

APPROVED  
by the Board of Directors  
of Bank Vozrozhdenie

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Chairman of the Board of Directors  
of Bank Vozrozhdenie

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**Bank Vozrozhdenie**  
**CORPORATE ETHIC CODE**  
**(new edition)**

**Moscow**  
**2010**

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## **1. GENERAL PROVISIONS**

1.1. This Corporate Ethic Code of Bank Vozrozhdenie (“the Bank”) establishes the goals, principles and ethical standards which the Bank intends to follow in its business activities.

1.2. Compliance with the present Corporate Ethic Code (“the Code”) by the Bank will serve as an additional guarantee of its reliability and consistency of its activities with the legislation of the Russian Federation.

1.3. The provisions of the present Code are developed according to principles established by the Basle Committee, and prevailing domestic and international corporate behavior practices and business customs based on ethical standards.

1.4. Provisions of the present Code are to guide members of the Board of Directors and Bank’s employees regardless of their position, type of the professional activity and location of the Bank’s internal division or branch.

## **2. KEY DEFINITIONS**

2.1. Ethical standards used in the business community represent an existing non-statutory system of rules of conduct and business practices, which forms positive expectations in respect of behavior of the parties to corporate relationships.

2.2. Corporate behavior is a concept embracing various activities related to the management of a business entity. Corporate behavior has impact on economic performance of business entities and their ability to mobilize capital necessary for economic growth. One of the ways to achieve improvement in this regard is to introduce certain standards based on analysis of best corporate behavior practices.

2.3. Principles of corporate behavior are the primary elements underlying the establishment, operation and improvement of a corporate governance system.

2.4. For the purposes of this Code, “employees of the Bank” means the individuals who have entered into employment relations with the Bank, including the individuals who hold positions in the Bank’s management bodies (Chairman of the Management Board, his or her deputies and members of the Management Board of the Bank).

## **3. GOALS AND OBJECTIVES OF THE CODE**

3.1. The main goal of present Code is to determine principles mandatory for the Bank’s employees as well as ethical standards and rules of corporate behavior aimed at improving of capitalization, financial stability and efficiency of the Bank.

3.2. The achievement of this goal assumes fulfillment of the following key requirements:

- information credibility;
- professionalism;
- high quality of services.

3.3. The objectives of this Code are:

- to establish the basic principles of relations between the Bank and its shareholders, customers, business partners, state and municipal authorities, competitors and employees of the Bank;

- to protect interests of the shareholders, customers, business partners and employees of the Bank.

## **4. CORPORATE PRINCIPLES OF THE BANK**

4.1. The fundamental principles underlying this Code are:

4.1.1. honesty and mutual respect.

The Bank builds its relationships with the customers, business partners and representatives of state and municipal authorities upon the principles of honesty and mutual respect. The Bank respects their values, feelings and positions.

4.1.2. transparency.

The Bank adheres to a policy of maximum openness and transparency of its activities for the shareholders, customers, business partners, state and municipal authorities and employees. The Bank builds its relations with clients and business partners based of transparency. The Bank seeks to use all available communication channels (notifying methods): press-conferences, business meetings, publications, television and radio broadcasting, internet for the purpose to provide free access to the Bank's disclosed information for all interested parties.

4.1.3. objectivity.

The Bank recommends to members of the Board of Directors and its employees do not allow their objectivity to be impaired by prejudice, partiality, conflict of interest, or influenced by other persons or other factors.

4.1.4. legality and responsibility.

The Banks seeks to comply with the generally accepted principles and rules of international law, current legislation of the Russian Federation, provisions of this Code and other internal documents of the Bank. The Bank is responsible before its shareholders for the activity results, before its clients for the quality of provided services, before business partners for proper performance of obligations, before society and state for respect of personality, its rights and freedoms and for contribution to the development of the Russian economy.

4.1.5. professionalism and high quality of services.

The Bank aspires for continuous self-improvement, innovation, looks for best means and opportunities to achieve more efficient operation. The Bank aimed at providing high quality services.

4.1.6. confidentiality.

The Bank guarantees confidentiality of information about its clients (information about operations, accounts, deposits and partners of clients, representatives of state and municipal authorities, as well as other information which can damage business reputation and other material and non-material interests of a client, business partner, representatives of state and municipal authorities). Such information can be used only in cases stipulated by the current legislation and Bank's internal regulations.

4.1.7. security.

The Bank undertakes all necessary measures to prevent any unlawful acts by third parties against the Bank, its shareholders, customers, business partners and employees.

4.2. The Bank seeks to ensure that its shareholders, customers, business partners, members of the Board of Directors and employees are aware of and familiarized with the principles of corporate ethics existing in the Bank.

## **5. RELATIONS WITH SHAREHOLDERS**

5.1. In relations with its shareholders, the Bank considers itself to be obligated to guarantee shareholders' lawful rights according to the legislation in force in the Russian Federation and principles of corporate governance.

5.2. The Bank seeks to prevent any impairment of the rights and lawful interests of its shareholders, regardless of the number of shares owned by them.

5.3. The Bank applies best efforts to achieve the highest possible transparency in the activities of its management bodies and to create conditions for unobstructed access of its shareholders to the information concerning operation of the Bank as prescribed by the current Russian legislation.

## **6. RELATIONS WITH CUSTOMERS, BUSINESS PARTNERS AND PUBLIC AUTHORITIES**

6.1. Relations between the Bank and its customers, business partners and representatives of state and municipal authorities are based on the principles of conscientiousness, honesty, professionalism, mutual trust and respect, priority of the customer's interests, full disclosure of information stipulated by the applicable legislation of the Russian Federation.

6.2. The Bank's employees apply best efforts to minimize risks for its customers and business partners. At the same time minimization of clients' and business partners' risks should not cause increase the Bank's risks.

6.3. In relations with its customers, the Bank considers itself to be obligated in providing banking services;

6.3.1. to act respectfully, honestly and openly in its work with customers;

6.3.2. to provide services to all persons except those who pose high legal and economic risks to the Bank, without discrimination based on social position, race, nationality, language or religion and regardless of beliefs, membership in public associations or other circumstances;

6.3.3. to assist in the selection of services which would meet the customer's interest to the maximum extent;

6.3.4. to perform settlement transactions, open bank accounts and provide other services envisaged by the Bank's Charter in a timely manner and with good quality;

6.3.5. to ensure that services provided by the Bank comply with the legislation of the Russian Federation.

6.4. In relations with its business partners, the Bank considers itself to be obligated:

6.4.1. to build relations upon mutual trust, respect and equality;

6.4.2. to strictly abide by the principle of fulfilling the assumed contractual and other obligations arising from or associated with business relations;

6.4.3. to treat other credit institutions with good will, to refrain from actions that would damage their business reputation;

6.4.5. to give priority to negotiation and search for a comprise solution to disagreements and disputes.

6.5. The Bank's employees regardless of level, type and method of communications should seek to be polite, friendly, responsive, tolerant in cases of tactless behavior of the clients and business partners.

6.6. It is inadmissible to accept money and expensive presents as well as to provide and receive services for the purpose of showing impact on decisions.

6.7. In its relations with state and local authorities, the Bank considers itself to be obligated:

6.7.1. to build relations with state authorities on the principles of cooperation and work for the benefit of the society and the state;

6.7.2. to fully and timely comply with the requirements of state authorities based on provisions of the legislation in force in the Russian Federation.

6.8. The Bank's employee is entitled to communicate with the client, business partner, representative of state and municipal authorities only within the bounds of given instructions and contract commitments.

6.9. The Bank is committed to strict compliance with the legislation of the Russian Federation concerning legalization of criminal income and financing of terrorism, and to doing business with reliable customers and counteragents who are engaged in lawful activities and only receive income from lawful sources.

## **7. RELATIONS WITH COMPETITORS**

7.1. Relations with competitors are built on the principles of fairness and mutual respect.

7.2. The Bank applies best efforts to prevent and preclude unfair competition practices, i.e. any actions that:

- are aimed at gaining advantages in business,
- contradict laws of the Russian Federation, business customs, requirements for integrity, prudence and fairness,
- cause or may cause losses to competitors' businesses,
- damage or may damage their business reputation.

7.3. In the event of disagreements and disputes that arise out of competition, the Bank gives priority to negotiation and search for a compromise solution.

## **8. RELATIONS WITH SOCIETY**

8.1. The Bank considers itself as an integral part of social environment where it works and with what it seeks to establish relationships based on principles of respect, trust, fairness and honesty.

8.2. The Bank seeks to provide services to a wider circle of legal entities and individuals by extending services and ATM's network in regions where the Bank has offices.

8.3. The Bank cooperates with secondary and higher educational institutions with regard to organization of students' practice in the Bank, institution of grants for the most prospective students and engagement of young specialists.

8.4. The Bank participates in such charity projects as support of social and medical intuitions, unselfish monetary help to cultural institutions etc in regions where it has offices.

## **9. RELATIONS WITH EMPLOYEES**

9.1. The Bank builds relations with its employees on the principles of long-term cooperation, mutual respect and fulfillment of mutual obligations.

9.2. The Bank does not allow any discrimination of its employees for political, religious, national or other similar reasons in employment, payment of remuneration or professional advancement. The Bank is obligated to respect and prevent any interference in the private life of its employees. The Bank takes measures to protect health, labor and provide safety of its employees.

9.3. The Bank is following a principle of tolerant attitude to all ideological, personal and physical distinctions of employees. Individual characteristics of a person not showing negative impact on a work quality can't become a reason for any kind of limits with regard to Bank's employee.

9.4. The Bank is entitled to require that all its employees follow the highest standards of business communication in their professional activity:

9.4.1. maintain business reputation and image of the Bank in the business community;

9.4.2. act honestly, ethically and fairly in their relations with customers, counteragents, business partners, and refrain from any actions that could be regarded as patronage or other arrangement granting advantages or benefits to certain individuals;

9.4.3. ensure confidentiality of the information they obtain, never use this information for personal gain or in interests of third parties;

9.4.4. do not enter, either directly or indirectly, into relations with third parties that could infringe commercial interests of the Bank or damage its business reputation;

9.4.5. act in line with the approved strategy and decisions taken by management bodies of the Bank.

9.5. In the course of employment, all employees of the Bank must:

9.5.1. proceed from the overall interests of the Bank;

9.5.2. support the corporate culture and corporate values;

9.5.3. Behave correctly, without deviations from the recognized business communication standards adopted by the Bank.

9.6. The Bank seeks to increase personal interest in the state of affairs of the Bank among its employees, including through their direct involvement in its affairs based on principles of corporate governance.

9.7. The Bank appreciates such qualities of employees as honesty, decency, professionalism, orderliness, internal culture and self-discipline, possibility to strive for results, customer-centric, innovativeness and ability to work in a team.

9.8. The employees of the Bank should not allow a situation to occur which could result in damage to the business reputation, other financial and non-financial interests of the Bank.

## **10. STANDARDS AND RULES OF EMPLOYEES' BEHAVIOR**

10.1. Every employee shall aspire to execute its duties in a full and amenable manner making contribution to achievement of the Bank's general goals. When performing its duties every employee of the Bank shall seek for optimal decision which combines low costs and high efficiency.

10.2. It is very important for the Bank to develop cooperation inside the Bank's collective.

10.3. Personal communications of the Bank's employees during working time shall be carried out according to prevalent standards of business etiquette.

10.4. The Bank encourages a healthy lifestyle of its employees.

10.5. Every employee must rigorously observe the Rules of internal labor order.

10.6. The Bank's employees and members of the Board of Directors are forbidden to make remarks or activities with regard to clients, shareholders, other employees and members of the Board of directors which can cause damages to the Bank.

## **11. PREVENTION OF CONFLICT O INTERESTS**

11.1. The Bank and its employees shall avoid situations with the conflict of interest.

11.2. Employees should abstain from the activity contradicting with the Bank's interests, or which can cause doubts in the Bank's reputation and reliability. Limits for the Bank's employees participating in deals/operations with entities with regard to which such employees can be declared as interested persons are determined by the legislation of the Russian Federation.

11.3. In case of potential possibility of a conflict of interests the employee shall notify its direct manager, the Internal control and audit service and when needed the Bank's security service who should consult the employee with regard to employee's actions in the given situation.

11.4. If due to internal reasons it is impossible to eliminate a conflict, interests of the clients shall have a priority if it's not contrary to laws and Bank's internal regulations. In case of conflict of interests between employee and the Bank, the Bank's interests have a priority.

11.5. If employee gets a second job outside the Bank, then employee is recommended to notify its manager about getting a second job (except for cases when employee is the Bank's official).

11.6. If employee has a second job outside the Bank, he should:

Work there only during time off taking into account provisions of the present Code, with the exception of cases stipulated by the current legislation;

Make sure that other labor activities do not impact performance of his main duties, and do not damage Bank's image and interests;

Comply with the rules of insider information security stipulated by the Bank's internal regulations.

11.7. The Bank doesn't limit participation of its employees in political, religious and civil societies. Religious and political preference is a personal deal of each employee and



can't become an obstacle in the way of performing one's duties and socializing with colleagues.

11.7.1. Employees participating in political, religious and social activity must act as individuals and not as representatives of the Bank. It is forbidden to carry on propaganda to the benefit of any political party or candidate as well to extend one's beliefs and convictions.

11.7.2. Employees have no right to carry out political, religious or social activity applying Bank's resources, image and reputation.

11.8. The Bank shall keep confidentiality of insider information about its employees including personal data and information about personal income. The Bank shall keep this information confidential with the exception of cases determined by the current legislation.

11.9. The Bank limit a circle of people who have a right to communicate with mass media on behalf of the Bank. Only persons authorized by the Bank's internal regulations can make comments with regard to the Bank's activity for mass media and other sources.

11.10. Bank's employees are personally responsible for content of information about Bank placed by them in public internet resources.

11.11. Employees moving to another job shall keep the Bank's insider information confidential according to the previously given or written obligations.

11.12. The Bank keep the right to penalize employee who had access to commercial secret during performing its duties in accordance with the current legislation for intentional or imprudent disclosure of such information.

## **12. GROUNDS AND ORDER OF BRINGING TO RESPONSIBILITY**

12.1. The Bank may sustain losses in a form of penalties and actions on compensations of harm as a result of violation of provisions of the Present Code by members of the Board of Directors and Bank's employees.

12.2. Violation of provisions of the present Code may became a reason for bringing employee to responsibility stipulated by the labor law of the Russian Federation. Assessment of presence or absence of grounds for bringing employees to responsibility stipulated by the labor legislation of the Russian Federation is carried out by the Bank's internal division responsible for HR.

12.2.1. Following measures can be taken with regard to employee violating provisions of the present Code:

- Warning (verbal);
- Censure;
- Recommendation to bring an apology.

12.2.2. Chairman of the Management Board takes decisions on applying disciplinary punishment with regard to employees in accordance with the labor law of the Russian Federation.

12.3. In case of non fulfillment or undue fulfillment of provisions of the present Code by members of the Board of Directors, the HR and Compensations Committee shall determine if there are any grounds for bringing members of the Board of Directors to responsibility stipulated by the current RF legislation and works out recommendations to the Board of Directors on penalty which can be applied with regard to members of the Board of Directors.

Following measures can be taken with regard to members of the Board of Directors for violation of provisions of the present Code:

- Warning (verbal);
- Cutting of remunerations for performing functions of member of the Board of Directors.

12.4. All issues and messages of members of the Board of Directors and Bank's employees about probable or existing violations of the present Code shall be considered thoroughly and fairly.

12.5. In any single case issues on violation of provisions of the present Code shall be considered with accounting all possible circumstances. Member of the Board of Directors or Bank's employee who had violated provisions of the present Code shall have an opportunity to state one's view of situation before final decision will be taken and he will be brought to responsibility.

12.6. No employee shall be persecuting for one's efforts to comply with the Bank's ethic standards, and for one's grounded request to other employees to comply with the given standards.

### **13. FINAL PROVISIONS**

13.1. Every employee of the Bank should be familiarizes with the present Code against signature in the Act of employee's (or candidate's) familiarization with the Bank's internal regulations related to employee's activity (the Act). The abovementioned Act bearing signature shall be kept in employee's personal file.

13.2. Lack of knowledge or refusal to sign the Act by employee shall not release him from duty to comply with the Bank's corporate standards and rules of behavior.

13.3. This Code applies to any action or failure to act by members of the Board of Directors and employees of the Bank in relation to their participation in fulfilling the chartered objectives of the Bank.

13.4. The goals and principles of this Code have a general nature and are not aimed at resolving ethical problems faced by employees of the Bank in each particular case.

13.5. Making alterations and amendments to the present Code as well as approval of its new edition shall be executed by the Bank's Board of Directors in order stipulated by the Bank's internal regulations.

13.6. Wording of the present Code as well all further alterations and amendments shall be placed on the Bank's web sight.