

APPROVED

by the Supervisory Board of CREDIT BANK  
OF MOSCOW

Minutes No.26 dated 02.12.2014

## **REGULATION ON THE STRATEGY AND CAPITAL MARKETS COMMITTEE OF THE SUPERVISORY BOARD OF CREDIT BANK OF MOSCOW**

### **1. GENERAL PROVISIONS**

- 1.1. This Regulation sets forth the status, tasks and competence of, powers and responsibility of the members of, procedure for formation, operation and decision making of, the Strategy and Capital Markets Committee (the "Committee") of the Supervisory Board of CREDIT BANK OF MOSCOW (the "Bank").
- 1.2. This Regulation is made pursuant to the Bank's Charter, Corporate Governance Code and Regulation on the Supervisory Board.
- 1.3. The Committee is formed to:
  - i. ensure adoption of reasonable resolutions by the Supervisory Board as regards setting strategic goals for the Bank, selecting its priority lines of business, making recommendations on the Bank's dividend policy and appraising the Bank's long-term performance;
  - ii. advise the Supervisory Board of the Bank on adjusting the Bank's existing development strategy with a view to enhance the Bank's performance having regard to the domestic and foreign market trends, performance results of the Bank and its competitors, and other factors;
  - iii. advise the Supervisory Board of the Bank on the Bank's international capital market funding strategy, optimisation of internal processes with respect to capital market activities and building an internal interaction model in connection with international capital market funding, and on any material investor relation issues;
  - iv. otherwise assist the Supervisory Board in addressing any matters reserved to it.
- 1.4. The Committee shall act in the interests of the Bank's shareholders, the Bank itself and its investors, and assist in defining priority areas, goals and basic principles of strategic development, promote an efficient system of control over the Bank's positioning in international capital markets and over any activities and actions undertaken in the course of preparation of the Bank's transactions in international capital markets, and enable actual involvement of the Supervisory Board of the Bank in such activities.
- 1.5. The Committee shall act within powers conferred to it hereunder by the Supervisory Board.
- 1.6. The Committee shall be formed by resolution of the Supervisory Board as a consultative and advisory body to ensure the Supervisory Board efficiently performs its functions of general direction of the Bank's activities.

Any resolutions of the Committee shall be recommendatory for the Supervisory Board.
- 1.7. In its activities, the Committee shall be fully accountable to the Supervisory Board and shall be governed by Russian legislation, the Bank's Charter, Regulation on, and resolutions of, the

Supervisory Board, this Regulation and other by-laws of the Bank as approved by the General Shareholders' Meeting and the Supervisory Board, and resolutions of the Committee.

## **2. FUNCTIONS OF THE COMMITTEE**

- 2.1. The Committee's functions are to advise (opine to) the Supervisory Board on:
- defining priority areas, goals and basic principles of the Bank's strategic development, and formulating the Bank's mid-term and long-term development strategy as well as the Bank's international capital market strategy, including the Bank's IPO, and the action plan for preparation of transactions in international debt and equity capital markets;
  - appraising the Bank's mid-term and long-term performance and adjusting the Bank's existing development strategy;
  - enhancing the Bank's investment appeal;
  - actions necessary to position the Bank in international capital markets, and development of investor relations;
  - effectiveness of internal procedures and processes supporting the Bank's international business as regards execution of international capital market transactions, and investor relations.
- 2.2. The Supervisory Board of the Bank may resolve to request the Committee to perform any other tasks within its competence.
- 2.3. The Committee shall co-operate with any other Supervisory Board committees and other management and control bodies of the Bank.

## **3. COMPETENCE OF THE COMMITTEE**

- 3.1. The Committee's competence is to advise the Supervisory Board on the following:
- 3.1.1. defining the Bank's strategic development areas (goals) and formulating strategic control criteria;
  - 3.1.2. monitoring progress in achieving the Bank's strategic goals and related key performance indicators, and adjusting the Bank's approved strategy;
  - 3.1.3. assessing consistency of any strategic goals set with the prevailing domestic and external market situation and the Bank's financial, technological and resource capabilities;
  - 3.1.4. approving the Bank's mid- and long-term business plans, budget and any amendments thereto, and considering reports of the Management Board on implementation thereof;
  - 3.1.5. considering the Bank's investments, any mergers or acquisitions, and any disposals of assets of the Bank or its subsidiaries and/or affiliates;
  - 3.1.6. development of the action plan under the international capital market strategy adopted and submitting proposals concerning the allocation of functions within the Bank in connection therewith (among the shareholders, the Supervisory Board, the Bank's executive bodies and the key personnel);
  - 3.1.7. monitoring the implementation of any developed action plan with respect to its capital market strategy;
  - 3.1.8. supporting and advising the Bank's executive bodies and key personnel in defining the strategic guidelines and achieving targets set with regard to international capital markets;
  - 3.1.9. choosing the Bank's external partners in the international capital markets, including investment banks and legal counsels;

- 3.1.10. informing the Supervisory Board on the overall status of investor relations development programs and related activities;
- 3.1.11. other matters as requested by the Supervisory Board.
- 3.2. Any resolutions of the Committee shall be made in the form of recommendations to the Supervisory Board, unless otherwise required by the nature of the Committee's responsibilities and/or specific resolutions of the Supervisory Board.
- 3.3. Resolutions on any issues referred to the Committee by the Supervisory Board shall be passed by the Committee by a simple majority of its members present at the relevant meeting.  
Any other resolutions of the Committee, including those made in the form of recommendations to the Supervisory Board, shall be passed by consensus among its members. If no consensus may be reached, the opinions of all of the Committee members shall be presented to the Supervisory Board.
- 3.4. To ensure adoption of reasonable resolutions, the Committee may engage any experts.
- 3.5. To ensure performance of the Committee's powers, the Supervisory Board of the Bank authorises the Committee to:
  - 3.5.1. engage in control over, and checks of, implementation of resolutions and commissions of the Supervisory Board of the Bank related to the Committee's competence;
  - 3.5.2. request and obtain, in a manner applied in the Bank, any information necessary for its proceedings from members of the executive bodies, the Supervisory Board, heads of organisational units and other employees of the Bank;
  - 3.5.3. propose to the Supervisory Board of the Bank any amendments to this Regulation;
  - 3.5.4. if necessary, draft the Committee's bylaws for approval by the Supervisory Board of the Bank;
  - 3.5.5. exercise other rights as necessary to perform the Committee's powers.
- 3.6. Committee members must:
  - 3.6.1. Contribute to preparation and discussion of issues taken to Committee meetings.
  - 3.6.2. Participate in the Committee's decision-making by voting on items of agenda of its meetings.
  - 3.6.3. Make reasonable decisions, study all necessary information (materials) to this end and make all Committee members aware of information relevant to decisions being made;
  - 3.6.4. Notify the Committee chairman and/or the Corporate Secretary of inability to attend the next Committee meeting (absentee voting) specifying the reasons.
  - 3.6.5. Make decisions on items of the Committee's agenda acting in good faith and reasonably in the interests of the Bank's shareholders and all parties involved in line with recommendations of the Corporate Governance Code recommended by the Bank of Russia and best international practice in corporate governance.
  - 3.6.6. Fulfil requests of the Committee chairman.

#### **4. MEMBERSHIP AND FORMATION OF THE COMMITTEE**

- 4.1. The Committee shall be formed of no less than 4 (Four) members elected out of the members of the Supervisory Board of the Bank who are not members of the Bank's executive bodies. At least one member of the Committee must be an independent director, which term, for the purposes hereof, shall have the meaning given to it in the Bank's Charter and Corporate Governance Code.
- 4.2. The Committee shall be chaired by an independent director qualifying as independent director under the Charter and Corporate Governance Code.

- 4.3. The Chairman of the Committee must, within 5 (Five) business days of occurrence of any event disqualifying him as independent director under the Charter and Corporate Governance Code, give notice thereof to the Supervisory Board of the Bank.
- 4.4. Members of the Committee shall be elected at a meeting of, out of the members of, and for the term until next elections by the General Shareholders' Meeting of the Bank to, the Supervisory Board of the Bank. Resolution on election of members of the Committee shall be passed by a simple majority of votes of all the members of the Supervisory Board of the Bank.
- 4.5. Committee members shall be elected at a meeting of, out of the members of, and for the term until next elections by the General Shareholders' Meeting of the Bank to, the Supervisory Board. Resolution electing Committee members shall be passed by a simple majority of votes of all Supervisory Board members.
- 4.6. Members of the Committee and may be re-elected an unlimited number of times.
- 4.7. The Supervisory Board of the Bank may remove all or any members of the Committee before term.
- 4.8. Any member of the Committee shall be discharged before term in the following cases:
  - 4.8.1. Upon resignation of such member from the Committee. Any member of the Committee may resign from the Committee by giving 1 (One) month written notice thereof to the Chairman of the Supervisory Board and Chairman of the Committee.
  - 4.8.2. Upon removal of such member by the Supervisory Board of the Bank.
- 4.9. If any member of the Committee is discharged under cl. 4.8.1 hereof, the Supervisory Board of the Bank shall, at the next meeting but no later than 1 (One) month of receipt by the Supervisory Board of the Bank of the written resignation notice, elect a new member to the Committee. Until then, the resigning member of the Committee shall continue to perform his duties in full.
- 4.10. If any member of the Committee is discharged under cl. 4.8.2 hereof, the Supervisory Board of the Bank shall, within 2 (Two) weeks of such discharge, elect a new member of the Committee.

## **5. ELECTION AND FUNCTIONS OF THE CHAIRMAN OF THE COMMITTEE**

- 5.1. The Chairman of the Committee shall be elected out of the members of the Committee at a meeting of the Supervisory Board of the Bank. Resolution on election of the Chairman of the Committee shall be passed by a simple majority of votes of all the members of the Supervisory Board of the Bank. The Supervisory Board of the Bank may at any time elect a new Chairman of the Committee by a simple majority of votes of all the members of the Supervisory Board of the Bank.
- 5.2. The Chairman of the Committee shall be elected out of the independent directors on the Supervisory Board elected to the Committee.
- 5.3. The Chairman of the Committee shall steer the Committee, which includes:
  - calling of, and chairing, the Committee's meetings;
  - approving agenda of the Committee's meetings upon consultation with the Committee's members;
  - defining the list of invitees to Committee meetings;
  - arranging discussion of matters at, and hearings of invitees to, the Committee's meetings;
  - maintaining ongoing communication with the Bank's executive bodies, Supervisory Board, Auditor, Audit Panel, organisational units and employees to obtain maximally complete and true information necessary for the Committee's proceedings and to ensure efficient coordination with the Supervisory Board of the Bank;
  - assigning duties to the Committee's members and giving them requests related to in-depth study of issues, and to preparation of materials, to be considered at Committee meetings;

- reporting the Committee's proceedings to the Supervisory Board;
- performing other functions envisaged by the effective legislation, the Bank's Charter, this Regulation and other bylaws of the Bank within the Committee's competence.

#### **6. FUNCTIONS OF THE COMMITTEE'S SECRETARY**

- 6.1. The Corporate secretary of the Supervisory Board of the Bank shall act as the Committee's secretary.
- 6.2. The Committee's secretary shall ensure:
  - arrangement of the Committee's meetings;
  - collection and classification of materials for the meetings;
  - timely distribution of the Committee meeting notifications, agendas of the meetings and related materials to the Committee's members and invitees;
  - minuting of Committee meetings;
  - drafting of the Committee's resolutions;
  - retention of materials of the Committee's meetings;
  - delivery to the Committee's members of any appropriate information.

#### **7. PROCEEDINGS OF THE COMMITTEE**

- 7.1. Any matters shall be discussed and actions taken at the Committee's meetings. Any actions of the Committee shall be recommendatory.
- 7.2. The Committee's meetings shall be called when necessary.
- 7.3. The Committee's meetings shall be held physically (by way of co-presence of the Committee's members at a meeting, in particular by means of a conference call or video conference call) or by absentee voting (by balloting Committee members on agenda).
- 7.4. Committee meetings may be called by the Committee chairman at his discretion, upon request of any Committee member, or any body or person entitled to request a Supervisory Board meeting to be called, or upon request of the Supervisory Board.
 

The agenda of meetings shall be set out by the Committee chairman based on the Supervisory Board's work plan, its requests or any other requests referred to above in this clause.
- 7.5. Notice of any upcoming Committee meeting shall be given by the Committee secretary to each Committee member together with necessary materials at least 7 (Seven) calendar days before it is to be held (or, if to be held by way of absentee voting, before the last day for voting). This period may be shortened where any issues require urgent decisions, provided that none of the Committee members objects. To so object, a Committee member must notify the Committee chairman and/or secretary in writing by mail, phone, email or otherwise.
- 7.6. Where the Committee is to make any decisions at an in-person meeting, the Committee members present thereat must express their opinion on the items of its agenda by voting. Any Committee members who cannot attend an in-person meeting or who participate in a meeting held by absentee voting may express their opinion on the items of its agenda in writing.
- 7.7. If any meeting of the Committee is held by absentee voting, the Committee members shall be provided with its agenda, appropriate materials and draft resolution specifying the response deadline and voting ballots.

- 7.8. The quorum for taking any actions by the Committee shall be constituted by at least a half of the Committee's members.

The quorum of any physically held meeting shall be determined by count of the Committee's members present thereat. The quorum of any meeting held by absentee voting shall be determined by count of ballots received from the Committee's members by the date specified in the notice of meeting.

- 7.9. Any actions shall be taken by a simple majority of votes of the Committee's members. Any member of the Committee who voted against any action taken may have his dissent entered in the minutes of the meeting.
- 7.10. The Committee may form working and/or expert groups to deal with any ongoing tasks or particularly complicated matters.

### **8. ACCOUNTABILITY OF THE COMMITTEE TO THE SUPERVISORY BOARD OF THE BANK**

- 8.1. The Supervisory Board of the Bank may at any time during a year require the Committee to report on the Committee's current activities. The deadlines for any such reporting shall be set by resolution of the Supervisory Board of the Bank.
- 8.2. Copies of (extracts from) minutes of Committee meetings giving recommendations to the Supervisory Board shall be provided to its members as part of the materials for those Supervisory Board meetings whose agenda contains an item requiring such recommendation.
- 8.3. The Supervisory Board of the Bank may instruct the Committee to opine on any particular matters, any such instruction to specify a reasonable deadline therefor.
- 8.4. The Committee may at its discretion submit its recommendations on any matter within its competence to, and, where required hereby, shall opine to, the Supervisory Board of the Bank.

### **9. COOPERATION OF THE COMMITTEE**

#### **WITH MANAGEMENT BODIES OF THE BANK AND OTHER PERSONS**

- 9.1. Whereas the Committee's members need access to appropriate information to work effectively, members of the executive bodies, the Supervisory Board, members of the Audit Panel, the Auditor, heads of organisational units and employees of the Bank shall, if so requested by, and within the deadlines reasonably set by, the Committee, Committee chairman or a Committee member (upon consultation with, and with a copy to, the Committee Chairman and Committee secretary), provide complete and true information and documents relevant to the Committee's activities in a standard manner.
- 9.2. The Committee Secretary shall take care of the technical and procedural side of the Committee's interaction with Bank's bodies.

### **10. INSIDER INFORMATION**

- 10.1. Insider information is any substantial information on the Bank's business, shares, other securities and dealings therein which is not public and, if disclosed, may materially affect the market value of the Bank's shares or other securities.
- 10.2. The Committee's members and secretary may not make private use of, or disclose, insider or any other confidential information.
- 10.3. Any third parties to be engaged in the Committee's meetings shall sign an agreement on non-disclosure of insider and other confidential information.

**11. THE COMMITTEE MEMBERS' LIABILITY**

- 11.1. The Committee's members shall be liable under the terms of the Federal Law «On Joint-Stock Companies» applicable to the members of the Supervisory Board of the Bank.
- 11.2. Any conflict of interest that a Committee member may have in respect of any matter under consideration must be disclosed at a Committee meeting and be made known to the Supervisory Board in accordance with the Corporate Governance Code.

**12. APPROVAL AND AMENDING OF THIS REGULATION**

- 12.1. This Regulation and any amendments hereto shall be approved by the Supervisory Board of the Bank by a majority of votes of all the members of the Supervisory Board of the Bank.
- 12.2. Any matters related to the Committee's proceedings, unless covered by this Regulation, shall be governed by the Bank's Charter, Regulation on the Supervisory Board of the Bank, other bylaws of the Bank and effective legislation of the Russian Federation.
- 12.3. If any change in laws and regulations of the Russian Federation renders any provisions hereof in conflict therewith, such provisions shall become void and the Committee's members shall refer to such laws and regulations until amending this Regulation.

Chairman of the Supervisory Board  
of CREDIT BANK OF MOSCOW

William Forrester Owens