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**APPROVED**  
by the Supervisory Board  
of CREDIT BANK OF MOSCOW  
Minutes No.10 dated 06.06.2016

**REGULATION ON THE CORPORATE SECRETARY OF  
CREDIT BANK OF MOSCOW**

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## **1. GENERAL PROVISIONS**

1.1. This Regulation of CREDIT BANK OF MOSCOW (the “Bank”) sets out the procedure for election, the status, functions and authority of the Corporate Secretary.

This Regulation has been developed pursuant to applicable laws of the Russian Federation, the Corporate Governance Code approved by the Bank of Russia on 10.04.2014, the Bank’s Charter, the Bank’s Corporate Governance Code, the Bank’s Regulation on General Shareholders Meeting and Regulation on Supervisory Board.

1.2. In order to ensure the Bank’s compliance with Russian statutory and internal, Charter- or other bylaws-based, corporate governance rules and procedures intended to ensure rights and protect interests of its shareholders, manage relationships between the Bank and its shareholders, and to ensure efficient performance of its Supervisory Board, the Bank shall appoint a designated officer to act as the Corporate Secretary of the Bank.

1.3. The Corporate Secretary’s role is to promote efficiency of its management in the interests of its shareholders, promote its transparency and investment appeal, support the growth of its capitalisation and profitability.

1.4. The Corporate Secretary’s performance and fulfilment of his/her goals and functions is supported by the Corporate Secretary Service.

1.5. The Corporate Secretary shall act in accordance with legislation of the Russian Federation, the Bank’s Charter, this Regulation and other bylaws of the Bank approved by, and resolutions of, the General Shareholders Meeting or the Supervisory Board of the Bank.

1.6. The Bank’s Corporate Secretary shall be the secretary of its Supervisory Board.

1.7. The Corporate Secretary may only perform other duties in the Bank by resolution of its Supervisory Board.

1.8. The Bank shall make such disclose on the Corporate Secretary on its website and in its annual report as it does on its Supervisory Board members and Management Board members.

## **2. ELECTION OF THE CORPORATE SECRETARY**

### **2.1. Eligibility criteria for the Corporate Secretary**

2.1.1. The Corporate Secretary must have knowledge, experience and qualification adequate for performing his/her duties, and appropriate personal qualities. When electing the Corporate Secretary, the Supervisory Board shall comprehensively appraise any nominee’s capability to act as such, including education, working experience, reputation and professional qualities.

2.1.2. To be elected as the Corporate Secretary, a person must meet the following minimum requirements:

2.1.2.1. the Corporate Secretary must have an impeccable reputation.

2.1.2.2. the Corporate Secretary must have a degree in law, economics or business, at least 5 year working experience, of which at least 2 years in corporate governance or a managerial position;

2.1.2.3. the Corporate Secretary must, at the time of election, have a certificate of completion of a corporate law and governance qualification upgrade programme and must, thereafter, systematically upgrade such qualification;

2.1.2.4. the Corporate Secretary may not be affiliated with the Bank or belong to the same group of persons as any of its affiliates;

2.1.2.5. the Corporate Secretary must have profound knowledge in banking and corporate law, administrative and civil law, and securities market legislation;

2.1.2.6. the Corporate Secretary must have experience of working with documentation, including experience of developing bylaws, minuting collective bodies’ meetings and doing business correspondence with senior officers;

2.1.2.7. the Corporate Secretary must have good communication, presentation and organisational skills, and be fluent in Russian and English.

2.1.3. None of the following individuals may be elected as the Corporate Secretary:

- individuals with a non-cancelled or unexpired previous conviction;
- individuals deemed subjected to administrative penalty by way of disqualification.

2.1.4. When electing the Corporate Secretary, the following must count as reputationally negative factors:

- any cancelled or expired previous conviction for economic offence or offence against the state, abuse of public or municipal office;
- any administrative offence related to financial, tax or securities market.

2.1.5. The Corporate Secretary must forthwith inform the Chairman of the Supervisory Board of any circumstances arising after his/her election that would prevent him/her from becoming the Corporate Secretary, if they had arisen theretobefore.

## **2.2. Appointing and removing the Corporate Secretary**

2.2.1. The Corporate Secretary shall be appointed and removed by the Chairman of the Management Board based on a resolution of the Supervisory Board.

2.2.2. Nominees for the office of the Corporate Secretary may be proposed by Supervisory Board members and the Chairman of the Management Board. For each nominee proposed to the Supervisory Board, the following information must be presented:

- surname, name and patronym;
- year of birth;
- education, including any qualification upgrades;
- employments during the last 5 years specifying the entities, positions, employment periods and main duties;
- the number, category and class of any shares held in the Bank;
- confirmation of (no) affiliation with the Bank;
- confirmation of no non-cancelled or unexpired previous conviction and of no administrative offence;
- any further information at the nominee's or nominating party's discretion.

2.2.3. The Supervisory Board's Compensation, Corporate Governance and Nominations Committee shall consider nominees for the office of the Corporate Secretary and give its advice to the Supervisory Board.

2.2.4. To ensure comprehensive appraisal of any nominee for the office of the Corporate Secretary and effective discussion among Supervisory Board members, the Corporate Secretary shall be, where possible, be elected at an in-person Supervisory Board meeting.

2.2.5. The Corporate Secretary may be removed at any time by resolution of the Supervisory Board or upon a written resignation request. Within 30 calendar days of the Supervisory Board resolving to remove the Corporate Secretary or the Chairman of the Supervisory Board receiving the Corporate Secretary's resignation request, the Supervisory Board shall by its resolution elect a new Corporate Secretary.

2.2.6. The Corporate Secretary may be removed by resolution of the Supervisory Board for any of the following reasons:

- bad faith or negligent performance;
- a grave misconduct or breach of any terms of the employment contract or this Regulation;
- refusal to act;
- incapability to act in due manner;
- occurrence of any circumstances that would prevent him/her from becoming the Corporate Secretary, if they had arisen before the election.

## **2.3. The Corporate Secretary's accountability and course of dealing with the Bank's management bodies and subdivisions**

2.3.1. The Corporate Secretary is an officer independent from the Bank's executive bodies and shall be accountable to its Supervisory Board.

2.3.2. The Corporate Secretary shall inform the Chairman of the Supervisory Board of anything impeding compliance with any of the procedures to be ensured by the Corporate Secretary.

2.3.3. The Corporate Secretary may request, and the Bank's officers must provide to him/her in reasonable time, any information necessary for the Corporate Secretary to perform his/her duties, subject to applicable laws of the Russian Federation, the Charter and the Bank's bylaws.

2.3.4. The Corporate Secretary may engage employees of the Bank's subdivisions to prepare materials to be examined by the Bank's shareholders or Supervisory Board members under applicable laws of the Russian Federation, the Charter and the Bank's bylaws, and initiate the drafting of any regulations or procedures necessary for the Corporate Secretary to properly perform his/her duties.

2.3.5. The Corporate Secretary may control implementation by the Bank's management bodies and subdivisions of any resolutions of the Supervisory Board or General Shareholders Meeting of the Bank, which includes the right to request implementation progress reports in respect of, or inquire about the causes of any failed, undue or late implementation of, any such resolutions.

2.3.6. The Corporate Secretary may propose to the Bank's management bodies and Supervisory Board any initiatives intended to improve the Bank's corporate governance procedures and interactions between shareholders, Supervisory Board members and management bodies of the Bank.

2.3.7. The Corporate Secretary may require any of the Bank's officers to stop any actions infringing upon any shareholders' rights or leading to any corporate conflicts, subject to informing the Chairman of the Supervisory Board of any such actions at the same time.

### **3. THE CORPORATE SECRETARY'S OBJECTS AND FUNCTIONS**

3.1. The Corporate Secretary's objects are to improve the way the Bank's development is managed in the interests of its shareholders, coordinate its actions designed to protect its shareholders' rights and interests, improve its corporate governance standards and practices, support efficient operation of its General Shareholders' Meeting and Supervisory Board, and efficient ongoing interaction with its shareholders, Supervisory Board members and executive bodies.

3.2. In the pursuit of the aforesaid objects, the Corporate Secretary shall perform the following functions:

3.2.1. participating in the preparation and holding of the Bank's General Shareholders Meetings, i.e.:

- ensure control over the making of the lists of persons entitled to participate in General Shareholders Meetings;

- ensure proper notification of the persons entitled to participate in a General Shareholders Meeting of holding the same, prepare and send (hand out) voting ballots to them, notify all Supervisory Board members, the Chairman and members of the Management Board, Audit Panel members and the Bank's auditor of holding any General Shareholders Meeting.

- put together, and ensure access to, materials deliverable in contemplation of General Shareholders Meetings, certify and deliver copies of relevant documents as requested by any persons entitled to participate in General Shareholders Meetings;

- check compliance with General Shareholders Meeting participant registration procedures, arrange for minuting of, and making the minutes of voting at, General Meetings, and timely bring General Shareholders Meeting vote count reports to the notice of persons included in the lists of persons entitled to participate in General Meetings;

- prepare answers to General Meeting participants' questions related to the procedure applied at such meetings, and take steps to resolve any conflicts related to the procedure of preparing and holding General Shareholders Meetings;

- send requests to, and obtain consents to election from, nominees to the Bank's Supervisory Board.

3.2.2. ensuring operation of the Supervisory Board and its committees, i.e.:

- notify all Supervisory Board members of any Supervisory Board or committee meetings to be held;
  - arrange for preparation and delivery to Supervisory Board members of any materials related to the agenda of any Supervisory Board or committee meetings;
  - send (hand out) voting ballots to Supervisory Board members, collect completed ballots or written opinions of any absent Supervisory Board members and pass them to the Chairman of the Supervisory Board (in the case of any Supervisory Board meetings held by absentee voting or any member(s) of the Supervisory Board being absent from an in-person meeting);
  - ensure proper compliance with the procedure of holding any Supervisory Board or committee meeting;
  - minute Supervisory Board meetings and arrange for committee meetings to be minuted by the chairmen of relevant committees;
  - assist Supervisory Board members in obtaining any information required to them to properly perform their duties;
  - make any newly elected Supervisory Board members familiar with the Bank's internal rules governing the Supervisory Board and other bodies of the Bank, its organisational structure, officers, bylaws, and applicable resolutions of General Shareholders Meetings and the Supervisory Board;
  - provide Supervisory Board members with clarifications of statutory, the Charter's and other bylaws' requirements related to procedural matters of preparation and holding of General Shareholders Meetings and Supervisory Board meetings, and to disclosing (reporting) information about the Bank;
  - make and update from time to time the Supervisory Board's meetings plan;
  - take part in drawing the agenda of Supervisory Board and committee meetings;
  - ensure compliance with the Regulation on the Bank's Supervisory Board and on its committees, including the procedure of convening and holding respective meetings;
  - in the case of any interested party transaction on the agenda, identify, for the purposes of voting on such item of agenda, any Supervisory Board members interested in approving the same;
  - arrange for the annual Supervisory Board performance appraisal and present the resulting report to the Supervisory Board;
  - solve any organisational issues related to holding Supervisory Board and committee meetings;
  - promptly inform Supervisory Board members of the most prominent developments in the Bank's business activities;
  - ensure efficient interaction between the Supervisory Board and executive bodies of the Bank as regards corporate governance and administrative matters;
  - send requests to Supervisory Board members to provide information about them as required by laws of the Russian Federation, and gather such information;
- 3.2.3. participating in the implementation of the Bank's disclosure policy and ensuring storage of the Bank's corporate documents, i.e.:
- ensure compliance with statutory, the Charter's and other bylaws' requirements to the process of storing and disclosing (reporting) information about the Bank;
  - check that the Bank timely discloses information contained in its security prospectuses and quarterly reports, and material facts concerning its business activities;
  - ensure storage of, and access to, documents that shareholders may examine under applicable laws of the Russian Federation, and provide their copies certified by the Corporate Secretary;
  - check that the information posted on the Bank's official website about its corporate governance is updated;
- 3.2.4. managing the Bank's relationships with its shareholders and contributing to corporate conflicts prevention, i.e.:
- register and preliminarily qualify;
  - check that the Bank's bodies and subdivisions address shareholders' letters, claims and other communications in a timely manner;

- quickly and smoothly resolve any conflicts arising out of any infringements on shareholders' rights, within his/her area of responsibility;
  - ensure provision of advice to shareholders on matters of their rights;
  - check that dividends are paid to shareholders correctly and in due time;
- 3.2.5. ensuring the Bank's interactions with regulators, trading facilities, the registrar and other professional stock market participants, within the responsibilities imposed on the Corporate Secretary;
- 3.2.6. ensuring and checking the fulfilment of statutory and internal procedures intended to give effect to shareholders' rights and lawful interests;
- 3.2.7. informing the Supervisory Board forthwith of any identified violations of laws or the Bank's bylaws applicable to the Corporate Secretary's functions;
- 3.2.8. contributing to improvement of the Bank's corporate governance system and practice.
- 3.2.9. other functions necessary to pursue the Corporate Secretary's objectives.

#### **4. THE CORPORATE SECRETARY'S AUTHORITY**

- 4.1. To ensure the performance of his/her duties, the Corporate Secretary may:
- 4.1.1. request and obtain any documents of the Bank;
  - 4.1.2. propose issues for review by the Bank's governing bodies, within his/her competence;
  - 4.1.3. monitor compliance by the Bank's officers and employees with its Charter and bylaws to the extent this concerns his/her functions;
  - 4.1.4. liaise with the Chairman of the Supervisory Board and chairmen of its committees.
- 4.2. The Bank's management bodies and officers must assist the Corporate Secretary in performing his/her functions.
- 4.3. Anything impeding compliance with any of the procedures to be ensured by the Corporate Secretary (actions or omissions of the Bank's officers or registrar, other circumstances disrupting the preparation or holding of any Bank's General Shareholders Meeting or Supervisory Board meeting, or disrupting disclosure (reporting) of information) must be reported by the Corporate Secretary to the Chairman of the Supervisory Board in reasonable time.

#### **5. THE CORPORATE SECRETARY'S DUTIES AND LIABILITY**

- 5.1. The Corporate Secretary shall exercise his/her rights and perform his/her duties acting in the Bank's and its shareholders' interests in good faith and reasonably.
- 5.2. The Corporate Secretary shall have an obligation to promote the Bank's interests in accordance with its Charter and bylaws to the full extent of his/her abilities.
- 5.3. The Corporate Secretary must comply with all reasonable demands, instructions and orders of the Supervisory Board, respond to requests of the Bank's shareholders and Supervisory Board members, and provide them with such explanations, information and assistance as may be reasonably required by them.
- 5.4. The Corporate Secretary shall fulfil general fiduciary duties expected from each officer of the Bank.
- 5.5. The Corporate Secretary shall, upon request, advise employees of the Bank's subdivisions on the Bank's corporate governance practices, standards and procedures to promote their awareness of the corporate governance system operation in the context of its improvement.
- 5.6. The Corporate Secretary shall be held liable under the legislation of the Russian Federation for disclosing, taking advantage of, or sharing with any third parties, any information subject to banking or commercial secrecy or any other confidential information of the Bank.
- 5.7. The Corporate Secretary shall be responsible for:
- accuracy, completeness and authenticity of any documents provided and certified by him/her;
  - safety of information classified as banking or commercial secrecy or constituting confidential information of the Bank;
  - legitimate use of insider information;

- compliance with applicable laws of the Russian Federation and the Bank's bylaws;
- performance of the functions set out in this Regulation, the Bank's Charter and bylaws;
- timely and due disclosure by the Bank of information within his/her area of responsibility;
- proper consideration of queries from the Bank's shareholders and prompt resolution of conflicts.

## **6. TERMS AND CONDITIONS OF THE CORPORATE SECRETARY'S REMUNERATION**

6.1. The Corporate Secretary is an employee of the Bank with whom the labour relationship is to be constituted by an employment contract of which the terms are subject to approval by the Supervisory Board.

6.2. Remuneration to the Corporate Secretary is paid in due time and manner established by the Bank for salary payments.

6.3. Based on recommendations of the Compensation, Corporate Governance and Nominations Committee, the Supervisory Board shall, by its resolution, assign to the Corporate Secretary a compensation package consisting of a fixed remuneration and a bonus component specifying clear criteria and procedure for its payment, which is to be then set out in the relevant employment contract.

6.4. The Supervisory Board shall appraise performance, and approve reports, of the Corporate Secretary, and, subject to recommendations of the Compensation, Corporate Governance and Nominations Committee of the Supervisory Board prepared on the basis of his/her annual performance appraisal results, may resolve to pay the Corporate Secretary an additional bonus.

## **7. CONCLUDING PROVISIONS**

7.1. This Regulation shall become effective upon its approval by the Bank's Supervisory Board.

7.2. Any amendments hereto shall be subject to approval by the Bank's Supervisory Board.

7.3. If any change in statutory acts of the Russian Federation brings any articles hereof in conflict therewith, such articles shall become void and, until this Regulation is amended, the Bank shall refer to the applicable legislation.

Chairman of the Supervisory Board  
CREDIT BANK OF MOSCOW

William Forrester Owens