

APPROVED
By General Shareholders'
Meeting of
of CREDIT BANK OF MOSCOW
No. 04 dated September 11, 2015

**REGULATION
ON THE MANAGEMENT BOARD AND CHAIRMAN OF THE MANAGEMENT BOARD
OF CREDIT BANK OF MOSCOW (public joint-stock company)**

1. GENERAL PROVISIONS

1.1. This Regulation sets forth the status, formation and competence of the Management Board, which is the collective executive body of CREDIT BANK OF MOSCOW (public joint-stock company) (the "Bank"), and the Chairman of the Management Board, which is the sole executive body of the Bank, powers and responsibility of the Chairman of the Management Board and members of the Management Board, and the procedure for calling and holding meetings and recording resolutions of the latter.

1.2. The Supervisory Board shall by its resolution appoint the Chairman of the Management Board, approve members of the Management Board, remove all of the foregoing before term and determine remunerations and compensations to be paid to them.

1.3. The Chairman of the Management Board and the Management Board shall report to the General Shareholders' Meeting and the Supervisory Board.

1.4. The Chairman of the Management Board and the Management Board shall act subject to the legislation of the Russian Federation, regulations of the Bank of Russia, the Bank's Charter, this Regulation and resolutions of the General Shareholders' Meeting and the Supervisory Board.

2 MANAGEMENT BOARD

2.1. Formation of the Management Board

2.1.1. The Management Board shall be formed of at least 5 (five) persons by resolution of the Supervisory Board and shall act under the Charter and this Regulation.

2.1.2. Candidates to the Management Board must satisfy requirements set forth by federal laws and regulations of the Bank of Russia.

2.1.3. Members of the Management Board shall be approved by the Supervisory Board of the Bank as recommended by the Chairman of the Management Board. A candidate shall be deemed inducted into the Management Board if voted for by a majority of Supervisory Board members attending the relevant meeting.

2.1.4. The Bank must notify the Bank of Russia in writing of any proposed appointments as Chairman of the Management Board, his deputies (First Deputy Chairmen of the Management Board, Deputy Chairmen of the Management Board) or members of the Management Board as contemplated by legislation of the Russian Federation.

2.1.5. Management Board members shall hold their offices indefinitely. The Supervisory Board may remove any or all Management Board members before term. Any Management Board member so removed shall not be thereby discharged from his/her job in the Bank. Any resigning/dismissed employee who is also a Management Board member shall be removed from the Management Board.

If any member of the Management Board of the Bank proposes to resign, he shall give notice thereof to the Chairman of the Management Board of the Bank.

A Management Board member shall be deemed removed as soon as the Supervisory Board adopts the relevant resolution.

2.1.6. The Bank must notify the Bank of Russia in writing of any removal of the Chairman of the Management Board, his deputies (First Deputy Chairmen of the Management Board, Deputy Chairmen of the Management Board) or members of the Management Board not later than the business day following the day the relevant decision is made.

2.1.7. According to the Bank's Charter, no Audit Panel members may also be Management Board members.

2.2. Authority of the Management Board

The following matters shall be reserved to the Management Board:

- ensuring implementation of any resolutions of the General Shareholders' Meeting and the Supervisory Board, and any recommendations of the Audit Panel;
- approving interest rates, contract prices and charges for banking services;
- setting out the Bank's organisational structure and total number, and considering the Bank's staff chart,
- forming committees for any activities of the Bank and delegating thereto some of the powers of the Management Board under respective committee regulations approved by the Management Board,
- resolving matters related to opening and closing of internal organisational units,
- approving internal regulations: credit, accounting and other policies, instructions, regulations, procedures, manuals, guidelines and rules,
- defining the types and the list of information constituting the Bank's commercial secrets, determining the Bank's commercial secrecy policy and liability for violation thereof;
- implementing Supervisory Board resolutions as to application of monies of the Bank's funds for the purposes contemplated by their regulations within amounts approved by the Supervisory Board;
- deciding on acquisition or disposal by the Bank of any interest in the charter (or joint) capital (or unit fund) of another business entity or any block of ordinary shares in another joint-stock company;
- considering and transacting any other matters referred to the Management Board by the Chairman of the Management Board.

2.3. Proceedings of the Management Board

2.3.1. Management Board proceedings shall be directed by the Chairman of the Management Board.

2.3.2. Management Board meetings shall be called and held by the Chairman of the Management Board or a substitute, as often as necessary.

2.3.3. The agenda of Management Board meetings shall be drawn by the Chairman of the Management Board in consultation with all members thereof.

2.3.4. The quorum for any Management Board meetings shall be constituted by at least a half of the members thereof approved by the Supervisory Board. If the number of the Management Board members falls below the number needed for such quorum, the Supervisory Board shall approve a new membership of the Management Board.

2.3.5. Any resolutions on the items of agenda of any Management Board meetings shall be passed by a simple majority of the votes of its members present thereat.

2.3.6. Each Management Board member shall have one vote in respect of any item of agenda of any Management Board meeting. No Management Board member may transfer his voting right to any other person including any fellow Management Board member.

2.3.7. In case of any voting tie, the chairman of the meeting shall have a casting vote.

2.3.8. Management Board meetings shall be minuted by the Management Board secretary appointed by the Management Board out of the Bank's employees.

Any Management Board meetings held to consider and transact matters related to setting out terms of lending for specific customers (in the case of large exposures) may be minuted separately. Minuting any such Management Board meetings shall be a responsibility of the Credit Committee secretary.

The Credit Committee secretary shall annually prepare and deliver to the Management Board duly executed books of such minutes for the previous year.

2.3.9. Original documents related to the Management Board proceedings shall be kept in the the General Unit of the Clerical Service Department of the HR & Clerical Service Division.

2.3.10. Management Board minutes shall, upon request and in a manner adopted in the Bank, be provided to the Supervisory Board, the Audit Panel and the auditors' firm approved by the General Shareholders' Meeting.

3. CHAIRMAN OF THE MANAGEMENT BOARD

3.1. The Chairman of the Management Board of the Bank is the sole executive body of the Bank directing the day-to-day activities of the Bank.

3.2. Any proposed or incumbent Chairman or Deputy Chairman of the Management Board must satisfy the qualification and business reputation requirements set forth by federal laws and implementing regulations of the Bank of Russia.

3.3. The Chairman of the Management Board shall be appointed by the Supervisory Board after the Bank of Russia's approval is duly obtained for the relevant candidacy. The Chairman of the Management Board shall hold his office indefinitely. The Chairman of the Management Board may be removed by resolution of the Supervisory Board. If the Chairman of the Management Board proposes to resign, he shall give notice thereof to the Supervisory Board. The Chairman of the Management Board shall be deemed removed as soon as the Supervisory Board adopts the relevant resolution.

First Deputy Chairmen of the Management Board and Deputy Chairmen of the Management Board (collectively, "Deputy Chairmen of the Management Board") shall be appointed and removed by an order of the Chairman of the Management Board.

3.4. The Chairman of the Management Board may not also be the Chairman of the Supervisory Board.

3.5. All matters related to the day-to-day management of the Bank's activities shall be reserved to the Chairman of the Management Board, unless reserved to the General Shareholders' Meeting or the Supervisory Board.

The Chairman of the Management Board shall:

- without any power of attorney, represent the Bank in any institutions, enterprises and organisations in the Russian Federation and abroad, and make any agreements whatsoever and any other transactions on behalf of the Bank;
- dispose of the Bank's property to the extent permitted by the effective legislation of the Russian Federation;
- open correspondent and any other accounts with other banks including foreign banks;
- ensure accounting and reporting in the Bank, and compliance of banking operations with the effective legislation of the Russian Federation, and be liable for the performance of the said duties imposed on him by federal laws;
- direct Management Board proceedings;
- propose candidacies for Management Board members to the Supervisory Board;
- approve the Bank's staff chart, hire and dismiss its employees (in particular, appoint and dismiss the Bank's Chief Accountant), grant incentives to and impose sanctions on the Bank's staff under the effective legislation of the Russian Federation;
- define the number of staff for the Internal Audit and Control Division as is sufficient for achieving the Bank's internal control objectives and targets;
- issue orders and directions binding on all of the Bank's employees on any issues of the Bank's activities;
- issue powers of attorney to the Bank's employees, whether sub-delegable or not;

- organise the Bank’s internal control for anti-money laundering and combating financing of terrorism;
- set the coupon rate for (coupon income on) the Bank’s bonds;
- resolve to appoint a representative of bondholders where required by federal laws, and to make/amend/terminate the contract with any such representative.
- resolve to convene a General Bondholders’ Meeting in such manner and time as set out by applicable laws.
- approve securities issue completion reports;
- resolve any other issues arising out of the Bank’s day-to-day activities.
- do other acts contemplated by the Bank’s Charter and effective legislation of the Russian Federation.

3.6. In case of temporary absence of the Chairman of the Management Board, his functions shall be performed by a First Deputy Chairman of the Management Board or by a Deputy Chairman of the Management Board appointed Acting Chairman of the Management Board by an order of the Bank.

While the Chairman of the Management Board is absent, the Acting Chairman of the Management Board shall exercise the rights and perform the duties of the Chairman of the Management Board stipulated by the Bank’s Charter and by legislation of the Russian Federation.

3.7. Deputy Chairmen of the Management Board shall oversee activities of the Bank’s organisational units within certain business areas according to the split of responsibilities adopted in the Bank. Deputy Chairmen of the Management Board shall act on behalf of the Bank within their competence under powers of attorney issued by the Chairman of the Management Board.

4. INTERNAL CONTROL POWERS THE MANAGEMENT BOARD AND THE CHAIRMAN OF THE MANAGEMENT BOARD

4.1. The Management Board, the Chairman of the Management Board and Deputy Chairmen of the Management Board shall carry out internal control within the powers defined by the Bank’s constituent and internal documents.

4.2. In relation to internal control, the Management Board and the Chairman of the Management Board are authorised to:

- define responsibilities for implementation of any Supervisory Board resolutions and implement the Bank’s internal control set-up and operation strategy and policy;
- assign responsibilities to the managers of the relevant structural units for developing internal control policies and control implementation thereof;
- review compliance of the Bank’s business with the internal control regulations, and evaluate the adequacy of such regulations to the nature and the scale of the Bank’s business;
- assign responsibilities among the units and employees responsible for specific aspects (forms and methods) of internal control;
- review the materials and findings of regular internal control performance appraisals;
- set up efficient communication systems providing necessary information to relevant users;
- ensure operation of a system enabling control over remediation of any internal control faults or flaws identified, and appraise success of any such remediation.

4.3. The Deputy Chairmen of the Management Board shall act in relation to the internal control arrangements as directed by the Chairman of the Management Board.

5. RIGHTS, DUTIES AND RESPONSIBILITIES OF MANAGEMENT BOARD MEMBERS AND THE CHAIRMAN OF THE MANAGEMENT BOARD

5.1. The Chairman of the Management Board, Deputy Chairmen of the Management Board and Management Board members shall exercise their rights and perform their duties acting in the Bank’s interests in good faith and reasonably. They shall be liable for any losses caused to the Bank by their guilty actions (omission) as stipulated by the effective legislation of the Russian Federation.

Any Management Board members who voted against, or did not vote on, a resolution which resulted in losses for the Bank shall not be liable therefor.

5.2. The Chairman of the Management Board, Deputy Chairmen of the Management Board and Management Board members may not hold any offices in any other credit or insurance organisations, stock market professional participants, leasing companies or affiliates of the Bank.

The Chairman of the Management Board, Deputy Chairmen of the Management Board and Management Board members may only hold offices in management bodies of any other entities subject to consent of the Supervisory Board.

The offices of the Chairman of the Management Board, Deputy Chairmen of the Management Board and Management Board members may not be held by:

anyone who acted as the sole executive body or served on a collective executive body of any asset management company of, or designated depository for, joint-stock investment funds, unit investment funds or non-governmental pension funds, or any joint-stock investment fund, stock market professional participant, credit organisation, insurance company or non-governmental pension fund at the time of cancellation (revocation) of such entity's licence for its respective activities due to any non-compliance with the licence requirements or at the time of ordering bankruptcy proceedings, if any such cancellation occurred or any such bankruptcy proceedings ended less than three years ago;

anyone with a criminal record for economic offence or offence against the state.

5.3. Rights and duties of the Chairman of the Management Board, Deputy Chairmen of the Management Board and Management Board members shall be as set out by the effective legislation of the Russian Federation, the Bank's Charter, this Regulation and a contract made between each such person and the Bank. Any such contract shall be signed on behalf of the Bank by the Chairman of, or by a person authorised by, the Supervisory Board.

5.4. The Chairman of the Management Board shall bear responsibility for the truth of any information contained in the Bank's statements.

5.5. The Chairman of the Management Board, Deputy Chairmen of the Management Board and Management Board members may:

- initiate the calling of Supervisory Board meetings;
- obtain information regarding the Bank's business (within their competence).

5.6. The Chairman of the Management Board, Deputy Chairmen of the Management Board and Management Board members may not disclose any confidential information about the Bank's business coming to their notice, including any information constituting the Bank's banking or commercial secrets.

5.7. The Chairman of the Management Board, Deputy Chairmen of the Management Board or Management Board members may be removed if they do any of the following:

- cause material losses to the Bank;
- cause damage to the Bank's business reputation;
- commit a wilful criminal offence;
- conceal their interest in any transaction involving the Bank;
- negligently perform their duties;
- breach any provision of the Bank's Charter or joint-stock companies legislation of the Russian Federation, including those concerning circulation of securities issued by the Bank;
- conceal their involvement in activities of the executive bodies of other business companies or other legal entities (other than public associations, trade unions or political parties) which should have been notified to the Management Board or, where so expressly required by the Bank's Charter or legislation of the Russian Federation, the General Shareholders' Meeting;
- obtain personal benefit from disposal of any property of the Bank, except where permitted by legislation of the Russian Federation, the Charter, other documents, or resolutions of management bodies, of the Bank;
- found business companies or other commercial organisations competing with the Bank while serving on the Bank's Management Board.

The Chairman of the Management Board, Deputy Chairmen of the Management Board and Management Board members may be also removed by other reasons stipulated by the Bank's Charter and the effective legislation of the Russian Federation.

5.8. Provisions of labour laws of the Russian Federation shall apply to the Chairman of the Management Board, Deputy Chairmen of the Management Board and Management Board members to the extent consistent with the provisions of the Federal Law "On Joint-Stock Companies".

Chairman of the Supervisory Board
of CREDIT BANK OF MOSCOW

William Forrester Owens