

APPROVED  
by annual General Shareholders' Meeting of  
CREDIT BANK OF MOSCOW  
(Minutes No. 01 dated 27.05.2019)

## **REGULATION ON THE SUPERVISORY BOARD OF CREDIT BANK OF MOSCOW**

### **1. GENERAL PROVISIONS**

- 1.1. This Regulation sets forth the status, formation and competence of, powers and responsibility of the members of, procedure for calling and holding meetings and recording resolutions of, the Supervisory Board of CREDIT BANK OF MOSCOW (public joint-stock company) (the "Bank").
- 1.2. The Supervisory Board shall carry out the general governance of the Bank's activities, except the matters reserved to the General Shareholders' Meeting, in particular control activities of the Bank's executive bodies and perform other functions assigned to it by the Bank's Charter or current statutory provisions.
- 1.3. The Supervisory Board shall act in accordance with Russian legislation, the Bank's Charter, this Regulation and other bylaws of the Bank as approved by the General Shareholders' Meeting or the Supervisory Board, and resolutions of the General Shareholders' Meeting.
- 1.4. The General Shareholders' Meeting may decide to remunerate Supervisory Board members as long as they perform their duties and to reimburse any expenses incurred by them in connection with their service in such capacity, in amounts to be determined by the General Shareholders' Meeting.

### **2. MEMBERS AND THE CHAIRMAN OF THE SUPERVISORY BOARD**

- 2.1. Supervisory Board members shall be elected by the General Shareholders' Meeting for the term until the next annual General Shareholders' Meeting and may be re-elected an unlimited number of times.
- 2.2. Supervisory Board members may only be natural persons.

Supervisory Board members and nominees must meet the business reputation and eligibility requirements set out under federal laws and must provide the Bank with documents confirming that they meet such requirements in such time as to allow the Bank to comply with requirements imposed by federal laws and/or regulations of the Bank of Russia.

Any Supervisory Board member against whom a judgment has come into force imposing a sentence for a deliberate crime or an administrative penalty by way of disqualification, shall be deemed removed from the Supervisory Board once such judgment comes into force. Any Supervisory Board member becoming aware of anything making his or her business reputation ineligible must notify the Bank as provided for in article 6 hereof.

Management Board members may not hold more than one quarter of the Supervisory Board membership. No Management Board member (including the Chairman of the Management Board) may be the Chairman of the Supervisory Board at the same time.

Members of the Supervisory Board must notify it of their intention to serve in governing bodies of other entities, save for the Bank's controlled and dependent entities, and of any such appointment.

The Bank shall ensure at least 3 (three) independent directors are elected to the Supervisory Board.

Independent directors of the Bank are those Supervisory Board members who have no direct or indirect relationship with the Bank other than membership in the Supervisory Board and who:

- (1) are not, and have not been in the past 5 (five) years, employed by the Bank or its affiliates. In this clause, “affiliates” means with respect to any person, any individuals or entities directly or indirectly controlling, controlled by or under common control with, that person. For the purposes of this clause, the words “control” and “to control” mean the power of an individual or entity, whether independently or jointly with other individuals or entities, directly or indirectly (through third parties), to influence activities of entities and/or individuals (including to direct the management or business policies of an entity through the direct or indirect ownership of more than 20 (twenty) percent of its capital and/or by contract made between that individual or entity and the other individual(s) and/or entity(ies));
- (2) are not affiliated with any non-profit organisation that receives significant funding from the Bank or its affiliates;
- (3) do not receive and have not received in the past 5 (five) years, any additional payments from the Bank or its affiliates other than their remuneration, and reimbursement of expenses related to their service, as Supervisory Board members (such remuneration and reimbursement related to their service as Supervisory Board members may not constitute a significant portion (share) of any such independent director’s total income for the calendar year in which such remuneration and reimbursement were paid);
- (4) do not participate in any employee pension programme (plan) or share option programme (plan) of the Bank or any of its affiliates;
- (5) are not employed as the sole executive body or a member of the collective executive body of another entity where any of the members of the Bank’s collective executive body serve on that entity’s board of directors (supervisory board);
- (6) are not, nor have been at any time during the past 5 (five) years, employed by or affiliated with an auditor of the Bank or any of its affiliates;
- (7) do not hold, and are not members of a management body of any entity, or general partners of any general partnership, or members of a business partnership, or partners (members) of an entity incorporated under foreign law in a legal form similar to that of general partnership or business partnership, and cannot give binding instructions to or otherwise direct the activities of an entity that holds, any significant (more than 2 (two) percent) portion of the outstanding shares in the Bank or shares/interests in the capital of any of its affiliates;
- (8) are not members of the immediate family, guardians or trustee of any individual who would not meet any of the tests set out in (1)-(7) of this clause, nor assistants to any such individual who is of age, legally capable and placed under guardianship, nor executors of estate of any such individual who has been declared missing, nor administrators or trustees of estate of any such individual who is or has been declared deceased.
- (9) have not served on the Supervisory Board for more than 7 (seven) years.

Any Supervisory Board members who have served as independent directors for 7 (seven) years, may, on an annual basis, be qualified by Supervisory Board resolution as independent directors, provided that none of them may be so qualified after 12 (twelve) years of serving as such.

Starting from the date of approval of the Bank’s annual report for 2012, those who have been independent directors of the Bank since the date of approval of its previous annual report at a General Shareholders’ Meeting and nominees to the Supervisory Board who can be qualified as independent directors of the Bank if elected to the Supervisory Board by the annual General Shareholders’ Meeting which approves the given annual report of the Bank, shall be identified therein.

The criteria for qualification of Supervisory Board members as independent directors of the Bank for the purposes of consenting to or approving subsequently interested party transactions shall be as required by Russian laws without any reference to the provisions of this clause.

- 2.3. Supervisory Board shall evaluate candidate's independence and issue an opinion of his/her independence as well as to review, on regular basis, whether or not independent Supervisory Board members meet the criteria of independence and procure prompt disclosure of information on any circumstances as a result of which a particular director ceases to be independent. When evaluating whether a particular candidate (Supervisory Board member) is independent, reason should take precedence over formality.

In some exceptional cases the Supervisory Board at making assessment may acknowledge a candidate as an independent one (elected member of the Supervisory Board) in spite of formal criteria of the latter on being related to the Bank, substantial counterparty or Bank's competitor, provided that such criteria have no influence on the ability of the Supervisory Board member to make independent, objective, and faithful judgments.

- 2.4. An independent director should abstain from performing any action as a result of which he/she may cease to be independent. If, after a person is elected to the Supervisory Board as an independent director, there occurs a circumstance as a result of which such director ceases to be independent, he/she shall be obliged to notify the Supervisory Board accordingly, and the Supervisory Board should procure that information of such Supervisory Board member's loss of his/her status of an independent director be disclosed.
- 2.5. Supervisory Board shall identify the senior independent director among the Bank's independent directors, who coordinates work of the independent directors, in particular, convening, as appropriate, chairing meetings of the independent directors and playing a key role when evaluating the efficiency of performance of the Chairman of the Supervisory Board and when dealing with proposed successors to the position of the Chairman of the Supervisory Board.

In a conflict situation (for example, if there are significant disagreements between members of the Supervisory Board or if the Chairman of the Supervisory Board fails to pay attention to any matters which are requested to be considered by individual Supervisory Board members or the Bank's shareholders entitled to apply to the Supervisory Board for that purpose), the senior independent director should use his/her efforts to resolve the conflict by liaising with the Chairman of the Supervisory Board, other Supervisory Board members and the Bank's shareholders with a view to ensuring efficient and stable work of the Supervisory Board.

- 2.6. No member of the Supervisory Board needs to be a shareholder of the Bank.
- 2.7. Nominees to the Supervisory Board must satisfy requirements set forth by federal laws and regulations of the Bank of Russia.

The following are not eligible as members of the Supervisory Board:

- (1) anyone who acted as the sole executive body or served on a collective executive body of any managing 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 the relevant 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;
  - (2) anyone with a criminal record for economic offence or offence against the state.
- 2.8. The Supervisory Board must have at least 5 (Five) members. If the number of holders of the Bank's voting shares exceeds 1,000 (One thousand), the Supervisory Board may not have less than 7 (Seven) members. If the number of holders of the Bank's voting shares exceeds 10,000 (Ten thousand), the Supervisory Board may not have less than 9 (Nine) members.
- 2.9. The members of the Supervisory Board shall be elected by cumulative voting.

Under cumulative voting, votes owned by each shareholder shall be multiplied by the number of the persons to be elected to the Supervisory Board. Any shareholder may cast all the votes so calculated for one or more nominees to the Supervisory Board.

The nominees to get the largest number of the votes shall be deemed elected to the Supervisory Board.

- 2.10. The Chairman and / or members of the Supervisory Board shall be removed by resolution of the General Shareholders' Meeting. A resolution on early removal may only be passed by the General Shareholders' Meeting with respect to all members of the Supervisory Board.
- 2.11. If any member of the Supervisory Board proposes to resign, he shall give notice thereof to the Chairman of the Supervisory Board. If the Chairman of the Supervisory Board proposes to resign, he shall give notice thereof to the Supervisory Board. The Chairman and / or members of the Supervisory Board shall be discharged as set out in cl. 2.10 hereof.
- 2.12. No member of the Audit Panel may be a member of the Supervisory Board at the same time.
- 2.13. Members of the Supervisory Board shall elect one of them as the Chairman of the Supervisory Board by a majority of votes of the members present at the meeting thereof.
- 2.14. The Chairman of the Supervisory Board shall steer its proceedings, call, preside over, and procure keeping of the minutes of, its meetings.
- 2.15. Members of the Supervisory Board may at any time elect a new Chairman of the Supervisory Board by a majority of votes of such members present at the meeting.
- 2.16. Functions of the absent Chairman of the Supervisory Board shall be delegated to one of the members of the Supervisory Board by its resolution.

### **3. COMPETENCE OF THE SUPERVISORY BOARD**

The following matters shall be reserved to the Supervisory Board:

- 3.1. Setting priority activities for the Bank.
- 3.2. Calling annual and extraordinary General Shareholders' Meetings in due manner, except as stipulated by the Federal Law "On Joint-Stock Companies".
- 3.3. Approving the agenda of General Shareholders' Meetings.
- 3.4. Setting the record date for participation in a General Shareholders' Meeting, and deciding any other matters reserved to it by the Federal Law "On Joint-Stock Companies" and related to preparation and holding of General Shareholders' Meetings.
- 3.5. Resolving to increase the Bank's charter capital by placing additional shares within the number and classes (types) of the authorised shares as set out by clause 5.3 of the Bank's Charter.
- 3.6. Placing additional shares by way of conversion of the Bank's preferred shares of a certain type convertible into ordinary shares or preferred shares of other types, if such placement is not related to an increase of the Bank's charter capital.  
  
Making (amending) resolutions to place bonds and other emission securities of the Bank as permitted by Russian laws, including convertible bonds and other convertibles, except where placement of convertible bonds and other convertibles is reserved by the Bank's Charter or the Federal Law "On Joint-Stock Companies" to the General Shareholders' Meeting.
- 3.7. Determining the price (monetary value) of property, determining the placement price, or a procedure for determination thereof, and buy-back price of the Bank's emission securities where provided for by Russian laws.
- 3.8. Resolving to buy back the Bank's shares (unless in connection with any reduction of the Bank's charter capital), bonds and any other emission securities where provided for by Russian laws.
- 3.9. Forming the Bank's executive bodies, in particular appointing, removing, and determining remunerations and compensations to be paid to, the Chairman of the Management Board and members of the Management Board.
- 3.10. Appointing and removing Deputy Chairmen of the Management Board as proposed by the Chairman of the Management Board.

- 3.11. Resolving to file requests with the Bank of Russia to approve candidacies of the Chairman of the Management Board, his Deputies, Management Board members and other officers to be approved by the Bank of Russia as required by applicable legislation.
- 3.12. Recommending to the General Shareholders' Meeting the amount of remunerations and compensations for the members of the Audit Panel and determining the amount of fees for the services of the auditors firm.
- 3.13. Recommending to the General Shareholders' Meeting the amount of, and the method for payment of, dividends on the Bank's shares.
- 3.14. Approving bylaws of the Bank, except those reserved by the Federal Law "On Joint-Stock Companies" to the General Shareholders' Meeting and those reserved by the Bank's Charter to the executive bodies of the Bank.
- 3.15. Allocating the reserve fund and any other funds of the Bank.
- 3.16. Setting up and dissolving branches and representative offices of the Bank.
- 3.17. Consenting to or approving subsequently interested party transactions where required by the effective legislation of the Russian Federation.
- 3.18. Consenting to or approving subsequently major transactions where required by the effective legislation of the Russian Federation.
- 3.19. Appointing, removing, and approving the amount and conditions of remuneration for, the Head of Internal Audit Division, approving the Regulation on, considering and approving performance reports of, and approving working plans of, the Internal Audit Division, and exercising any other powers related to the Bank's internal control arrangements as set out in Article 17 of the Bank's Charter.
- 3.20. Resolving to appoint and remove the Corporate Secretary, and approving the Regulation on the Corporate Secretary.
- 3.21. Approving the Bank's registrar and the terms of contract with such registrar, and terminating any such contract.
- 3.22. Approving resolutions to issue securities, prospectuses and buy-back completion reports.
- 3.23. Approving the Bank's annual budget or any material amendments thereto.
- 3.24. Approving any transaction to be made by the Bank with any of its related parties, other than those made by the Bank in the ordinary course of business with a value (per one transaction) less than 3 (three) percent of the Bank's Tier I Capital as calculated under the report on "International Convergence of Capital Measurement and Capital Standards" dated July 1988 of the Basel Committee on Banking Supervision, as amended from time to time, as at the last reporting date preceding the date of the transaction in question (the "Bank's Capital") or those subject to approval by the Supervisory Board or General Shareholders' Meeting as major or interested party transactions (interested parties being defined according to International Financial Reporting Standards IAS 24 Related Party Disclosures).
- 3.25. Authorising any arrangement for the acquisition or disposal by the Bank of shares or other stock in legal entities and organisations where the consideration payable by or due to the Company exceeds 20 (twenty) percent of the Bank's Capital, whether in one or a series of transactions.
- 3.26. Approving any single transaction or series of related transactions for the disposal of any assets of the Bank of which the book (aggregate book) value as at the last reporting date exceeds 20 (twenty) percent of the Bank's Capital (excluding any such disposals contemplated in the annual budget of the Bank).
- 3.27. Approving any actions to be taken by the Bank (other than those contemplated in the annual budget of the Bank) whereby the Bank incurs any obligations to pay amounts exceeding in aggregate 20 (twenty) percent of the Bank's Capital to any person (group of persons).
- 3.28. Approving any single transaction or series of related transactions to be undertaken by the Bank or its controlled persons whereby the Bank acquires, directly or indirectly, of more than 50 percent of

the capital of or voting shares in a legal entity, or enters into any joint venture (joint venture being defined according to the International Financial Reporting Standards (IFRS)).

- 3.29. Approving any single transaction or series of related transactions to be made by the Bank or its controlled persons whereby the Bank disposes, directly or indirectly, of all or any part of an equity interest held or, in the case of a related party within the meaning of IAS 24 (Related Party Disclosure), indirectly controlled by the Bank and representing more than 50 (fifty) percent of the capital of or voting shares in the relevant company or related party, if such transaction or transactions result(s) in the Bank owning less than 25 (twenty five) percent of the capital of or voting shares in such company or related party.
- 3.30. Approving any single transaction or series of related transactions to be made by the Bank outside of the ordinary course of its business and giving rise to an obligation for the Bank to pay amounts in excess of 5 (five) percent of the Bank's Capital to any person (group of persons).
- 3.31. Approving any material transaction or series of related transactions, which are in aggregate material for the Bank, whereby the Bank acquires/disposes of any intellectual property rights or obtains/grants a license thereto.
- 3.32. Save for matters reserved to the General Shareholders' Meeting or dealt with elsewhere in the Charter, approving any single transaction or series of related transactions to be made by the Bank with a view to the placement or public circulation of, or of any foreign-law securities of a foreign issuer traded outside the Russian Federation and representing interest in, the shares or convertibles of the Bank.
- 3.33. Creating specific committees of the Supervisory Board, whether temporary or standing, to preliminarily consider the most important issues of the Bank's activity and to enhance its own performance.

The Supervisory Board shall approve bylaws setting out the competence and procedures of, and shall determine the membership and terminate the authority of, the said committees, provided that the Strategy and Capital Markets Committee must have at least one member who is an independent director of the Bank and no members who are not members of the Supervisory Board, while the Audit and Risk Committee and the Compensation, Corporate Governance and Nominations Committee must consist of independent directors entirely or, if impossible due to objective reasons, majoritarily, with the remaining committee members being Supervisory Board members who are not the Bank's sole executive body and/or collective executive body members.

The quorum of, and the provisions for convening and holding, meetings of committees of the Supervisory Board must comply with the requirements to the quorum, convening and holding of the Supervisory Board meetings set out in clauses 13.9–13.10 of the Bank's Charter, unless required otherwise by the nature of the activity of any such committees.

- 3.34. Approving the policy for preventing, detecting and obstructing insider information abuse and market manipulation.  
 Reviewing and approving reports and the Bank's policy documents in respect of insider information access procedure, its confidentiality rules and control over compliance with statutory insider information requirements.
- 3.35. Approving the Bank's risk and capital management strategy, in particular with respect to ensuring adequate capital and liquidity to cover risks both for the Bank in whole and for individual lines of its business, and also approving, and controlling the fulfilment of, a process for managing the Bank's most critical risks.
- 3.36. Approving a conflict of interest prevention policy, financial recovery plan, business continuity/recovery plan in the event of any contingency, approving the Bank's remuneration policy and controlling implementation of such policy.
- 3.37. Approving the procedure for applying the Bank's risk management techniques and risk quantification models (where so provided by the Federal Law "On the Central Bank of the Russian Federation (the Bank of Russia)", including valuation of its assets and liabilities, off-balance sheet commitments and liabilities, and stress test scenarios and results.

- 3.38. Based on the Internal Audit Division's reports, appraising the compliance by the Chairman of the Management Board and the Management Board with strategies and procedures approved by the Supervisory Board.
- 3.39. Deciding on Supervisory Board members' duties, in particular creating board committees, appraising its own performance and presenting results to General Shareholders' Meetings.
- 3.40. Approving the Bank's HR policy in accordance with applicable legislation of the Russian Federation.
- 3.41. Resolving to apply for listing of the Bank's shares and/or convertibles.
- 3.42. Deciding on an annual basis whether to qualify a Supervisory Board member who has served as such for 7 (seven) years as independent director as provided for by and subject to the terms of the Bank's Charter.
- 3.43. Undertaking annual appraisal of the Bank's corporate governance.
- 3.44. Any other matters contemplated by the Bank's Charter and the effective legislation of the Russian Federation.

No matters reserved to the Supervisory Board may be referred to any executive bodies of the Bank.

#### **4. PROCEEDINGS OF THE SUPERVISORY BOARD**

- 4.1. Meetings of the Supervisory Board shall be called by its Chairman at his own discretion or by request of any member of the Supervisory Board, the Audit Panel, the Bank's auditors firm, the head of the subdivision responsible for internal audit, the Management Board, the Chairman of the Management Board or other persons as set forth by the Bank's Charter.
- 4.2. Meetings of the Supervisory Board may be held both with or without physical presence. The Supervisory Board shall count the written opinion of any Supervisory Board member absent from the relevant meeting towards quorum of that meeting and in any voting thereat.

Notice of each meeting of the Supervisory Board together with its agenda, proposed resolutions on the items of such agenda, materials and information necessary for the Supervisory Board members to make well-grounded resolutions on the items of agenda of the forthcoming Supervisory Board meeting, shall be circulated to the Supervisory Board members at least 15 (Fifteen) days in advance of such meeting.

Notice of a meeting of the Supervisory Board shall be emailed to the Supervisory Board members in the form of Annex hereto.

The requirement of the foregoing paragraph shall not apply where the Supervisory Board is required to make a decision within its competence in circumstances in which the foregoing requirement cannot be observed, such notice requirements may be waived with the unanimous written approval of all Directors, provided that the Supervisory Board members have unanimously waived such requirement.

Each member of the Supervisory Board may participate in any Supervisory Board meeting held by way of physical presence by telephone or video conference subject to a reasonable notice thereof to be given to the Bank. The chairman of any Supervisory Board meeting shall ensure audio or video recording of observations and voting of any Supervisory Board member participating by telephone or video conference. The material carrier of any such audio or video record shall be filed with the minutes of such meeting.

Independent directors shall inform the Supervisory Board of their dissent with the proposed resolution in respect of any material corporate actions requiring its approval before the end of the voting thereon.

- 4.3. The Supervisory Board shall meet at least once every calendar quarter according to a schedule fixed by its resolution. Each Supervisory Board meeting shall confirm the date of the next Supervisory Board meeting as per the schedule of Supervisory Board meetings or fix another date of the next Supervisory Board meeting.

- 4.4. The quorum for any (including any adjourned) meeting of the Supervisory Board shall be a majority of the elected members thereof.

If the number of the members of the Supervisory Board falls below the quorum stipulated hereby, the Supervisory Board shall call an extraordinary General Shareholders' Meeting to elect new members to the Supervisory Board.

The Chairman of the Supervisory Board shall adjourn any inquorate meeting to the same time and place and with the same agenda on a day falling not earlier than 10 (ten) days but no later than 21 (twenty-one) days thereafter.

- 4.5. Any resolution on the items of agenda of any meeting of the Supervisory Board shall be passed by a majority of votes of the members attending the meeting, unless a greater number of votes is required by the Federal Law "On Joint-Stock Companies", the Bank's Charter or a bylaw of the Bank setting out the provisions for convening and holding Supervisory Board meetings.
- 4.6. Each member of the Supervisory Board shall have one vote. No transfer of vote from one member of the Supervisory Board to another shall be permitted.
- 4.7. Any Supervisory Board member may:
- request and obtain any information or access to documents on the Bank and its controlled entities by written enquiry to the Management Board;
  - attend any Management Board meetings, as necessary and with consent of the Chairman of the Management Board;
  - seek professional advice on issues within the Supervisory Board's competence at the Bank's expense by written enquiry to the Management Board.

Supervisory Board members' activity is carried out on an ongoing basis and is not limited to participation in the meetings of the Supervisory Board.

- 4.8. The Chairman of the Supervisory Board shall:
- steer proceedings of the Supervisory Board;
  - preside over Supervisory Board meetings;
  - call Supervisory Board meetings;
  - sign the minutes of Supervisory Board meetings;
  - ensure preparation of materials to be considered by any General Shareholders' Meeting and Supervisory Board;
  - take any and all measures as may be required to provide the Supervisory Board members in a timely fashion with information required to resolve issues on the agenda; in their turn, the Bank's officers must provide such information to Supervisory Board members through the Corporate Secretary;
  - submit issues for discussion at Supervisory Board meetings;
  - take the lead in drafting resolutions on issues under consideration;
  - perform other functions contemplated by the Bank's Charter.
- 4.9. The agenda of Supervisory Board meetings shall be drawn by the Chairman of the Supervisory Board in consultation with any persons requesting the calling thereof.
- 4.10. Any member of the Supervisory Board may propose to include in the agenda of a meeting thereof any matter reserved thereto.
- 4.11. The duty to minute Supervisory Board meetings shall be assigned to the Corporate Secretary. Minutes of Supervisory Board meetings shall be kept in the Corporate Secretary Service.
- 4.12. The minutes of any Supervisory Board meeting shall be signed by the person chairing such meeting and responsible for keeping minutes correctly, and the Corporate Secretary, and shall be certified by the Bank's round seal.



The minutes of each Supervisory Board meeting shall specify:

- place and time of the meeting;
- full names of the attendees;
- agenda of the meeting;
- issues put to vote and respective voting results;
- resolutions made on the issues put to vote.

- 4.13. The minutes of each Supervisory Board meeting shall be drawn within 3 (Three) days thereof.
- 4.14. Supervisory Board members shall exercise their rights and perform their duties acting in the Bank's interests in good faith and reasonably. Supervisory Board members 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.
- 4.15. In order to exercise its powers to control implementation of the remuneration policy (cl. 3.37 hereof), the Supervisory Board shall:
- 4.15.1. approve documents setting out rules for determining salaries and performance-unrelated compensations, incentives and allowances for the Chairman of the Management Board and Management Board members ("executives"), and rules for determining the amount, form and accrual of performance-related compensations and bonuses for executives and other managers (employees) approving the Bank's operations and other transactions which may affect its compliance with mandatory ratios or result in other situations jeopardising its depositors' and creditors' interests, including triggers for subjecting it to insolvency (bankruptcy) prevention measures ("other risk takers"), and for employees of subdivisions responsible for internal control and those responsible, at the level of individual portfolios, business areas and the entire Bank, for identifying and assessing risks, setting risk limits, assessing related capital requirements and controlling compliance with the above limits ("risk management subdivisions"), including the Bank's Remuneration Policy for Members of the Management Board and Selected Senior Executives and Staff Remuneration Policy;
  - 4.15.2. at least once every calendar year, consider whether to keep or revise the documents listed in cl. 4.15.1. hereof;
  - 4.15.3. approve the Bank's payroll budget;
  - 4.15.4. at least once every calendar year, consider proposals (if any) of the Internal Audit Division, Internal Control Service and risk management subdivisions as to improvement of the payroll system and reports of the subdivision(s) responsible for monitoring of that system;
  - 4.15.5. consider independent appraisals of the payroll system (including that in the external auditor's annual report) and information (reports) of the Supervisory Board's Audit and Risk Committee;
  - 4.15.6. control large remuneration payments defined according to criteria set out in the Bank's policy documents;
  - 4.15.7. consider other issues related to organisation, monitoring and control of the payroll system, and to appraisal of its consistency with the Bank's strategy, the nature and scale of its operations, its performance, and the level and mix of risks taken by it.
- 4.16. In order to exercise its powers to control implementation of the Bank's risk and capital management strategy (cl. 3.35 hereof), the Supervisory Board shall review reports on fulfilment and efficiency of the Bank's internal capital adequacy assessment procedures, on results of stress tests of critical risks, on critical risks, on compliance with mandatory ratios, on the capital amount and the results of the Bank's capital adequacy assessment.

## **5. CORPORATE SECRETARY**

- 5.1. The Supervisory Board's work shall be supported by the Corporate Secretary, whose functions are set out in the Regulation on the Corporate Secretary approved by the Supervisory Board.
- 5.2. If the Corporate Secretary is absent, the Supervisory Board's work shall be supported by another employee of the Corporate Secretary's Service appointed by the Supervisory Board for the period of the Corporate Secretary's absence.
- 5.3. The Corporate Secretary may request the Bank's officers to provide any information and documents required to prepare materials for items of agenda of Supervisory Board meetings.
- 5.4. The Corporate Secretary shall:
  - minute Supervisory Board meetings and arrange for Supervisory Board committee meetings to be minuted;
  - register and keep incoming documentation and copies of outgoing documentation of the Supervisory Board;
  - notify Supervisory Board members of the dates of Supervisory Board meetings (absentee votings) in the manner and time provided for hereby;
  - send out to Supervisory Board members any materials required to consider items of agenda of Supervisory Board meetings (absentee votings) in the manner and time provided for hereby;
  - carry out other functions set out in this Regulation and the Regulation on the Corporate Secretary;
  - not disclose any non-public information about the Bank's activities that is restricted by Russian legislation and the Bank's policy documents and that has come to his / her notice when acting as the Corporate Secretary.

## **6. REPORTING FACTS EVIDENCING NON-CONFORMITY OF A SUPERVISORY BOARD MEMBER'S BUSINESS REPUTATION TO STATUTORY REQUIREMENTS**

- 6.1. A Supervisory Board member's business reputation is deemed to conform to statutory requirements if none of the unsatisfactory business reputation criteria set out in art. 16 of the Federal Law "On Banks and Banking Activities" and/or other federal laws applies.
- 6.2. Any Supervisory Board member becoming aware of anything making his or her business reputation ineligible must, within 2 (two) business days, give the Bank a written notice (a "Notice").
- 6.3. Any Notice must contain the following:
  - a detailed description of the fact evidencing non-conformity of his or her business reputation (e.g., if a judgment has come into force imposing an administrative penalty or a sentence for a deliberate crime, it should specify the relevant court, the number of the article applied, the type of penalty (disqualification, debarment from certain offices, etc.), other details);
  - the date of occurrence of that fact;
  - the Supervisory Board member's manual signature;
  - its date of signing;
  - other details (at the Supervisory Board member's option).

A Notice may attach supporting documents.
- 6.4. A Notice may be given by mail, international mail or by email to the Corporate Secretary with the hardcopy Notice to follow, or it may be handed to the Bank's authorised representative (including the Corporate Secretary) against signature.
- 6.5. The duty to give a Notice applies to Supervisory Board nominees once nominated.

- 6.6. The Bank shall notify the Bank of Russia of any fact evidencing non-conformity of a Supervisory Board member's business reputation in the manner and time required by law.
- 6.7. Supervisory Board members shall be liable for any failure to timely and/or duly give a Notice to the Bank in accordance with applicable provisions of law.

## **7. APPROVAL OF, AND AMENDMENTS TO, THIS REGULATION**

- 7.1. This Regulation is subject to approval by a General Shareholders' Meeting by a majority of votes cast by the Bank's shareholders participating therein.
- 7.2. This Regulation may be amended by a General Shareholders' Meeting by a majority of votes cast by the Bank's shareholders participating therein.
- 7.3. If any change in Russian legislation or the Bank's Charter brings any provisions hereof in conflict therewith, such provisions shall become void and, until this Regulation is amended, Supervisory Board members shall refer to applicable laws and regulations of the Russian Federation and the Bank's Charter.

**Chairman of the Supervisory Board  
of CREDIT BANK OF MOSCOW**

**William Forrester Owens**

Annex  
to the Regulation on the Supervisory Board  
of CREDIT BANK OF MOSCOW

, 20  
Moscow

**To the members of the Bank's Supervisory Board**

**Notice of Meeting of the Supervisory Board of  
CREDIT BANK OF MOSCOW (public joint-stock company)**

**Dear Colleagues,**

In accordance with article 13.6 of the Charter of CREDIT BANK OF MOSCOW (public joint-stock company) and cl. 4.1 of the Regulation on the Supervisory Board of the Bank, I hereby give notice to you of an extraordinary Supervisory Board meeting.

**Date of the Supervisory Board meeting:** “ “ , 20 .

**Venue of the Supervisory Board meeting:** .

**Time of the Supervisory Board meeting:** \_\_: \_\_ Moscow time.

**Form of meeting:** .

**The procedure of holding, and adopting resolution (voting) on the item of agenda of, the Supervisory Board meeting:**

1. In accordance with the Regulation on the Supervisory Board of CREDIT BANK OF MOSCOW any meeting thereof is subject to a 15 days' prior notice attaching necessary materials. However, if the circumstances so require, the Supervisory Board may waive such notice and/or provision of materials by a unanimous written approval of all its members. Therefore I kindly ask you to send to the Bank your consent (as per Annex 1 hereto) to the Supervisory Board meeting to be held and/or necessary materials to be provided at short notice.

Please submit the completed form not later than the beginning of the meeting to the secretary of the Supervisory Board meeting. If you do not attend this meeting, please send the completed annex to e-mail [\\_\\_\\_\\_\\_@mkb.ru](mailto:_____@mkb.ru) as a scanned copy.

Please hand over the original signed form to the secretary of the Supervisory Board meeting at the next meeting you will be attending in person.

2. Resolution at the forthcoming Supervisory Board meeting shall be passed by absentee voting by means of ballot as per Annex 2 hereto.

Please send the completed ballot on or before the date of the meeting to e-mail [\\_\\_\\_\\_\\_@mkb.ru](mailto:_____@mkb.ru) as a scanned copy.

Please hand over the original signed ballot to the Secretary of the Supervisory Board meeting at the next meeting you will be physically attending.

**The agenda of the proposed Supervisory Board meeting contains the following items:**

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**Chairman of the Supervisory Board**

Annex 1  
to the Notice of Meeting of  
the Supervisory Board of  
CREDIT BANK OF MOSCOW  
(public joint-stock company)  
dated \_\_\_\_\_.\_\_\_\_.

**Consent to short notice of the Bank's Supervisory Board meeting**

I, \_\_\_\_\_, being an incumbent member of the Supervisory Board of CREDIT BANK OF MOSCOW (public joint-stock company), hereby consent to:


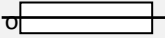
- waive the requirement of 15 calendar days' notice of the Bank's Supervisory Board meeting to be held on \_\_\_\_\_;
- waive the requirement of 15 calendar days prior circulation of some information and documents relating to the materials deliverable to the Supervisory Board meeting to be held on \_\_\_\_\_.

This consent is given to comply with the Regulation on the Supervisory Board of CREDIT BANK OF MOSCOW.

**Member of the Supervisory Board of the Bank:**

\_\_\_\_\_/\_\_\_\_\_  
signature name

Date: \_\_\_\_\_

<p><b>CREDIT BANK OF MOSCOW (public joint-stock company)</b>                  Registered address: 2 (bldg. 1) Lukov pereulok, Moscow 107045, Russia                  Form of the meeting of the Supervisory Board of CREDIT BANK OF MOSCOW (public joint-stock company): absentee voting                  Date of the meeting: _____, 20__ at __:__ Moscow time                  Venue of the meeting: 2 (bldg. 1) Lukov pereulok, Moscow</p>						
<p><b>BALLOT</b>                  for voting at a meeting of the Supervisory Board of CREDIT BANK OF MOSCOW (public joint-stock company)</p>						
<p><b>Name of the member of the Supervisory Board of CREDIT BANK OF MOSCOW (public joint-stock company)</b></p>						
<p><b>Item no.1 of agenda of the meeting of the Supervisory Board of Credit Bank of Moscow (public joint-stock company):</b></p> <p><b>Draft resolution on item no.1:</b></p> <div style="text-align: center;"> <table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="padding: 5px;">FOR</td> <td style="width: 10px; border: none;"></td> <td style="padding: 5px;">AGAINST</td> <td style="width: 10px; border: none;"></td> <td style="padding: 5px;">ABSTAINED</td> </tr> </table> <p>(strike out as applicable)</p> </div>		FOR		AGAINST		ABSTAINED
FOR		AGAINST		ABSTAINED		
<p><b>Item no.2 of agenda of the meeting of the Supervisory Board of Credit Bank of Moscow (public joint-stock company):</b></p> <p><b>Draft resolution on item no.2:</b></p> <div style="text-align: center;"> <table border="1" style="margin: auto; border-collapse: collapse;"> <tr> <td style="padding: 5px;">FOR</td> <td style="width: 10px; border: none;"></td> <td style="padding: 5px;">AGAINST</td> <td style="width: 10px; border: none;"></td> <td style="padding: 5px;">ABSTAINED</td> </tr> </table> <p>(strike out as applicable)</p> <p style="text-align: center;">...</p> </div>		FOR		AGAINST		ABSTAINED
FOR		AGAINST		ABSTAINED		
<p><b>Please leave only one voting option unstricken</b></p> <p>Non-applicable voting options may be stricken out by either:</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <p>* - Please set your hand and state your full name.</p> <p style="text-align: center;"><b>The ballot must be signed by</b>  <b>the member of the Supervisory Board of CREDIT BANK OF MOSCOW (public joint-stock company)!</b></p> <p style="text-align: center;"><b>Unless signed, the ballot shall be deemed invalid!</b></p>						

Date: \_\_.\_\_.\_\_\_\_ Signature\*: \_\_\_\_\_