

APPROVED  
By General Shareholders'  
Meeting of  
CREDIT BANK OF MOSCOW  
Minutes No.01 as of March 3, 2016

**REGULATION  
ON THE AUDIT PANEL OF  
CREDIT BANK OF MOSCOW (public joint-stock company)**

**1. GENERAL PROVISIONS**

1.1. This Regulation was developed in accordance with Federal Law No. 208-FZ "On Joint-Stock Companies" dated 26.12.95, Federal law No. 395-1 "On Banks and Banking" dated 02.12.90, the effective laws of the Russian Federation, regulations of the Bank of Russia and the Charter of CREDIT BANK OF MOSCOW (public joint-stock company) (hereinafter – the Bank).

1.2. This Regulation sets forth the areas of activities, status, procedure of formation, competence of the Audit Panel, the authority and responsibility of the Audit Panel members, the procedure for implementation of audits (checks) of the Bank activities, including the activities of its subdivisions, and the procedure of operation of the Audit Panel and special aspects of its interaction with the Bank management bodies.

1.3. The Audit Panel is a standing elected body included into the internal control system of the Bank.

1.4. The activities of the Audit Panel are implemented in the interests of the Bank and its shareholders to minimize the risks of financial and economic activities of the Bank.

1.5. The Audit Panel shall act subject to the legislation of the Russian Federation, the Bank of Russia's regulations, the Bank's Charter, this Regulation and resolutions of the General Shareholders' Meeting.

**2. THE PROCEDURE OF THE AUDIT PANEL FORMATION**

2.1. According to the Charter, the Audit Panel shall consist of three members elected by the General Meeting of Shareholders for the time until the next annual General Meeting of Shareholders.

2.2. Candidates who received the largest number of votes of the shareholders holding voting shares participating in the General Meeting of Shareholders shall be deemed elected as the Audit Panel members.

2.3. No members of the Audit Panel may be at the same time members of the Supervisory Board and / or the Management Board, or hold any other offices in the Bank's management.

2.4. Any shares held by members of the Supervisory Board or by the Bank's management may not vote in elections of members of the Audit Panel.

2.5. If the agenda of the General Meeting of Shareholders, alongside with election of the Audit Panel members, includes items pertaining to formation of the management bodies, election of the Audit Panel members shall be held after the decisions on formation of management bodies have been made.

2.6. The Audit Panel members may be re-elected for an unlimited number of times, unless restrictions set forth by the legislation of the Russian Federation, the Charter and this Regulation apply to them.

2.7. The Audit Panel shall be headed by the Chairman of the Audit Panel (hereinafter — the Chairman) elected by the General Meeting of Shareholders of the Bank at the same time with election of members of the Audit Panel.

2.8. The authorities of the Audit Panel or its specific members may be terminated ahead of schedule by decision of the General Meeting of Shareholders.

2.9. Should a member of the Audit Panel declare their intention to terminate performance of their functions within the term of their authority, the Chairman shall notify the Supervisory Board accordingly within three (3) working days. In this case the Supervisory Board shall promptly assemble the General Meeting of Shareholders to take a decision on election of a new member of the Audit Panel.

### **3. COMPETENCE OF THE AUDIT PANEL**

3.1. The Audit Panel, within its competence, shall inspect the Bank's compliance with applicable laws and regulations, arrangement of the Bank's internal control, legality of operations made by the Bank (by total or sample inspection) and the state of cash and property.

The Audit Panel shall have the following powers related to organisation of internal control:

- audit of the financial and economic activities of the Bank;
- audit of accuracy and completeness of accounting, tax and managing records in accordance with regulations of the Russian Federation;
- confirmation of the accuracy of the data contained in the reports, and other financial documents of the Bank;
- audit of accurate distribution of the Bank's profit;
- audit of legality of operations made by the Bank (by total or sample inspection);
- control over other activities of the Bank related to internal control system.

3.2. The Audit Panel shall carry out an audit (revision) of the financial and economic activities of the Bank with respect to its annual results and at any time at its discretion, by resolution of the General Shareholders' Meeting, by resolution of the Supervisory Board or by request of any shareholder(s) aggregating at least 10% of the voting shares of the Bank.

3.3. The Audit Panel shall mandatorily audit (revise) the Bank's annual accounting statements before approval thereof by the General Shareholders' Meeting. The General Shareholders' Meeting may not approve the Bank's annual accounting statements without an opinion of the Audit Panel.

3.4. The Audit Panel shall submit to the General Shareholders' Meeting a report on audit (revision) of the Bank's financial and economic activities, and an opinion on accuracy of the Bank's annual accounting statements to be presented to the General Shareholders' Meeting for approval.

Any opinion prepared by the Audit Panel based on the results of any revision of the Bank's financial and economic activities shall cover:

- confirmation of the accuracy of the data contained in the reports and other financial documents of the Bank;
- condition of internal control in the Bank;
- any non-compliance by the Bank with accounting and financial reporting rules set out by statutory acts of the Russian Federation or with statutory acts of the Russian Federation applicable to its business activities.

3.5. If there are any non-compliances in the Bank's report or other financial documents, the Audit Panel shall prepare and submit a relevant prescription to the Bank's management bodies to address the identified issues. Implementation of such prescriptions shall be obligatory for all management bodies of the Bank.

3.6. Documented findings of audits (revisions) of the Bank's financial and economic activities shall be submitted by the Audit Panel to the General Shareholders' Meeting and Supervisory Board for consideration and to the Chairman of the Management Board for acting thereon.

3.7. In performing its functions, the Audit Panel may engage any independent experts not employed by the Bank. The Chairman shall be responsible for any actions of any such engaged experts.

### **4. RIGHTS AND OBLIGATIONS OF THE AUDIT PANEL**

4.1. For proper fulfilment of its functions the Audit Panel shall have the right:

4.1.1. To receive documents from management bodies of the Bank, its subdivisions and officers pertaining to financial and economic activities of the Bank, including accounting documents.

4.1.2. To request that the Bank officers, the Chairman of the Supervisory Board convene meetings of the Executive Board and Supervisory Board when remedial actions with regard to violations detected by the Audit Panel in the financial and economic activities of the Bank are within the competence of the relevant management bodies.

4.1.3. To request that the Supervisory Board convene an extraordinary General Meeting of Shareholders when remedial actions with regard to violations detected by the Audit Panel in the financial and economic activities of the Bank are within the competence of this management body.

4.1.4 To seek an injunction ordering the company to hold an extraordinary General Shareholders' Meeting if the Supervisory Board fails, within the term set out by Russian laws, or refuses to make a resolution calling the same. Any costs related to the calling and holding of such extraordinary General Shareholders' Meeting shall be borne by the Bank.

4.1.5. When necessary, to request that the Bank employees, including the duly authorised officers, provide clarifications on matters within the competence of the Audit Panel.

4.1.6. To submit to the management bodies for review requests to hold liable the employees who committed violations of the effective laws of the Russian Federation and internal documents of the Bank.

4.1.7. The Audit Panel (the Audit Panel members) shall have the right to attend General Meetings of Shareholders, meetings of the Supervisory Board, the Executive Board, and to submit to these bodies for review matters pertaining to the competence of the Audit Panel which require special attention, in the view of the Audit Panel.

4.2. The Audit Panel shall be obliged:

4.2.1. To take all required measures for identification of possible violations in the financial and economic activities of the Bank and to facilitate remedy of such violations.

4.2.2. To keep confidential information classified as commercial and bank secrets to which members of the Audit Panel have access performing their functions.

4.2.3. To submit to the Supervisory Board the report on completed audit (check) of financial and economic activities of the Bank and the opinion on accuracy of the annual accounting statements submitted to the General Meeting of Shareholders for approval no later than 60 days prior to the annual General Meeting of Shareholders.

## **5. THE PROCEDURE OF THE AUDIT PANEL OPERATION**

5.1. Implementing their activities, the members of the Audit Panel shall have the rights provided for by the applicable laws of the Russian Federation, the Charter and this Regulation.

5.2. The activities of the Audit Panel shall be managed by the Chairman, who shall represent the Audit Panel in the meetings of the Executive Board, the Supervisory Board, General Meetings of Shareholders and shall sign documents on behalf of the Audit Panel.

5.3. The Chairman shall convene and hold meetings of the Audit Panel of the Bank, organise day to day activities of the Audit Panel, distribute duties among the members of the panel and manage their work.

5.4. Fulfilment of instructions of the Chairman concerning organisational issues within the scope of the Audit Panel activities shall be mandatory for members of the Audit Panel.

5.5. For the period of their absence, the Chairman shall have the right to delegate their duties to one of the Audit Panel members.

5.6. The Audit Panel members shall participate in person in meetings of the Audit Panel and audits (checks) conducted by the Audit Panel.

5.7. The quorum for meetings of the Audit Panel shall be at least one half of the total number of members of the Audit Panel.

If there is no quorum, the meeting of the Audit Panel shall be rescheduled for a later date, occurring no later than within ten (10) working days.

5.8. Decisions on agenda items of the Audit Panel meetings shall be adopted by a simple majority vote of the members of the Audit Panel present in the meeting.

5.9. Each member of the Audit Panel shall have one vote in making decisions on all agenda items of the Audit Panel meetings. Transfer the voting right of an Audit Panel member to another person, including another Audit Panel member, is not permitted.

5.10. In case of equality of votes in voting on agenda items of the Audit Panel meeting the Chairman shall have the deciding vote.

5.11. The Audit Panel documents (reports, opinions, directives, etc.) shall be signed in person by all the members of the Audit Panel. A member of the Audit Panel of the Bank having expressed disagreement with the decisions (documents) of the Audit Panel on matters pertaining to the activities of the Audit Panel shall have the right to prepare a separate opinion (statement), expressing their special opinion, which shall be attached to the documents of the Audit Panel and shall constitute their integral part.

## **6. FINANCING AND SUPPORT OF ACTIVITIES OF THE AUDIT PANEL**

6.1. By decision of the General Meeting of Shareholders the members of the Audit Panel during the period of fulfilment of their duties may receive remunerations and (or) reimbursement for the costs incurred in connection with fulfilment of their duties. The sizes of such remunerations and compensations shall be set forth by the decision of the General Meeting of Shareholders.

6.2. The Audit Panel shall be provided with the premises, office equipment, stationary required for fulfilment of its activities.

6.3. Payment for services of specialists involved by the Audit Panel shall be made out of the funds of the Bank in the amount set forth by the Supervisory Board.

6.4. Expenses and payments envisaged in this section shall be paid out of the profit remaining at the disposal of the Bank after payment of taxes and other mandatory payments.

## **7. THE LIABILITY OF THE AUDIT PANEL MEMBERS**

7.1. Members of the Audit Panel shall be responsible for any abusive performance of their duties as set forth by applicable Russian laws, the Bank's Charter and this Regulation.

7.2. The members of the Audit Panel shall be liable for bias and bad faith in their audits (checks) of the financial and economic activities of the Bank.

7.3. An Audit Panel member shall be personally liable for fulfilment of their duties in bad faith when issuing a separate opinion (a special opinion) on results of the audit (check) of financial and economic activities of the Bank which does not coincide with the conclusions of the Audit Panel.

7.4. The General Meeting of Shareholders shall have the right to terminate the authorities of a member of the Audit Panel ahead of schedule, if such a member commits fraud as defined by this Regulation or causes damage to the Bank.

7.5. Fraud on the part of a member of the Audit Panel shall include:

- destruction, damage or fabrication of documents and materials important for the Bank, including accounting records;
- concealment of identified abuse on the part of the Bank officers or employees or association with such abuse;
- wilful misrepresentation to officers, employees or shareholders of the Bank when providing information pertaining to the Bank activities;
- disclosure of confidential information on operation of the Bank and its clients;
- disclosure of information constituting bank secret;
- interference with fulfilment of job duties by the Bank employees, putting pressure on officers and employees of the Bank to induce them to engage in illegal actions or action (omission) certain to cause damage to the Bank;
- destruction, damage, alienation of any part of the Bank property in one's own interests;
- other acts damaging the interests of the Bank.

7.6. If a member of the Audit Panel is convicted of an intentional crime by a court order, such a member of the Audit Panel shall be duly relieved of their duties after this order comes into effect.

**8. SAFEKEEPING OF THE AUDIT PANEL DOCUMENTS  
AND THEIR SUBMISSION TO INTERESTED PARTIES**

8.1. Reports and opinions of the Audit Panel provided for review to the management bodies of the Bank shall be safe-kept in accordance with the established procedure in the files with the minutes of meetings of the above mentioned management bodies.

8.2. These reports, opinions and other information concerning the activities of the Audit Panel may be provided for familiarization to the Bank shareholders as well as other persons authorised to access such documents (information) on the grounds and in accordance with the procedure provided for by the laws of the Russian Federation, the Charter and this Regulation governing the activities of the Audit Panel.

**9. MISCELLANEOUS**

9.1. Any amendments hereto shall be made as provided for by the Bank's Charter and applicable Russian laws.

9.2. If any change in Russian laws or the Bank's Charter brings certain clauses hereof in conflict therewith, such clauses shall become void and the Audit Panel members shall refer to such laws and the Bank's Charter until amending this Regulation.

9.3. Any matters arising in the Audit Panel activities not covered hereby shall be governed by the provisions of the Bank's Charter and applicable Russian laws.

Chairman of the Supervisory Board  
of CREDIT BANK OF MOSCOW

William Forrester Owens