

Translation from Russian

Credit Institution
REGISTERED
by the State Bank
of the RSFSR
on October 17, 1990
Registration No.1000

AGREED
First Deputy Chief of
the Moscow Central
Territorial Administrative
Board of the Central Bank of
the Russian Federation

_____/_____/

«__»_____ 2008

**CHARTER of
VTB Bank
(Open Joint Stock Company)**

JSC VTB Bank

Approved by:
The General Shareholders Meeting
Minutes No. __ as of __ _____ 2008

St. Petersburg 2008

I. GENERAL PROVISIONS

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

The Bank was incorporated on October 16, 1990, 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 as of 16.10.1990 (Minutes No.1).

In conformity with the Resolution of the General Shareholders Meeting as of 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) (close joint stock company).

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

In conformity with the Resolution of the General Shareholders Meeting as of 16.05.1997 (Minutes No.12), 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 as of 17.05.2002 (Minutes No.), the Bank's abbreviated corporate name was changed into JSC Vneshtorgbank.

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

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

Abbreviated corporate name of the Bank in the Russian language is "ОАО Банк ВТБ" and in the English language — "JSC VTB Bank".

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

1.3. The Bank is located at: 29 Ul.Bolshaya Morskaya, St. Petersburg.

The Bank's President – Chairman of the Management Board is located at: 29 Ul.Bolshaya Morskaya, St. Petersburg.

The Bank's Management Board meetings are held at: 6 Ul. Lesnaya, Moscow.

1.4. The Bank has a round stamp bearing its full and abbreviated corporate names in Russian, and 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 visual identification.

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 Business", "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") and the present Charter.

1.6. The Bank is a legal entity with ownership in severalty recorded in its independent balance; it can *sui juris* acquire and exercise property and non-property rights, have liabilities, 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. 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 share holding. Shareholder that did not completely pay for their shares shall have joint responsibility for the Bank's obligation within the unpaid part 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 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 and affiliated 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 Joint Stock Companies Law) 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 publish the relative information following the procedure specified by a federal executive body in securities market and federal antimonopoly body.

1.12. The Bank is entitled to open branches and representative offices on the territory of the Russian Federation in compliance with applicable legislation.

The Bank can also open branches and representative offices beyond the territory of the Russian Federation in compliance with the local legislation, unless otherwise stipulated by an international agreement of the Russian Federation.

1.13. 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, cash desks, and exchange offices.

Sub-offices and operational offices are opened (closed) by the Management Board. Credit and cash offices, cash desks and exchange offices 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 –Chairman of the Management Board or by an authorized person. Exchange offices of the Bank's branch can only be opened if the Branch is granted with the right to perform currency exchange transactions under its Regulation approved by the Bank's Management Board.

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

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

1.16. 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 with it. The Bank shall also arrange and hold activities aimed at mobilization training and civil defence.

1.17. 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

2.1. 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 – 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.

2.2. The Bank has the following branches located at:

- Bank Branch in Astrakhan: 67 Ul. Kuibysheva, Astrakhan 414056;
- Bank Branch in Barnaul: 10 Krasnoarmeisky Prospekt, Barnaul 656043;
- Bank Branch in Belgorod: 35-a Prospekt Slavy 308600;
- Bank Branch in Blagoveshchensk: 65/1 Per. Sovetsky, Blagoveshchensk, Amurskaya Oblast 675005;
- Bank Branch in Bryansk: 16 Ul. Arsenal'skaya, Bryansk 241000;
- Bank Branch in Vladivostok: 8a Ul. Mordovtseva, Vladivostok, Primorsky Krai 690091;
- Bank Branch in Vladimir: 21 Ul. Razina, Vladimir 600001;
- Bank Branch in Volgograd: 30a Ul. Raboche-Krestyanskaya, Volgograd 400074;
- Bank Branch in Vologda: 9 Ul. Chelyuskintsev, Vologda 160001;
- Bank Branch in Voronezh: 58 Prospekt Revolyutsii, Voronezh 394000;

- Bank Branch in Vyborg: 16 Ul. Krepostnaya, Vyborg, Leningradskaya Oblast 188800;
- Bank Branch in Yekaterinburg: 16 Ul. Stepana Razina, Yekaterinburg 620142;
- Bank Branch in Izhevsk: 367 Ul. Pushkinskaya, Izhevsk 426011;
- Bank Branch in Irkutsk: 40 Ul. Sverdlova, Irkutsk 664003;
- Bank Branch in Yoshkar-Ola: 112 „V“ Ul. Palantaya, Yoshkar-Ola, Republic of Mari-El 424000;
- Tatar Bank Branch in Kazan: 13 Ul. Pravobulachnaya, Kazan 420111;
- Bank Branch in Kaliningrad: 5 Ul. Bolnichnaya, Kaliningrad 236040;
- Bank Branch in Kaluga: 20 Ul. Dostoevskogo, Kaluga 248653;
- Bank Branch in Kemerovo: 12 Ul. N. Ostrovskogo, Kemerovo 650099;
- Bank Branch in Kostroma: 49 Ul. Sovetskaya, Kostroma 156000;
- Bank Branch in Krasnodar: 214 Ul. Stavropolskaya, Krasnodar 350001;
- Bank Branch in Krasnoyarsk: 3 “b” Krasnaya Ploshchad Krasnoyarsk;
- Bank Branch in Kursk: 28 Ul. Radishcheva, Kursk 305000;
- Bank Branch in Lipetsk: 1 Ul. Pervomaiskaya, Lipetsk 398001;
- Bank Branch in Magadan: 30-B Ul. Lenina, Magadan 685000;
- Bank Branch in Nalchik: 17 Block 3 Prospekt Lenina, Nalchik 360000;
- Bank Branch in Nizhniy Novgorod: 4 Ul. Reshetnikovskaya, GSP 78, Nizhniy Novgorod 603950;
- Bank Branch in Novosibirsk: 44 Ul. Klrova, Novosibirsk 630102;
- Bank Branch in Omsk: 6 Ul. Tarskaya, Omsk 644099;
- Bank Branch in Orenburg: 15/1 Ul. Chkalova, Orenburg 460058;
- Bank Branch in Penza: 9 Ul. Moskovskaya, Penza 440600;
- Bank Branch in Perm: 49/24 Ul. Ostrovskogo, Perm 614000;
- Bank Branch in Petropavlovsky-Kamchatsky: 11 Ul. Lukashevskogo, Petropavlovsky-Kamchatsky 683024;
- Bank Branch in Rostov-na-Donu: 62/284 Pr. Voroshilovsky, Rostov-na-Donu 344010;
- Bank Branch in Ryazan: 39 Korpus 5, Moskovskoye Schosse, Ryazan 390044;
- Bank Branch in Samara: 14 Ul. Mayakovskogo, Samara 443100;
- Bank Branch in St. Petersburg: 29 Ul. Bolshaya Morskaya, St. Petersburg 190000;
- Bank Branch in Saransk: 42A Ul. B. Khmel'nitskogo, Saransk 430000;
- Bank Branch in Saratov: 128a Prospekt 50 Let Otyabrya, Saratov 410052;
- Bank Branch in Smolensk: 5-a Prospekt Gagarina, Smolensk 214000;
- Bank Branch in Sochi: 10 Ul. K. Libknekhta, Sochi, Krasnodarsky Krai 354000;
- Bank Branch in Stavropol: 7 Ul. Kominterna, Stavropol 355000;
- Bank Branch in Syktyvkar: 78/1 Ul. Permaisakaya, Syktyvkar 167610;
- Bank Branch in Tambov: 42/8 Ul. Kommunalnaya/Krasnaya, Tambov 392000;
- Bank Branch in Tver: 9 Pereylok Svobodny, Tver 170000;
- Bank Branch in Tomsk: 39 Prospekt Lenina, Tomsk 634034;
- Bank Branch in Tula: 134 Ul. L.Tolstogo, Tula 300034;
- Bank Branch in Tyumen: 2/1 Ul. Semakova, Tyumen 625003;

- Bank Branch in Ulan-Ude: 55B Ul. Klyuchevskogo, Ulan-Ude, Republic of Buryatia 670013;
- Bank Branch in Ulyanovsk: 5A Ul. Kuznetsova, Ulyanovsk 432062;
- Bank Branch in Ufa: 52 Ul. Shafieva, Ufa, Republic of Bashkortostan 450096;
- Bank Branch in Khabarovsk: 7 Ul. Moskovskaya, Khabarovsk 680000;
- Bank Branch in Tcheboksary: 80a Ul. K. Ivanova, Tcheboksary, Republic of Chuvashiya 428018;
- Bank Branch in Chelyabinsk: 2 Ul. Karla Libknekhta, Chelyabinsk 454092;
- Bank Branch in Tchita: 41 Ul. Amurskaya, Chita 672010;
- Bank Branch in Yakutsk: 20 Ul. Yaroslavskogo, Yakutsk 677018;
- Bank Branch in Yaroslavl: 44a Ul. Rybinskaya, Yaroslavl 150014.

2.3. The Bank has the following representative offices located at:

- Bank Representative Office in Republic of Belarus: 95 Ul. R. Lyuksemburg, Minsk, Republic of Belarus 220036;
- Bank Representative Office in Italy: Piazzale Principessa Clotilde, 8–20121, Milano, Italia;
- Bank Representative Office in China: 18BC, CITIC Bldg., 19, Jianguomenwai dajie, Beijing, China 100004;
- Bank Representative Office in Ukraine: Horizon Tower, Office 11D, Ul. Shelovichnaya, Kiev, Ukraine 01004;
- Bank Representative Office in India: The Ashok Hotel, Suite 201-202, Diplomatic Enclave, 50-B, Chanakyapuri, New Delhi – 110 021, India.

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 (licence) 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:

- raising funds from individuals or legal entities as (demand or term) deposits;
- placing the above funds in its name and at its own account;
- opening and maintaining bank accounts for individuals and legal entities;
- making settlements as instructed by individuals and legal entities, including correspondent banks, in their bank accounts;
- collecting cash, bills, payment and settlement documents; providing cash services to individuals and legal entities;
- purchasing and selling foreign currencies in cash and non-cash forms;
- taking precious metals for deposits and placement;
- issuing bank guarantees;
- performing cash transfers upon instructions of individuals without opening bank accounts (except for postal money orders).

In addition to the above, the Bank shall be entitled to perform the following transactions:

- issuing performance guarantees in favour of third parties;

- acquiring chose in action against third parties;
- performing money and other asset management under an agreement with individuals or legal entities;
- trading in precious metals or precious stones in compliance with applicable legislation;
- leasing special premises or safe boxes located there to individuals or legal entities for safe-keeping documents or valuables;
- acquiring, selling or disposing of shares and participations in charter capitals of legal entities;
- executing leasing operations; and
- providing advisory and information services.

The Bank shall have the right to perform other transactions in compliance with applicable legislation.

The Bank may perform banking and other transactions both in Russian Roubles and any other foreign currency.

3.3. The Bank is not entitled to be engaged in production, trade or insurance activities.

3.4. 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 licence under applicable federal laws; the Bank may also perform trust management of the above securities under agreements with individuals or legal entities.

3.5. The Bank shall perform professional activities in the securities market under applicable legislation.

IV. CHARTER CAPITAL

4.1. The Bank's charter capital amounts to RUR 67,241,385,090.19 (Sixty seven billion two hundred and forty one million three hundred and eighty five thousand and ninety point nineteen) divided into 6,724,138,509,019 (Six trillion seven hundred and twenty four billion one hundred and thirty eight million five hundred and nine thousand and nineteen) registered ordinary shares with face value of RUR 0.01 (point one hundredth) each.

4.2. No raised funds can be used to form the charter capital.

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. Within a single share issue, a decision to increase the charter capital shall only be made by one of these two means.

An increase in the charter capital is permitted after it is paid in full. The Bank's charter capital cannot be increased to reimburse the losses it incurred.

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 by majority of voting shares at the Meeting.

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

The decision to increase the Bank's charter capital by additional share placement shall specify the quantity of additional ordinary shares to be placed within the number of authorized shares, the method of placement, the price of additional shares to be placed by open subscription, or pricing procedure, including the price for placement or pricing procedure for additional shares to be distributed among shareholders having pre-emptive rights; payment method for additional shares to be placed by open subscription; and any other terms and conditions of the placement.

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 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 net assets and the amount of the charter capital plus the Bank's reserve fund.

In increasing the Bank's charter capital at the account of the Bank property by placement of additional shares, such shares are to be distributed among all shareholders. Each of the shareholders shall get shares of the same category (type) that are the shares it owns *pro rata* to the quantity of its shareholding. 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 applicable legislation 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 repurchase 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 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.

Within 30 days after the resolution to decrease the Bank's charter capital is made, the Bank shall serve a written notice to its creditors informing them of the charter capital decrease and its new amount; and also publish the same in "The Bulletin of the Bank of Russia".

4.8. The General Shareholders Meeting shall adopt a resolution on the Bank's charter capital decrease by a redemption of shares:

- purchased by the Bank and not realized within a year; or
- bought out by the Bank and not realized within a year, except for shares bought out by the Bank in the event of its reorganization which are subject to redemption when they are bought out.

4.9. If the amount of the Bank's own funds (equity) at the end of the reporting month appears less than its charter capital, the Bank shall bring the amount of the charter capital in conformity with its own funds (equity).

The amount of the Bank's own funds (equity) shall be calculated under the procedures set by the Bank of Russia.

V. SHARES, BONDS AND OTHER ISSUED SECURITIES

5.1. All shares of the Bank are ordinary nominal shares. Each paid ordinary nominal share entitles its owner to one vote at the General Shareholders Meeting when voting under any issue within its authority.

Ordinary shares cannot be converted into preferred shares, bonds or any other securities.

5.2. Nominal value of one ordinary share is RUR 1,000 (One thousand), with the form of issue being non-documentary.

5.3. The total number of outstanding ordinary shares is 6,724,138,509,019 (Six trillion seven hundred and twenty four billion one hundred and thirty eight million five hundred and nine thousand and nineteen).

5.4. The maximum amount of the authorized ordinary shares is 5,000,000,000,000 (Five trillion) with nominal value of RUR 0.01 (point one hundredth) each.

Resolution on making amendments and additions to the Bank's Charter related to the Bank's authorized shares and their amount, except for amendments related to an increase in their number resulting from additional share placement, shall be made by the Bank's General Shareholders Meeting by a three quarters majority of voting shares participating in the 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 of the same category (type). Relative amendments shall be made to the Charter to reflect the nominal value and amount of the Bank's outstanding and authorized shares of the relative category (type).

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 of the same category (type). Relative amendments shall be made to the Charter to reflect the nominal value and amount of the Bank's outstanding and authorized shares of the relative category (type).

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

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

5.9. A bond shall certify its owner's right to the bond redemption (payment of the bond's nominal value or interest) within the time brackets set.

The decision on the bond issue shall specify the form, time brackets and other conditions of the bond redemption.

The bond should have nominal value. Nominal value of all bonds issued by the Bank should not exceed the amount of the Bank's charter capital or the amount of collateral provided to the Bank by third parties for the purpose of the bond issue. The Bank is only allowed to place its bonds after the charter capital is paid in full.

The Bank can place bonds with lump sum redemption or with fixed redemption by series. Bond redemption can be executed in terms of money or other assets in compliance with the resolution on their issue. The Bank can issue bonds backed by some of its property, or bonds backed by collateral provided to the Bank by third parties for the purpose of the bond issue, or uncollateralized bonds.

5.10. Bonds can be registered or payable to bearer. When issuing its registered bonds, the Bank is obliged to keep a register of its owners. Any lost registered bond is renewed for a reasonable fee to be determined by the Bank's Management Board. The owner's rights to the lost bond payable to bearer shall be restored by court under the Russian procedural legislation.

5.11. The Bank can stipulate the possibility of advanced bond redemption at their owner's will. But the bond issue decision should specify the advanced redemption cost and its limiting term.

VI. SHAREHOLDERS' RIGHTS

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

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

- participate in the General Shareholders Meeting with the right of one vote for all issues within its terms of reference;
- gain dividends; and
- receive part of the Bank's property in the case of its liquidation.

Shareholders are entitled to dispose of the shareholdings without consent of other shareholders or that of the Bank. Only paid shares of the Bank are subject to such disposal.

Shareholders can exercise other rights stipulated by applicable legislation.

6.2. The Bank's shareholders have statutory pre-emptive rights to subscribe for additional shares to be placed by an open subscription and 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 securities convertible into shares, have a pre-emptive right to acquire additional shares and securities convertible to 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 securities convertible to shares to be placed by closed subscription only among the shareholders, if the shareholders can acquire a whole number of shares or other 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 securities convertible to shares is made by the Bank's General Shareholders Meeting, the list of persons having the pre-emptive right to acquire additional shares and securities convertible to shares shall be made on the basis of the Shareholders' Register as at the date when a list of persons eligible to participate in such General Shareholders Meeting is made. In other cases, the list of persons having the pre-emptive right to acquire additional shares and securities convertible into shares shall be made on the basis of the Shareholders' Register as at the date when the resolution is adopted to place additional shares and securities convertible into shares. To make the list of persons having the pre-emptive right to acquire additional shares and securities convertible into shares, any nominal holder of shares shall submit information on the persons in whose interests it holds the shares.

6.5. The persons having the pre-emptive right shall be notified of their pre-emptive right to be exercised under the procedure specified in the present Charter for the notice on convening the General Shareholders Meeting.

Such notice shall contain information on the number of the shares and securities convertible into shares to be placed, the placement price or its pricing procedure (including the price or pricing procedure for the placement by exercising the pre-emptive right), the procedure for determining the number of shares which each person having the pre-emptive right can acquire, the procedure for submitting applications by such persons for acquiring the shares or securities convertible into shares to be placed, and the deadlines for such application submission to the Bank (hereinafter referred to as the pre-emptive right period).

The pre-emptive right period cannot be less than 45 days as from the date when the notice is delivered or published, unless otherwise specified by this provision.

If the placement pricing procedure set by the decision underlying the placement of additional shares and securities convertible into shares is to be applied after the pre-emptive right period expires, such period cannot be less than 20 days after the notice is delivered or published. In this case the notice shall contain information on securities payment period, which cannot be less than five working days after the information on the placement price is disclosed.

6.6. The person having pre-emptive right to acquire additional shares or securities convertible into shares can fully or partially exercise its pre-emptive right by submitting to the Bank an application for acquisition of shares or securities convertible into shares. The application shall specify the name of such person, its location and the number of securities to be acquired.

The application for acquisition of shares or convertible securities shall be accompanied by a payment document certifying the settlement for such shares or convertible securities, except for cases specified by Clause 6.5 hereof.

If the decision underlying the placement of additional shares and securities convertible into shares provides for their settlement by non-monetary assets, then the persons exercising their pre-emptive right are entitled to pay cash for them if they wish to do so.

Until the pre-emptive right period expires, the Bank shall not be entitled to offer additional shares and 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 acquired two or more fractional shares of the same category (type), these shares shall form one whole and/or fractional shares equal to the sum of these fractional shares.

6.8. Shareholders who own voting shares are entitled to request redemption by the Bank of all or part of their shares in the case of:

- the Bank's reorganization or performance of a major transaction approved by the General Shareholders Meeting if they voted against the resolution on its reorganization or the transaction in question, or they did not participate in the voting on these issues; and

- any amendment or addition made to the present Charter or approval of the revised Charter, which restrict their rights, if they voted against the relative resolution or did not participate in the voting on these issues.

The list of shareholders eligible to request redemption by the Bank of their shares shall be made on the basis of the Shareholders' Register as of the date when a list of persons is made entitled to participate in the General Shareholders Meeting where the voting can cause initiating the right of shareholders to request their share redemption.

The redemption of the shares by the Bank shall be performed at the rate to be specified by the Supervisory Board but not lower than their market value estimated by an independent broker without considering its change as a result of the actions taken by the Bank initiating the right of shareholders to request their share evaluation and redemption.

6.9. The Bank shall inform its shareholders of their right to request their shares redemption by the Bank, as well as such redemption price and procedure.

In case of putting on the agenda the issues the voting on which in conformity with the legislation can cause initiating the right for the shareholders to request their share redemption by the Bank, the notice of such General Shareholders Meeting shall include the information on such right, the price and procedure for such share redemption.

6.10. Shareholders shall submit to the Bank a written request for their share redemption specifying their location and the number of shares requested to be redeemed.

Such shareholders' requests shall be submitted to the Bank within 45 days from the date when a relative resolution is adopted by the General Shareholders Meeting.

The Bank is to redeem such shareholders' shares within 30 days after the above period expires.

6.11. The Bank shall redeem 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 legislation can cause initiating the right for the shareholders to request their share redemption by the Bank. The total amount of funds the Bank can channel into the share redemption shall not exceed 10 per cent of the net assets of the Bank as of the date when the decision initiating the right for redemption request is made. If the total amount of shares requested to be redeemed exceeds the amount of shares the Bank can actually redeem subject to the above limitation, the shares shall be redeemed *pro rata* to the requests applied.

6.12. The shares repurchased by the Bank in the case of its reorganization shall be redeemed upon their repurchase. The shares repurchased by the Bank in other cases specified in Clause hereof shall remain at the Bank's disposal. 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 their market value within one

year after their buy out, 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 ISSUED SECURITIES. PURCHASE AND BUY OUT OF THE OUTSTANDING SHARES.

7.1. The Bank shall place its shares and other issues securities in compliance with applicable legislation. The Bank is entitled to place additional shares and other issued securities through subscription or conversion.

7.2. The Bank can offer its shares and issued securities convertible into shares by either open or closed subscription except for cases when closed subscription is restricted by applicable legislation.

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

Placement of the Bank's shares (securities convertible into shares) constituting 25 per cent or less of issued registered shares, except for ordinary shares (securities convertible into shares) issued by closed subscription, requires an 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 (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 (securities convertible into shares) approved by a three quarters majority of voting shares participating in such General Shareholders Meeting.

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

7.5. Placement by open subscription of securities convertible into shares that would constitute more than 25 per cent of the issued registered shares shall only be performed on the basis of a decision of the General Shareholders Meeting approved by a three quarters majority of voting shares participating in such General Shareholders Meeting.

7.6. Payment for shares is expected to be made in money, including foreign currencies, securities and other property as specified by applicable legislation and regulations of the Bank of Russia. Limits for contribution-in-kind into a charter capital of a credit institution as well as a list of property eligible for such contribution-in-kind shall be determined by the Bank of Russia.

If the Bank's charter capital is to be increased at the account of its property, the Bank shall place additional shares by offering them to shareholders. Any property contributed as non-monetary payment into the Bank's charter capital shall become property of the Bank.

Payment for the Bank's additional shares to be placed by subscription shall be made on the basis of prices defined by the Supervisory Council in compliance with Clause 7.13 hereof which cannot be less than their nominal value.

In the case of non-monetary 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.

Market value of such property shall be defined by an independent appraiser. Money estimation made by the Bank's Supervisory Council cannot exceed the estimation made by such independent 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 their market value within one year after their buy out, 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 repurchased, number of the shares in each category (type), repurchase price, form and schedule of payment, as well as such share buy out time brackets.

7.9. The repurchased shares are paid for in money. The time brackets for such share buy out cannot be less than 30 days. 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 those category (type) which are decided to be bought out is entitled to sell such shares, with the Bank being obliged to purchase them. If the total number of the shares applied for the Bank's buy out exceeds the number of shares the Bank can actually buy subject to restrictions imposed by this Clause, the shares shall be bought out from shareholders *pro rata* to their applications.

Not later than 30 days before the share buy out period starts, the Bank shall inform shareholders owning shares of certain categories (types) of a decision to buy out these shares. The notice shall contain information specified in paragraph 3 of this Clause.

7.10. The Bank is not entitled to purchase its outstanding ordinary shares as long as the following conditions have been met:

- the charter capital of the Bank has been paid in full;
- the Bank does not show, and would not show as a result of the share repurchase, any signs of insolvency (bankruptcy); and
- the amount of the Bank's equity (capital) is not less than the sum of its charter capital and reserve fund at the moment of the share buy out.

7.11. No shareholder of the Bank can be exempt from payment for its shareholding including by any discount or compensation payable by the Bank.

7.12. Acquisition and (or) receiving in asset management (hereinafter referred to as acquisition) of more than 1 per cent of the Bank as a result of one or more deals performed by an individual or a legal entity, or by a group of individuals or a group of legal entities bound by an agreement, or by a group of legal entities being subsidiaries or affiliates to each other, shall require a notice to be delivered to the Bank of Russia, in the case of acquisition of more than 20 per cent – a prior approval by the Bank of Russia.

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 should be determined by the Bank's Supervisory Council they are to be based on their market value.

If a person interested in one or more deals when the price (or appraisal) of the property should be determined by the Bank's Supervisory Council is a member of the

Supervisory Council, then the price (appraisal) shall be determined by a decision made by the Supervisory Council members not interested in such deal(s).

Market value of such property shall be defined by an independent appraiser.

The independent appraiser's services are mandatory when determining the price of the Bank's buy out of shares from shareholders, as well as in other cases as stipulated in this Charter.

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

VIII. SHAREHOLDER REGISTER

8.1. The Bank's Shareholder Register shall contain a profile on each registered person, the number and category (type) of shares registered in its name, as well as other information stipulated by applicable legislation.

The Bank shall be obliged to keep and safeguard its Shareholder Register in compliance with the requirements set by applicable legislation.

Any person registered in the Bank's Shareholder Register shall inform the Register holder of any change in its profile within 15 days after such change occurs. If the shareholder fails to do that, the Bank shall not be held liable for any losses caused by such failure.

8.2. The Register holder shall make any entry into the Bank's Shareholder Register by demand of a shareholder or nominal shareholder within 3 days after the documents specified by applicable legislation are submitted.

The Register holder cannot decline to make any entry into the Bank's Shareholder Register except for cases specified by applicable legislation. If the Register holder does reject to make an entry into the Bank's Shareholder Register, it shall forward its motivated decision to the person demanding such entry to be made. Rejection to make an entry into the Bank Shareholder Register can be appealed against in the court.

8.3. At the request of a shareholder or nominal shareholder, the Bank's Shareholder Register holder shall be obliged to confirm their rights for the shareholdings by making a statement from the Shareholder Register which is not a security.

IX. DIVIDENDS

9.1. Based on its first quarter, six-month, nine-month and annual results, the Bank can decide on or announce of payment of dividends on the outstanding shares. Such decision on (announcement of) the dividend payment can be made within three months after the end of the respective period.

The Bank shall be obliged to pay the dividends announced on shares of each category (type). Dividends shall be paid in money or by other assets if the General Shareholders Meeting makes such a decision. Dividends are payable from the

Bank's net profit (profit after taxation). For the purposes of calculating the dividend amount, the net profit is derived from the Bank's financial statements.

The amount of dividend and form of payment on each category (type) of shares is recommended by the Bank's Supervisory Council and approved by the General Shareholders Meeting. The dividend approved at the General Shareholders Meeting may not exceed the amount recommended by the Supervisory Council.

9.2. The schedule and procedure for the dividend payment shall be specified in the General Shareholders Meeting's decision on the dividend payment. If such General Shareholders Meeting's decision does not specify the schedule for the dividend payment, then the dividends shall be paid within 60 days after the dividend payment decision is made.

A list of persons eligible for the dividend payment shall be drafted as of the record date for determining the holders entitled to attend the General Shareholders Meeting to approve the dividends. To be included in the list of persons eligible for the dividend payment, nominal shareholders shall submit information on the persons in whose interests they hold the shares.

9.3. The Bank cannot decide on (announce of) the dividend payment on shares as long as the following conditions have been met:

- the charter capital of the Bank has been paid in full;
- the Bank does not show, and would not show as a result of the proposed dividend payment, any signs of insolvency (bankruptcy);
- the value of the Bank's net assets is not less than the sum of its charter capital and reserve fund as of the date of the dividend payment decision;
- the Bank has repurchased all shares from shareholders having the right to demand repurchase under applicable legislation and the present Charter; and
- in other cases stipulated by federal laws.

9.4. The following shall not be considered as dividends:

- distribution to the Bank's shareholder in money or property form on liquidation of a company, which does not exceed the shareholder's participation in the Bank's charter capital; and
- any payment made to the Bank's shareholders in the form of shares transferred into their ownership.

9.5. The Bank is entitled to abstain from the payment of the announced dividends on shares if on the payment date:

- the Bank shows or will show as a result of the dividend payment the signs of insolvency or bankruptcy specified by the federal legislation on insolvency (bankruptcy);
- the value of the Bank's net assets is less than the sum of its charter capital and reserve fund; and
- in other cases stipulated by applicable legislation.

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

X. 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). Amount of payments to reserves (funds) from profit before taxation shall be set by federal tax laws.

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 applicable legislation, which cannot be less than 5 per cent of the Bank's charter capital.

The Reserve Fund is formed on the basis of the actually paid charter capital of the Bank by making mandatory annual payments out of the profit gained in the reporting year and retained by the Bank after taxation and other mandatory payments (hereinafter referred to as net profit). The 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, including report on profit distribution.

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 repurchase the Bank's shares if no other funds are available. The Reserve Fund cannot be used for any other purpose.

10.3. The Bank can use its net profit to form a special share incentive fund for the Bank's employees. The fund can only be channelled into repurchasing the Bank's shares from shareholders to be further placed among the Bank's employees.

If the Bank's employees pay for the shares acquired at the expense of the special share incentive fund the proceeds so gained shall be used to build up the fund.

10.4. The Bank shall be entitled to form other funds in compliance with requirements of applicable legislation.

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 applicable legislation and this Charter, as well as measures to ensure financial stability and liquidity of the Bank.

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 with the Bank can only be subject to attachment or enforcement in those cases and following those procedures as specified by applicable legislation.

11.4 The Bank shall issue a statement of transactions or accounts of legal entities and individual entrepreneurs acting without legal status to those entities and individuals, courts and tribunals (arbitrators), the Counting Chamber of the Russian Federation, tax and customs authorities of the Russian Federation in those cases as

specified in legislation regulating their activities; and if there is Public Prosecutor consent available – to preliminary investigation agencies on pending cases.

Under Russian legislation, statements of transactions and accounts of legal entities and individual entrepreneurs acting without legal status shall be issued by the Bank to interior bodies engaged in identifying, preventing and repressing tax violations.

Statements of accounts or deposits of individuals shall be issued by the Bank to those individuals, courts, institutions in charge of mandatory deposit insurance if an insured accident occurs as stipulated by the federal law on insurance of individual deposits with banks of the Russian Federation, and if there is Public Prosecutor consent available – to preliminary investigation agencies on pending cases.

Statements of accounts and deposits in case of their holders' death shall be issued by the Bank to the persons specified by the account or deposit holder in a testamentary document placed with the Bank, to notary offices in charge of probate cases regarding the deposits of the deceased; and regarding the accounts opened by foreigners – to relative foreign consular offices.

Statements of transactions made by legal entities and individual entrepreneurs acting without legal status, and individuals shall be issued by the Bank to authorized bodies in charge of counter-acting to money laundering in those case, following those procedures and in that volume as specified by the Federal Law on Anti-Money Laundering and Terrorism Financing.

11.5. The Bank shall keep in secrecy information on bank accounts and deposits of its customers and correspondents, on any movement on such accounts, and on the profile of the customers and correspondents. The Bank's employees, shareholders and their representatives, as well as auditors 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 the requirements set by applicable legislation.

List of information comprising commercial secrets of the Bank shall be defined by the Management Board in compliance with applicable legislation. 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.

11.6. The Bank shall set an internal control system to ensure an adequate level of reliability matching the nature and the scale of the Bank's activities.

The Bank's system of internal control shall comprise as follows:

- governance bodies (General Shareholders Meeting, Supervisory Council, Management Board, President-Chairman of the Management Board);
- Statutory Audit Commission;
- the Bank's Chief Accountant (its deputies);
- Managing Director (its deputies) and Chief Accountant (its deputies) of the Bank's Branches;
- structural divisions (authorized personnel) of the Bank in charge of internal control in compliance with their terms of reference as specified in the Bank's by-laws.

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

11.7. In order to perform internal control and assist the governance bodies in ensuring efficient performance of the Bank an Internal Control Division shall be set within the Bank's structure. The Internal Control Division shall be set and shall operate on the basis of applicable legislation, this Charter, Regulation on Internal

Control Division to be approved by the Supervisory Council and other bylaws of the Bank.

The Internal Control Division shall execute its functions as an independent structural unit of the Bank and shall not rely in its activities on any other structural division.

Head of the Internal Control Division is appointed and removed by the Bank's Supervisory Council, it also reports to the Supervisory Council.

The structure and staff of the Internal Control Division shall be approved by the President-Chairman of the Management Board.

In its activities, the Internal Control Division is responsible to the Bank's Supervisory Council and submits reports to the Supervisory Council at least twice a year, including reports on audit follow up reports, and once a year – information on measure to implement the recommendations made and remedial actions. The activities of the Internal Control Division shall be supervised in compliance with regulations of the Bank of Russia.

Under its terms of reference, the Internal Control Division can perform audits and checks along all business lines of the Bank, to assess the internal control system and perform other actions in compliance with applicable legislation, regulations and by-laws of the Bank.

XII. ACCOUNTING AND REPORTING. DOCUMENT SAFEKEEPING

12.1. The Bank shall carry out accounting and shall submit financial reporting in compliance with the regulations provided by applicable legislation.

The Bank is entitled to perform its accounting procedures and prepare its financial statements including their published forms, under International Financial Reporting Standards.

The Bank shall keep books on statistics as provided by applicable legislation.

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, presentation of annual report and other financial statements to respective bodies on a timely basis.

12.3. Fairness of amounts and other disclosures in the Bank's annual report and its annual financial statements is to be confirmed by the Bank's Statutory Audit Committee. Prior to publishing the above documents, the Bank shall appoint an independent auditor not bound by any property interest with the Bank or its shareholders to audit and confirm fairness of its annual financial reporting.

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 applicable legislation.

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

12.8. Having been reviewed by the Statutory Audit Commission, the annual financial statements, and 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 fiscal year shall start on January 1 and finish on December 31.

12.10. The Bank shall be obliged to safekeep the following documents:

- its Charter and any amendment made to the Charter and duly registered; State Registration Certificate;
- documents confirming the Bank's title to the property held on its balance;
- the Bank's by-laws;
- Regulations on the Bank's branches and representative offices;
- annual reports;
- accounting documents and financial reports;
- minutes of General Shareholders Meetings, as well as meetings of Supervisory Council, Statutory Audit Commission and Management Board;
- ballot papers and proxies (their copies) for attending the General Shareholders Meeting;
- reports of independent appraisers;
- lists of the Bank's affiliates;
- lists of persons eligible to participate in the General Shareholders Meeting, list of persons eligible to dividend payments, as well as other lists drafted by the Bank for the shareholders to exercise their rights under applicable legislation;
- opinions of the Bank's Statutory Audit Commission, independent auditor, and of federal and municipal supervisory bodies;
- prospectuses, Issuer's quarterly reports and other documents bearing information to be published or disclosed otherwise in compliance with applicable legislation; and
- other documents envisaged by applicable legislation, this Charter, the Bank's by-laws, resolutions of the General Shareholders Meeting, Supervisory Council, Management Board and President – Chairman of the Management Board.

The Bank shall safekeep the above documents at the Management Board's location in compliance with such procedures and during such terms as set by federal executive bodies in charge of securities market.

12.11. The Bank shall provide its shareholders with access to the documents specified in Clause 12.10 hereof. Shareholders (shareholder) owning not less than 25 per cent of the Bank voting shares in the aggregate shall have access to accounting and financial documents, as well as to Minutes of the Management Board.

These documents shall be made available at the Bank's premises within seven days from a relative request. The Bank shall also provide copies of the documents to such persons. The fee charged for the document copies cannot be higher than the actual cost of copying.

12.12. The Bank shall ensure the safety of its archives, including staff profiles, for the terms specified by federal laws and other regulations, 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 Russian legislation.

XIII. GENERAL SHAREHOLDERS MEETING

13.1. A 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 the Bank's Charter;
- 2) Reorganization of the Bank;
- 3) The Bank's liquidation, appointment of a liquidation commission, approval of interim and final liquidation balances;
- 4) Determining the number of members to be elected to the Bank's Supervisory Council, their election and early termination of their powers: remunerations and compensations to the Supervisory Council members for performing their functions;
- 5) Determining the number, face value, category (type) of authorized shares and the rights they entitle to;
- 6) Increase of the Bank's charter capital by increasing nominal share value, by offering by open subscription of ordinary shares accounting for over 25 per cent of the outstanding shares, and by placing additional shares through closed subscription;
- 7) Decrease of the Bank's charter capital by decreasing nominal share value, by repurchasing part of the Bank's shares in order to reduce their total number, and by redeeming the repurchased or bought out shares;
- 8) Election of the Bank's Statutory Audit Commission members and their early removal; decision on remunerations and compensations to be paid to them;
- 9) Approval of the Bank's independent auditor;
- 10) Approval of annual reports and financial statements, including profit and loss statement (profit and loss account) of the Bank, as well as distribution of profit (including dividend payment (announcement) except for the profit distributed as dividends based on its first quarter, six month and nine month results), and of losses incurred for the fiscal year;
- 11) Setting procedures for holding a the General Shareholders Meeting;
- 12) Election of the Counting Board and early termination of its member mandates;
- 13) Splitting and consolidation of shares;
- 14) Approval of interested party transactions as required by applicable legislation and this Charter;
- 15) Approval of major transactions as required by applicable legislation and this Charter;
- 16) Repurchase of the Bank's outstanding shares as required by applicable legislation and this Charter;
- 17) Decision on the Bank's participation in holdings, financial and industrial groups, associations and other groups of commercial entities;
- 18) Approval of by-laws regulating activities of the General Shareholders Meeting, Supervisory Council, Management Board and Statutory Audit Commission;
- 19) Offering by open subscription of securities convertible into ordinary shares accounting for over 25 per cent of the outstanding ordinary shares;
- 20) Dividend payment (announcement) based on first quarter, six month and nine month results of the fiscal year;

21) Decision-making on any other matter as provided in the Joint Stock Companies Law.

No matters falling within the terms of reference of the General Shareholders Meeting can be transferred for resolving to any other governance bodies of the Bank.

Nor can matters falling within the terms of reference of the General Shareholders Meeting be transferred to the Bank's Supervisory Council except for those stipulated by the Joint Stock Companies Law.

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 Joint Stock Companies Law and this Charter.

13.3. General Shareholders Meetings can be annual and extraordinary. The Bank is expected to hold an annual General Shareholders 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 Paragraph 10 Clause 13.2 hereof; and other issues falling within the terms of reference of the General Shareholders Meeting. Any General Shareholders Meeting held besides the Annual General Shareholders Meeting shall be deemed extraordinary.

13.4. Resolution of the General Shareholders Meeting under any issue 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 Joint Stock Companies Law or this Charter.

Resolutions under issues specified in Paragraphs 2, 6, 13 - 18 Clause 13.2 hereof shall only be adopted by the General Shareholders Meeting if proposed by the Supervisory Council.

The following issues require a three quarters majority vote by shareholders owning voting shares and participating in the General Shareholders Meeting:

- Review and approval of the Bank's Charter (except for cases specified in Clauses 20.2 – 20.4 hereof);
- Reorganization or liquidation of the Bank, appointment of a liquidation commission, approval of interim and final liquidation balances;
- Determining the number, face value, category (type) of authorized shares and rights they entitle to;
- Offering by open subscription of securities convertible into ordinary shares accounting for over 25 per cent of the outstanding ordinary shares;
- Offering by open subscription of securities convertible into ordinary shares accounting for over 25 per cent of the outstanding ordinary shares;
- Offering of the Bank's shares (securities convertible into shares) by closed subscription;
- Repurchase of the Bank's outstanding shares as required by applicable legislation;
- Approval of a major transaction involving property accounting for more than 50 per cent of the balance sheet value of the Bank's assets.

The General Shareholders Meeting cannot adopt any resolution under issues not included in its agenda, neither can it change the agenda.

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 decision

as to issues put to the vote), or by absentee ballot. In this case, voting on issues on the agenda shall be performed by ballot papers.

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 10 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 made on the basis of the Bank's Shareholder Register.

Such list cannot be made prior to a decision to hold the General Shareholders Meeting and earlier than 50 days to the date of the relative General Shareholders Meeting.

The list of persons entitled to participate in the General Shareholders Meeting shall specify the following: name of the person, identification details, number and category (type) of voting shares, postal address within the Russian Federation for delivering a notice of the General Shareholders Meeting, ballot papers if necessary, and voting report.

The Bank can disclose the list of persons entitled to participate in the General Shareholders Meeting to any persons included therein and having more than one per cent of the votes at the request of such persons. But identification details and postal addresses of individuals included in such list can only be disclosed if agreed with these persons.

At the request of any interested person, the Bank shall within three days provide it with an extract from the List of persons entitled to participate in the General Shareholders Meeting containing information about this person, or a statement that such person is not included in the List.

Any amendment to the List of persons entitled to participate in the General Shareholders Meeting can only be made to rehabilitate the persons not included therein at the record date, or to correct any mistake made.

13.7. A notice on holding the General Shareholders Meeting shall be published at least 30 days prior to the meeting unless otherwise specified by applicable legislation.

Within the above period, a notice shall be delivered to each person included in the List and entitled to participate in the General Shareholders Meeting by a registered letter or handed to such persons against a receipt. The Bank can also simultaneously inform its shareholders of the General Shareholders Meeting through mass media.

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 and time schedule of holding the General Shareholders Meeting or in case of absentee ballot, the deadline for receiving ballot papers and postal address for the executed ballot papers to be sent to;
- Registration period for participants of the General Shareholders Meeting;
- Registration place for participants of the General Shareholders Meeting;
- Record Date of the List of persons entitled to participate in the General Shareholders Meeting;
- Agenda of the General Shareholders Meeting; and

- Access procedures as to information (materials) to be disclosed before the General Shareholders Meeting and address (addresses) where such information (materials) shall be available.

13.9. If a person registered in the Bank's Shareholders Register is a nominal shareholder, the notice shall be delivered to the address of the nominal shareholder, unless another postal address for such notice delivery is specified in the List of persons entitled to participate in the General Shareholders Meeting.

13.10. Shareholder(s) holding in the aggregate at least two per cent of the Bank's voting shares can propose issues to be included in the General Shareholders Meeting's agenda or propose nominees to be elected as the Bank's Supervisory Council, Statutory Audit Commission, or Counting Board, with the number of nominees not exceeding the approved number of such bodies' members. Such proposals are to be submitted to the Bank within 60 days after the end of the fiscal year.

Proposal to include an issue to the General Shareholders Meeting's agenda or proposals of nominees to be elected shall be made in written form, specify the name of the relative shareholder(s), number and category (type) of shares they own, and be signed by the shareholder(s).

Proposals to include an issue to the General Shareholders Meeting's agenda shall include the wording of each proposed issue. Proposals of nominees to be elected shall specify the name of each nominee, and the name of body the nominee is to be elected to, as well as any other information stipulated by this Charter and other Bank's by-laws. 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 one 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 one of this Clause;
- Shareholder(s)' shareholdings are less than those specified in paragraph one 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 applicable legislation.

A well-grounded decision of the Bank's Supervisory Council rejecting the proposal of an issue or a nominee shall be delivered to the shareholder(s) submitting such proposal within three days after the decision is made.

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 in the absence of such proposals, absence or insufficient number of proposed nominees to form a relative body, the

Bank's Supervisory Council is entitled to include such issues in the General Shareholders Meeting's agenda and propose such nominees for election as it deems necessary at its own discretion.

13.11. 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 and the postal address for the executed ballot papers to be sent to;
- Date for drafting list of persons entitled to participate in the General Shareholders Meeting;
- Agenda of the General Shareholders Meeting;
- Procedures for advising shareholders of the General Shareholders Meeting;
- List of information (materials) to be disclosed to shareholders while preparing the General Shareholders Meeting; access procedures; and
- Form and text of a ballot paper in case of ballot voting.

A General Shareholders Meeting can be held at the premises of the Bank or any other location to be specified by the Supervisory Council.

13.12. 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 as of 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 such request is made.

A 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 13.10 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 to submitting a request for 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 one of this Clause;
- none of the issues proposed to be included in the General Shareholders Meeting's agenda falls within its terms of reference and (or) do not comply with 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 such decision is made.

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 Joint Stock Companies Law, such an extraordinary General Shareholders Meeting may be convened by the bodies or persons requesting for its convention. Under the Joint Stock Companies Law such bodies and persons shall have all the powers to convene and hold the General Shareholders Meeting.

In this case the General Shareholders Meeting may resolve that all expenses incurred while preparing and holding the Meeting should be reimbursed by the Bank.

13.13. Counting Board can be formed for holding a General Shareholders Meeting. Its quantitative and individual membership is to be approved by the General Shareholders Meeting which is also entitled to entrust the Shareholder Register's holder with the duties of the Counting Board.

13.14. 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 (name, address or location, personal identification details). Proxy for voting is to be executed in compliance with Clauses 4 and 5 Article 185 of the Russian Civil Code or certified by public notary.

In the case when shares are transferred after the List of persons entitled to participate in the General Shareholders Meeting is made but before the date of the General Shareholders Meeting, the person included in the List 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. This rule shall apply to each transfer of shares to follow.

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.

13.15. 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 duly registered. Shareholders shall be recognized as voting by absentee ballot if their ballot papers are submitted before the deadline set.

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 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 accounting for at least 30 per cent of the Bank's issued voting shares are present at the meeting.

Notice of a repeated General Shareholders Meeting shall be delivered in compliance with the Charter. When holding a repeated General Shareholders Meeting within 40 days after the scheduled General Shareholders Meeting failed, the persons entitled to participate in a repeated meeting shall be selected in compliance with the List of persons entitled to participate in the scheduled meeting.

13.16. 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 Council.

13.17. The General Shareholders Meeting votes on the basis of the principle "one vote per one voting share".

13.18. Minutes of the General Shareholders Meeting shall be executed in two copies within 15 days after the General Shareholders Meeting. Both copies are to be signed by the Chairperson and Secretary of the General Shareholders Meeting.

The Meeting Minutes shall specify the following information:

- Place and time schedule of holding the General Shareholders Meeting;
- Total number of voting shares owned by the Bank's shareholders;
- Number of voting shares participating in the meeting; and
- Name of the meeting chairperson and secretary; its agenda.

The Minutes shall reflect major points of all addresses; issues put to the vote; voting results and resolutions adopted by the meeting.

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

13.19. General Shareholders Meeting shall be held in compliance with applicable legislation, the Charter and Regulation on preparing and holding General Shareholders Meetings approved by the Bank's General Shareholders Meeting.

XIV. SUPERVISORY COUNCIL

14.1. Responsibilities of the Bank's Supervisory Council shall include issues related to the Bank's general governance except for issues referred to the terms of reference of the General Shareholders Meeting.

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. Amount of such remuneration and compensations shall be set by the General Shareholders Meeting.

14.2. The Bank's Supervisory Council shall be responsible for the following issues:

- 1) Setting the Bank's strategy;
- 2) Convening annual and extraordinary General Shareholders Meetings of the Bank except for cases stipulated in Clause 8 Article 55 of the Joint Stock Companies Law;
- 3) Approval of the agenda of the General Shareholders Meeting;
- 4) Setting the record date for drafting a list of persons entitled to participate in the General Shareholders Meeting, and making other decisions related to preparing and holding the General Shareholders Meeting referred to the responsibilities of the Supervisory Council by applicable legislation, the Charter and Regulation on preparing and holding General Shareholders Meetings;
- 5) Increasing the Bank's charter capital by placing additional shares within the number and categories (types) of the authorized shares as stipulated by applicable legislation and the Charter;
- 6) Placing the Bank's bonds and other securities convertible into shares as stipulated by applicable legislation and the Charter;
- 7) Setting price for (appraising) property; as well as securities offer and buy out prices as stipulated by applicable legislation;
- 8) Repurchasing the Bank's shares and other securities as stipulated by applicable legislation;
- 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) Recommendations as to amount of remuneration and compensation to members of the Statutory Audit Commission; and remuneration to the Bank's auditor;
- 11) Recommendations as to dividend amount and payment procedures;
- 12) Application of the Reserve Fund, approval of other funds of the Bank;
- 13) Approval of the Bank's by-laws except for those falling within the terms of reference of the General Shareholders Meeting in compliance with applicable legislation and the Charter, and those which are to be approved by executive bodies of the Bank in compliance with the Charter;
- 14) Opening branches and representative offices of the Bank, as well as changing the status of branches into internal divisions of the Bank (branch);
- 15) Approval of interested party transactions and major transactions related to property acquisition or disposal by the Bank as stipulated by applicable legislation and the Charter;
- 16) Preliminary approval of the Bank's annual report;
- 17) Appointing and removing head of the Bank's Internal Control Division;
- 18) Approval of the Bank's Registrar, terms of agreement to be signed with it, termination thereof;
- 19) Writing off unrecoverable loans exceeding USD 1,000,000 (One million) or its equivalent for a single borrower out of the allowances for loan impairment;
- 20) Placing bonds and other securities of the Bank (except for securities convertible into shares); and
- 21) Other responsibilities as specified by applicable legislation and the Charter.

No responsibilities of the Supervisory Council can be transferred to the Bank's Management Board or to President – Chairman of the Management Board.

14.3. The number of Supervisory Council members shall be defined by the General Shareholders Meeting; it cannot be less than five members. Supervisory Council member are elected from nominees proposed by shareholders through cumulative voting. Those nominees shall be considered as elected members of the Supervisory Board who got majority of votes.

14.4. Supervisory Council members shall be elected by the General Shareholders Meeting in compliance with procedures set herein 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.

Supervisory Council members are to meet qualification and reputation requirements set by applicable federal laws and regulations of the Bank of Russia.

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

The General Shareholders Meeting can remove the Bank's Supervisory Council members.

14.5. Only individuals can serve as members of the Bank's Supervisory Council. And no member of the Supervisory Council can be a shareholder of the Bank.

Members of the Management Board cannot 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 or the Bank's auditor, Management Board or President – Chairman of the Management Board.

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. Supervisory Council shall make its decisions by a majority of votes cast by the attending members except for decisions on the charter capital increase through a placement of additional shares (securities convertible into the Bank's shares) and on major transactions which are to be approved by a unanimous vote. An exception is also made with respect to interested party transactions which are to be approved by a majority of non-interested 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.

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;
- Issues put to the vote and voting results; and
- 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 pole). Any member who is absent from the meeting of the Supervisory Council can submit its written opinion as to the issues on the agenda which is to be eligible for counting if delivered at least one day before the meeting.

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;
- submitting proposals of the Bank's reorganization or liquidation to be considered by the General Shareholders Meeting; and
- increase in the Bank's charter capital by placing additional shares within the number and categories (types) of authorized 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 applicable legislation, the Charter and Regulation on the Supervisory Council approved by the Bank's General Shareholders Meeting.

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.

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 applicable legislation, the Charter and a service 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. Service 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 Labour 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 Joint Stock Companies Law. Members of the Management Board having an employment contract with the Bank shall fall under Article 43 of the Labour Code of the Russian Federation.

Neither President – Chairman of the Management Board nor members of the Board can hold positions in other companies which are credit or insurance institutions, professional participants of the securities market, leasing companies or affiliates of the Bank. 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 may:

- act on behalf of the Bank without any power of attorney, represent the Bank's interests, enter into transactions and sign documents for the Bank;
- decide on opening (closing) internal structural divisions of the Bank (of a branch) except for additional and operational offices of the Bank;
- approve the staff, issue orders and give instructions binding on all staff members of the Bank;

- 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;
- decide on the Bank's participation in other legal entities (except for holdings, financial and industrial groups, associations and other groups of commercial entities) if such participation (its aggregate asset contribution) does not exceed 5 per cent of authorized or stock capital (assets) of such legal entity;
- act as Employer in labour relationships in compliance with the Labour Code of the Russian Federation entering and terminating labour contract with the Bank employees, stimulating the best performers or imposing disciplinary sanctions;
- approve nominees to be elected deputy directors and deputy chief accountants of a branch; and
- 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 Board. The Board shall be guided by the Charter and the Regulation on the Board approved by the General Shareholders Meeting.

Terms of reference of the 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 financial statements prepared under the IFRS;
- making decisions on the Bank's participation in other legal entities (except for holding companies, financial and industrial groups, associations and other groups of commercial entities) if the Bank's participation (its aggregate asset contribution) exceeds 5 per cent of the authorized or stock capital (assets) of such legal entity;
- opening additional and operational offices of the Bank;
- setting a fee for the Bank's lost card recovery;
- 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 structural divisions of the Bank;
- submitting materials to the Supervisory Council for its approval;
- approving nominees to be appointed heads and chief accountants of the Bank's branches;
- approving a Branch standard organisational 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 structural divisions' performance reports;
- approving the Bank's budgeting for the next fiscal year;
- writing off unrecoverable loans not exceeding in the aggregate USD 1,000,000 (One million) or its equivalent for a single borrower out of the allowances for loan impairment; and
- other issues related to the Bank's day-to-day activities submitted to the Management Board for its approval by President – Chairman of the Board.

15.7. Quorum for holding a meeting of the Management Board shall be half of its elected members. 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 Supervisory Council shall have a casting vote.

The Board Management may make a decision by absentee ballot (or opinion pole) 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 and the Bank's auditor 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 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 legislation.

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

16.3. Under applicable legislation, President – Chairman of the Management Board shall be liable for the accuracy of the Bank's performance indicators disclosed to shareholders, creditors and mass media.

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

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

16.6. The Bank or its shareholder(s) owning at least one per cent of the outstanding ordinary shares 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 Board to be reimbursed for losses caused to the Bank under Clause 16.2 hereof.

XVII. MAJOR TRANSACTIONS, INTERESTED PARTY TRANSACTIONS

17.1. A major transaction is a single transaction (including a loan, credit, pledge or guarantee) or a number of interrelated transactions involving an acquisition or disposal, or possibility of disposal (whether directly or indirectly) of property accounting for 25 per cent or more of the balance sheet value of the Bank's assets as determined by its latest financial statements, with the exception of transactions conducted in the ordinary course of business, or placement of the Bank's ordinary shares through a subscription (secondary market sale), or placement of securities convertible into ordinary shares.

In the case of actual or possible disposal of the property having a balance sheet value, the Bank shall define the disposal price of such property according to its balance sheet value; in the case of property acquisition the Bank shall set an acquisition price.

For the Supervisory Council or General Shareholders Meeting to approve a major transaction, the disposal or acquisition price of such property (services) shall be defined by the Supervisory Council in compliance with Clause 7.13 hereof.

17.2. A major transaction is subject to approval by either Supervisory Council or General Shareholders Meeting according to applicable legislation and the Charter.

17.3. Major transactions involving property having a value ranging from 25 per cent to 50 per cent of the balance sheet value of the Bank's assets shall require unanimous approval by all existing members of the Supervisory Council.

If the Supervisory Council fails to unanimously approve a major transaction, its members can decide to submit such approval to the General Shareholders Meeting. In this case, a major transaction shall be approved by a majority of the issued voting shares participating in such General Shareholders Meeting.

17.4. Any major transaction involving property having a value in excess of 50 per cent of the balance sheet value of the Bank's assets shall require a three-quarters majority vote by the issued voting shares participating in the General Shareholders Meeting.

Approval of any major transaction shall specify its parties, beneficiary (beneficiaries), price, subject matter, and other material terms and condition.

If a major transaction is also an interested party transaction, it shall be governed by the Charter's provisions regulating such interested party transactions.

17.5. Interested party transactions (including a loan, credit, pledge or guarantee) include transactions involving a member of the Supervisory Council, President – Chairman of the Management Board, a member of the Board or a shareholder having together with their affiliates at least 20 per cent of the Bank's issued voting shares, as well as any other person who is able to give binding direction to the Bank. Such interested party transactions shall be performed in compliance with the relative provisions of the Charter.

The above persons shall be recognized as interested in the Bank's transactions if those persons, their spouses, parents, children adoptive parents or children, brothers or sisters, and (or) their affiliates are:

- a party to, or beneficiary of a transaction, whether directly or as a representative or intermediary;
- the owner (individually or in the aggregate) of at least 20 per cent of shares of (participation in) a legal entity that is a party to, a beneficiary of a transaction, whether directly or as a representative or intermediary;
- a member of governance bodies of a legal entity that is a party to, a beneficiary of a transaction, whether directly or as a representative or intermediary; or a member of governance bodies of a company controlling such legal entity.

These provisions shall not apply to:

- transactions where all shareholders of the Bank shall be interested;
- shareholders' pre-emptive right to purchase the Bank's shares and securities convertible into shares;
- the Bank's repurchase or buy out of its issued shares; and
- the Bank's reorganization in the form of a company merger (acquisition).

17.6. Persons specified in Clause 17.5 above shall be obliged to notify the Supervisory Council, Statutory Audit Commission and the Bank's auditor of the following:

- any legal entity where they own either individually or together with their affiliate(s) at least 20 per cent of the voting shares (participation);
- any legal entity where they are a member of governance bodies; and
- any actual or proposed transaction where they can be recognized as interested parties.

17.7. An interested party transaction shall be approved prior to its execution by a majority of not-interested Supervisory Council members or by the General Shareholders Meeting.

If the number of non-interested members is less than the quorum requirement for holding a meeting of the Supervisory Council, such decision shall be approved at the General Shareholders Meeting by a majority vote of non-interested voting shares.

Interested party transactions shall also be subject to approval by the General Shareholders Meeting in the following circumstances:

- a transaction or a number of interrelated transactions involve property accounting for 2 per cent or more of the balance sheet value of the Bank's assets as determined by its latest financial statements, except for transactions specified in paragraphs 5 and 6 of this Clause;
- a transaction or a number of interrelated transactions involve placement through subscription or second market sale of shares accounting for more than 2 per cent of the Bank's outstanding ordinary shares, and ordinary shares which would result from a conversion of the issued securities convertible into shares;
- a transaction or a number of interrelated transactions involve placement through subscription of securities convertible into shares which could be converted into ordinary shares accounting for more than 2 per cent of the Bank's outstanding shares, and ordinary shares which would result from a conversion of the outstanding securities convertible into shares.

17.8. Interested party transactions shall not require approval by the General Shareholders Meeting as specified in Clause 17.7 hereof, if terms and conditions of such transactions shall not materially differ from similar transactions performed by

the Bank and an interested person in the course of the Bank's ordinary business before the person involved was identified as an interested person. This provision shall only apply to interested party transactions within a period starting from the interested party identification till the next General Shareholders Meeting.

17.9. Approval of any interested party transaction shall specify its parties, beneficiary (beneficiaries), price, subject matter, and other material terms and conditions.

17.10. The General Shareholders Meeting can make a decision to approve transaction(s) between the Bank and an interested party which could possibly be entered into during the Bank's ordinary course of business. In this case, the relative decision shall specify the limits for such transaction(s) and be binding until the next annual General Shareholders Meeting.

17.11. For the Supervisory Council or General Shareholders Meeting to approve an interested party transaction, the disposal or acquisition price of such property or services shall be defined by the Supervisory Council in compliance with Clause 7.13 hereof.

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. 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 position in the Bank's management 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. Amount of such remuneration and compensations shall be set by the General Shareholders Meeting.

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

18.2. Procedures for the Bank's Statutory Audit Commission shall be set in 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 acting in good faith while performing their duties in compliance with applicable legislation.

18.3. While performing their duties, the Statutory Audit Commission may outsource or subcontract some specialists (experts) who are not from the Bank's staff. Responsibility for such subcontracted specialists shall lie with the Chairman of the Statutory Audit Commission.

18.4. The Statutory Audit Commission shall supervise the Bank's compliance with the applicable legislation and other regulations governing its activities; and monitor the efficiency of the Bank's internal control and the legitimacy of its transactions (by complete or partial audit).

18.5. The Commission shall audit (check) the Bank's financial and business performance at the end of the year, 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.

The Statutory Audit Commission shall submit to the General Shareholders Meeting a report on the audit (check) performed, and its opinion on the Bank's annual financial statements, including profit and loss statement, to be approved by the annual General Shareholders Meeting, accompanied with recommendations.

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

18.7. 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.

18.8. To audit and confirm the fairness of its annual financial statements, the Bank shall appoint on an yearly basis a certified auditing company which is in no way related to the Bank or its subsidiaries, and is duly licensed to perform such audit activities.

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

18.9. Opinions of the Statutory Audit Commission and the auditor related to the Bank's financial and business performance shall contain:

- confirmation of the fairness of the Bank's financial statements and other reports;
- information on violations in financial accounting and reporting;
- confirmation of the Bank's compliance with mandatory ratios set by the Bank of Russia;
- conclusions as to the Bank's governance efficiency; as well as
- conclusions on its internal control adequacy, and other provisions as specified by applicable legislation and the Bank's Charter.

The Audit opinion shall be duly submitted to the Bank of Russia.

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 applicable legislation.

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

In the case of the Bank's reorganization, relative entries are to be made into the State Register of Credit Institutions, with still valid documents to be duly transferred to the Bank's successor. The terms and place of further safekeeping such documents shall be determined by the Bank's successor or authorized bodies.

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

19.3. Following a decision to liquidate the Bank by the General Shareholders Meeting, the Bank of Russia shall be immediately notified thereof in written form.

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

19.4. The Liquidation Commission shall:

- publish a notice on the Bank's liquidation, the procedure and deadlines for creditors to file claims, in the relative mass media; 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 creditors claims expire, the Liquidation Commission shall make an interim liquidation balance to reflect the Bank's existing property, the creditors' claims and the results of their reconciliation. 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 remaining assets of the Bank through public auctions following the relative law enforcement procedures.

Payment under the claims of the Bank's creditors shall be made by the Liquidation Commission in the order of priority set by the Civil Code of the Russian Federation, in compliance with the Interim Liquidation Balance, and starting with date of such balance approval, except for Group 5 creditors who are to get payment after a month from the date of the Interim Liquidation Balance approval.

After the creditors' claims are fully satisfied and relative payments are made, the Liquidation Commission shall make a Final Liquidation Balance 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 applicable legislation.

The Liquidation Commission shall pass all documents generated during the Bank's activities and specified in Clause 12.10 hereof, as well as employees' profiles and other still valid documents to a relative state archive for safekeeping under an agreement between the Liquidation Commission and the State Archive involved. It is a duty of the Liquidation Commission to duly arrange the documents to be transferred for safekeeping to the State Archive.

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. REVIEW OF THE CHARTER

20.1 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 – 20.4 hereof.

20.2. Any amendment or addition to the Charter related to increase in the Bank's charter capital shall be made on the basis of a relative decision approved by the General Shareholders Meeting or Supervisory Council and the registered

placement report. 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 repurchase of its shares to be further redeemed shall be made on the basis of a relative decision approved by the General Shareholders Meeting and the report on share repurchase approved by the Supervisory Council. In this case the Bank's charter capital shall decrease to the extent of nominal value of the redeemed shares.

20.4. Any amendment to the Charter related to opening or closing the Bank's branches or representative offices shall be made by a decision of the Supervisory Council.

20.5. Any amendment or addition duly made to the Charter shall be subject to registration in compliance with applicable legislation.

Amendments and additions made to this Charter or reviewed Charter shall become valid for third parties as from their state registration, and in some cases specified in the Joint Stock Companies Law – as from the notification of the state registration body.

President – Chairman
of the Management Board

Andrei L. Kostin