the following circumstances:

- The amount of a transaction or a number of interrelated transactions or the price or book value of the property to be acquired, disposed or possibly disposed under such transactions accounts for or exceeds 10 per cent of the book value of the Bank's

assets as determined by its latest financial statements, except for transactions specified in the below paragraphs of this Clause;

- A transaction or a number of interrelated transactions results/result from a disposal of ordinary shares accounting for more than 2 per cent of the Bank's outstanding ordinary shares, and ordinary shares into which outstanding issue-grade share-convertible securities may be converted; or

- A transaction or a number of interrelated transactions result/ results from a disposal of preference shares accounting for more than 2 per cent of the Bank's outstanding shares, and shares into which outstanding issue-grade share-convertible securities may be converted.

If in entering a transaction which is subject to a resolution on entering into it in compliance with this Clause, all voting shareholders of the Bank are recognized interested in such a transaction, and there are also other person (persons) interests in such a transaction under Clause 17.5 hereof, a resolution on entering into such a transaction shall be made by a majority of votes of all voting shareholders of the Bank participating in the voting.

When resolving on the issue referred to in this Clause of the Charter, any General Shareholders Meeting shall be deemed qualified irrespective of the number of voting shareholders of the Bank participating in the meeting, who are not interested in such a transaction.

17.8. Alongside terms and conditions set out in Clause 4, Article 79 of the Federal Law "On Joint-Stock Companies", a resolution on entering into a interested party transaction shall specify the person (persons) interested in such a transaction performance, and the grounds for recognizing this person (each of the persons) being interested in the transaction performance.

## **XVIII. FINANCIAL AND BUSINESS SUPERVISION**

18.1. Supervision over the Bank's financial and business activities shall be performed by the Statutory Audit Commission to be elected at every annual General Shareholders Meeting until the following annual General Shareholders Meeting. The quantitative and individual membership of the Commission shall also be set by the General Shareholders Meeting. None of the Statutory Audit Commission members can be members of the Bank's Supervisory Council, nor can they hold any other position in the Bank's governance bodies.

By a decision of the General Shareholders Meeting, existing members of the Statutory Audit Commission can get remuneration and (or) compensation for expenses related to their responsibilities. The amounts of such remuneration and compensation shall be determined by the General Shareholders Meeting.

Shares owned by Supervisory Council members or persons holding positions in the Bank's governance bodies shall not participate in voting when electing members of the Statutory Audit Commission.

18.2. The Statutory Audit Commission shall be governed by the Regulation on the Statutory Audit Commission to be approved by the General Shareholders Meeting.

Members of the Bank's Statutory Audit Commission shall be liable for not acting in good faith while performing their duties in compliance with the legislation of the Russian Federation.

18.3. The Commission shall audit the Bank's financial and business performance at the year-end, as well as at any other time on its own initiative, by decision of the General Shareholders Meeting or Supervisory Council, or at the request of the Bank's shareholder(s) owning in the aggregate at least 10 per cent of the voting shares.

18.4. If the audit reveals that there is a threat to the Bank's or its customers' interests, or there are cases of power abuse by the Bank's officials, or in any other specific cases, the Statutory Audit Commission can demand that an extraordinary General Shareholders Meeting of the Bank be called.

18.5. The Statutory Audit Commission shall submit its duly executed audit reports to the Supervisory Council and Management Board for the necessary actions to be immediately undertaken.

18.6. For the purpose of an annual audit of its annual accounting (financial) statements, the Bank shall, on an annual basis, appoint an auditing company which is not bound by any property interest with the Bank or its **shareholders**.

The auditor shall be approved by the General Shareholders Meeting. The Bank shall be audited in compliance with the legislation of the Russian Federation and under an agreement with the audit company. Amount of the auditor's fees shall be defined by the Supervisory Council.

## **XIX. REORGANIZATION AND LIQUIDATION**

19.1. Under applicable legislation the Bank can undertake a voluntary reorganization in the form of merger, accession, division, spin-off or transformation.

The Bank can be liquidated either voluntarily or by a court order in compliance with the legislation of the Russian Federation.

19.2. After the Bank is reorganized, its rights and liabilities shall be assigned to its legal successors.

The Bank shall be deemed reorganized, except for the case of reorganization in the form of a merger, as from the state registration of the newly organized legal entities. When the Bank is to be reorganized in the form of another legal entity being merged into it, the Bank shall be deemed reorganized as from the entry of made into the Unified State Register of Legal Entities stating that the merged legal entity ceased to exist.

In the case of the Bank's reorganization, all still valid documents are to be duly transferred to the Bank's successor. The terms and place of further safekeeping of such documents shall be determined by the Bank's successor or authorized bodies acting under the constituent document.

Liquidation results in termination of the Bank's activities without the transfer of rights and liabilities to other persons as legal successors.

In the event of reorganization and liquidation, the Bank shall ensure the protection of information constituting a state secret and media bearing such information, in accordance with the requirements of the Law of the Russian Federation "Concerning State Secrets."

19.3. Having voted for the liquidation, the Bank's General Shareholders Meeting shall appoint a Liquidation Commission upon approval by the Bank of Russia, and set the liquidation procedures and schedule.

The powers to manage the Bank's affairs shall be transferred to the Liquidation Commission the moment it is set.

19.4. The Liquidation Commission shall:

- Deliver a notice on the Bank's liquidation, the procedure and deadlines for creditors to file claims to the mass media which publish data on legal entities' registration; and
- Try to identify the Bank's creditors and recover the receivables; notify the creditors of the Bank's liquidation in written form.

After the deadlines set for the creditor's claims expire, the Liquidation Commission shall make an interim liquidation balance statement to reflect the Bank's existing property, the creditors' claims and the results of their reconciliation, as well as the list of requirements met due to the court order, which has been enacted irrespective of the requirements of the Liquidation Commission. Such interim liquidation balance shall be approved by the General Shareholders Meeting as agreed with the Bank of Russia.

If the Bank's available funds are insufficient to satisfy the creditors' claims, the Liquidation Commission shall sell the Bank's property through public auctions following the relative law enforcement procedures, save for the property with the value exceeding RUB 100,000 (under the approved interim liquidation balance statement) which do **not need any public auction to be sold**.

Payment under the claims of the Bank's creditors shall be made by the Liquidation Commission in the order of priority set out in Article 64 of the Civil Code of the Russian Federation, in compliance with the Interim Liquidation Balance, and starting with date of such balance approval.

After the creditors' claims are fully satisfied and relative payments are made, the Liquidation Commission shall make a Final Liquidation Balance Statement to be approved by the General Shareholders Meeting upon agreement with the Bank of Russia.

The remaining assets shall be distributed among the Bank's shareholders in compliance with the applicable legislation of the Russian Federation.

The liquidation commission shall transfer documents created in the process of Bank activity for storage under the procedure stipulated by federal laws and other regulatory and legal acts of the Russian Federation, in accordance with the list of documents created in the process of activity of credit institutions approved by the authorized federal executive body in the sphere of archive- and record-keeping together with the Bank of Russia, indicating the time period for which such documents shall be stored.

19.5. Liquidation shall be deemed completed, and the Bank shall be deemed liquidated as from the moment a relative entry is made into the State Register of Credit Institutions.

## **XX. AMENDMENTS TO THE CHARTER**

Any amendment or addition to the Charter, or approval of the reviewed Charter shall only be made by a decision of the General Shareholders Meeting, except for cases specified in Clauses 20.2 – 20.3 hereof.

20.2. Any amendment or addition to the Charter including those related to increase in the Bank's charter capital, shall be made on the basis of the share placement results, a relative decision of the General Shareholders Meeting to increase the Bank's charter capital, or on a decision of the Supervisory Council based on a resolution of the General Shareholders Meeting to -decrease the Bank's charter capital

by reducing the nominal value of the shares, on other decision related to a placement of shares or issue-grade securities convertible into shares, and the registered placement report, provided that under the applicable federal law the procedure of share issuance does not require a state registration of the report on share issue results, an extract from the state register of issue-grade securities. When the Bank's charter capital is increased by placing additional shares, the charter capital is increased to the extent of nominal value of the additional shares placed, while the number of the authorized shares of the relative categories (types) shall be decreased by the number of the additional shares of the same categories (types) so placed.

20.3. Any amendment or addition to the Charter related to decrease in the Bank's charter capital by the Bank's buy-out of its shares to be further redeemed shall be made on the basis of a relative decision of the General Shareholders Meeting and the report on share buy-out results approved by the Supervisory Council. Any amendment or addition to the Charter related to decrease in the Bank's charter by the redemption of the Bank's proprietary shares as specified by the Federal law "On Joint-Stock Companies" shall be made on the basis of a relative decision of the General Shareholders Meeting and the report on share redemption results approved by the Supervisory Council. In these cases the Bank's charter capital shall decrease to the extent of the nominal value of the redeemed shares.

20.4. Any amendment or addition duly made to the Charter shall be subject to state registration in compliance with the legislation of the Russian Federation.

Amendments and additions made to this Charter or reviewed Charter shall become valid for third parties as from their state registration.

20.5. If amendments to legislative or other regulatory acts of the Russian Federation enter into conflict with particular provisions of this Charter, the provisions of this Charter shall be applied to the extent to which they do not contradict the effective legislation of the Russian Federation.

President-Chairman of  
VTB Bank (PJSC) Management Board    signature

Andrey L. Kostin