

## EXPLANATORY NOTE

On changes to the Bank's Charter,  
Regulation on the General Shareholders' Meeting  
and Regulation on the Supervisory Board

Changes in applicable Russian laws and regulations, including the Federal Law "On Joint-Stock Companies", the Federal Law "On Securities Market", the Regulation on General Shareholders' Meetings No. 660-P approved by the Bank of Russia on 16.11.2018, call for amending certain sections of the Bank's Charter, Regulation on the General Shareholders' Meeting and Regulation on the Supervisory Board.

This explanatory note reflects key amendments to the aforesaid documents. For the ease of reference, it also lists their deleted and amended clauses.

### *1. Key changes to the Charter*

The sixth article (Shares and other emission securities of the Bank) sets out that the Bank as a credit institution may issue a new type of bonds – structured bonds.

The twelfth article (General Shareholders' Meeting) is adjusted as regards the preparation and holding of General Shareholders' Meetings, namely: the list of matters to be decided by annual General Shareholders' Meeting is adjusted (cl. 12.9.), the record date for participation in a General Shareholders' Meeting is adjusted in case of reorganisation by way of merger, spin-off or demerger (cl. 12.11.), notice to shareholders of General Shareholders' Meetings is extended (cl. 12.13), the Supervisory Board's right to propose, on a par with shareholders, agenda items for General Shareholders' Meetings and candidates to the Bank's management bodies is expanded (cl. 12.17.).

The thirteenth article (Supervisory Board) empowers the Supervisory Board to extend annually its members' qualification as independent directors from 7 to 12 years of their serving as such (subcl. 13.2.42. of cl. 13.2.) and reflects certain legal changes (subcl. 13.2.4. and 13.2.33. of cl. 13).

The fifteenth article adjusts the competence of the Chairman of the Management Board so that his AML/CFT control functions may be delegated by a bylaw to his deputy or a Management Board member.

Article seventeen (The Bank's Internal Control) is amended accordingly. Now AML/CFT control functions may, by virtue of a bylaw, be carried out by a Deputy Chairman or a member of the Management Board (cl. 17.12.). If the Head of Internal Control Section is not a member of the Management Board, then the Chairman of the Management Board may decide that it shall report to a Deputy Chairman and member of the Management Board who is not involved in making any decisions related to the Bank's banking operations and other transactions (cl. 17.16.).

### *List of deleted and amended clauses.*

<b><i>Deleted</i></b>	<b><i>Amended (numeration reflects deletions/additions):</i></b>
<b>Article 15:</b> 15.6.	<b>Article 6:</b> 6.5. <b>Article 12:</b> 12.7., 12.9., 12.11., 12.13., 12.17., 12.22., 12.27., 12.33. <b>Article 13:</b> 13.2., 13.4., 13.6. <b>Article 15:</b> 15.7. <b>Article 17:</b> 17.5., 17.12., 17.16.

## 2. Key changes to the Regulation on the General Shareholders' Meeting

Sections four to ten are synchronised with the amended Federal Law "On Joint-Stock Companies", in particular:

- terminology is updated;
- the Supervisory Board's right to propose, on a par with shareholders, agenda items and candidates to the Bank's management bodies is set out.

Other sections are synchronised with the Bank of Russia's newly enacted Regulation on General Shareholders' Meetings, in particular:

- explanations on voting ballot completion are updated;
- vote count and ballot completion rules are adjusted;
- required contents of vote count statements, vote count reports and minutes of General Shareholders' Meetings are adjusted.

*List of deleted and amended clauses.*

<b>Deleted:</b>	<b>Amended:</b>
<b>Section 4:</b> cl.4.12.	<b>Section 4:</b> cl.4.2. <b>Section 5:</b> cl.5.2. <b>Section 6:</b> cl.6.1. <b>Section 7:</b> cl.7.8. <b>Section 8:</b> cl.8.2. <b>Section 9:</b> cl.9.4. <b>Section 10:</b> cl.10.4. <b>Section 11:</b> cl.11.11. <b>Section 12:</b> cl.12.4. <b>Section 13:</b> cl.13.12. <b>Section 14:</b> cl.14.1., 14.3., 14.4., 14.6.-14.8., 14.12., 14.13.

## 3. Key changes to the Regulation on the Supervisory Board

Changes to the Regulation on the Supervisory Board result, in particular, from the amendments to the Charter and from the corporate governance practice improvement plan approved by the Supervisory Board on 18 September 2018, and are as follows:

- Supervisory Board members may obtain access to the Bank's and its controlled entities' documents and, at the Bank's expense, seek professional advice on issues within the Supervisory Board's competence by written enquiry to the Management Board;
- the form of notice of Supervisory Board meetings to be given to Supervisory Board members is set out;
- appraisal of the Bank's corporate governance system is added to the Supervisory Board's competence.

*List of amended clauses.*

<b>Added:</b>	<b>Amended:</b>
<b>Annex 1</b>	<b>Section 2:</b> 2.2 <b>Section 3:</b> cl.3.4., 3.33., 3.42., 3.43.

	<b>Section 4:</b> cl.4.1., 4.2., 4.7.
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