

Stamp: APPROVED  
by the National Bank of Ukraine  
on May 13, 2016

Acting Director of Registration and  
Licensing Department

/signed/ O.V. Kyrychenko  
Official seal.

**CHARTER**  
**OF PUBLIC JOINT-STOCK COMPANY**  
**“BANK AVANGARD”**  
**(as restated)**

APPROVED  
by the General  
Shareholders Meeting of  
PUBLIC JOINT-STOCK  
COMPANY  
“BANK AVANGARD”  
(Minutes No. 6, dated April 08, 2016)

**City of Kyiv, 2016**

## I. GENERAL PROVISIONS

1.1. This Charter is a constituent document of PUBLIC JOINT-STOCK COMPANY “BANK AVANGARD” (hereinafter referred to as the Bank), and it determines the foundations of the Bank’s activity, specifically: the name of the Bank; the amount of the authorized capital; conditions on the categories of shares issued by the Bank, and their nominal value and quantity; rights of the shareholders; the composition and competence of the Bank’s governing bodies and procedure governing the way in which they should pass resolutions, as well as any other information as required by the applicable laws of Ukraine.

1.2. The Bank was established according to the Resolution on the Establishment of PUBLIC JOINT-STOCK COMPANY “BANK AVANGARD”, dated January 30, 2013. The state registration of the Bank was conducted on April 23, 2013, the number of entry in the Uniform State Register of Legal Entities, Private Entrepreneurs and Social Formation on conducting state registration: 1 074 102 0000 045449.

1.3. The Bank has been organized as a public joint-stock company.

1.4. The Bank shall have full and abbreviated official name in the Ukrainian, Russian and English languages.

1.4.1. The full official name of the Bank shall be as follows:

- in Ukrainian – **ПУБЛІЧНЕ АКЦІОНЕРНЕ ТОВАРИСТВО «БАНК АВАНГАРД»;**
- in Russian – **ПУБЛИЧНОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО «БАНК АВАНГАРД»;**
- in English – **PUBLIC JOINT-STOCK COMPANY “BANK AVANGARD”.**

1.4.2. The abbreviated official name of the Bank shall be as follows:

- in Ukrainian – **ПАТ «БАНК АВАНГАРД»;**
- in Russian – **ПАО «БАНК АВАНГАРД»;**
- in English – **PJSC “BANK AVANGARD”.**

1.5. The seat of the Bank shall be at: 3 Sholudenka Street, the City of Kyiv, 04116, Ukraine.

## II. LEGAL STATUS OF THE BANK. RIGHTS OF THE BANK

2.1. The Bank is a legal entity, has separate property, has the right to acquire on its own behalf property and personal non-property rights; the Bank has the right to make any deeds, sue and be sued in court.

The Bank is a universal bank.

2.2. The Bank shall be deemed established and shall acquire the legal entity status upon its state registration in accordance with the applicable laws of Ukraine.

2.3. The Bank shall have a civil legal capacity and ability in accordance with the established goal and subject of its activities, and according to the scope of obligations which could be undertaken by the Bank pursuant to the applicable laws of Ukraine and this Charter.

2.4. The Bank shall be a part of the unified banking system of Ukraine. The Bank may carry out its activities throughout Ukraine.

2.5. The Bank shall acquire civil rights and obligations (civil legal capacity) and shall exercise them through its bodies acting in line with the laws of Ukraine and this Charter. The procedure for establishing the Bank's bodies shall be prescribed by the applicable laws of Ukraine and this Charter.

2.6. The Bank shall have an independent balance sheet, correspondent accounts with the National Bank of Ukraine and any other banking institutions, an official name (full and abbreviated), seals, stamps and letterheads bearing its full official name and logotype (emblem). The Bank shall have its own flag bearing the logotype (emblem) of the Bank. The description of the Bank's flag shall be determined by a regulation approved by the relevant governing body of the Bank.

2.7. The Bank shall establish relations with its customers, correspondent banks and other persons on the basis of relevant deeds which set forth terms and conditions required for conducting such relations.

2.8. The Bank's Shareholders shall not be liable for the Bank's obligations and shall bear a risk of damages related to the Bank's activities only to the extent of the shares they hold in the Bank.

The state shall not be liable for any obligations of the Bank and the Bank shall not be liable for any obligations of the state, unless otherwise provided by the applicable laws of Ukraine or an agreement.

The National Bank of Ukraine shall not be liable for any obligations of the Bank and the Bank shall not be liable for any obligations of the National Bank of Ukraine, unless otherwise provided by the applicable laws of Ukraine or an agreement.

No state and local authorities may influence in any manner the Bank management and employees in the performance of their official duties or interfere with the Bank's operations, unless otherwise provided by the applicable laws of Ukraine. Any damage caused to the Bank as a result of such interference shall be indemnified under the procedure determined by the applicable laws of Ukraine.

2.9. The Bank shall comply with requirements of the applicable laws of Ukraine, in particular, regulations of the National Bank of Ukraine, use the uniform rules of accounting established for banks on the basis of comprehensive automation and computerization, and submit reports and information to the National Bank of Ukraine in the scope and forms determined by the applicable laws of Ukraine.

2.10. The official language of the Bank shall be Ukrainian. The working languages of the Bank shall be Ukrainian, Russian and English. If necessary, the Bank may use other languages as working languages to ensure day-to-day operations of the Bank.

2.11. The Bank shall have its own website on the Internet, where it shall post information that is subject to publication pursuant to the applicable laws as well as any other necessary information.

2.12. The Bank shall, in particular, be entitled to:

1) carry out activities as defined by the applicable laws of Ukraine, this Charter, in accordance with the banking license, general license for currency transactions and annexes thereto; licenses for carrying out the relevant professional activities in the stock market issued by the Securities and Stock Market State Commission;

2) execute any deeds and perform legal acts not prohibited for banks under the applicable laws of Ukraine;

3) independently select potential counterparties to execute any deeds, and advertise its

operations;

4) directly invest and carry out transactions with securities in accordance with the applicable laws of Ukraine regulating securities and investment activities as provided by regulations of the National Bank of Ukraine;

5) open separate units (branches, representative offices, outlets, etc.) under the procedure prescribed by the applicable laws of Ukraine;

6) establish subsidiary banks, branches and representative offices in any other countries under the procedure prescribed by the applicable laws of Ukraine;

7) be a part of any non-profit unions and associations and participate in the establishment thereof;

8) participate in the creation of and create other legal entities (enterprises, institutions, organizations, etc.), including those with foreign capital, in the form and size as provided by the applicable laws of Ukraine;

9) organize and participate in seminars, workshops, conferences, meetings, etc. related to the Bank's operations;

10) ensure, using its own resources, the protection and safeguarding of the premises where the Bank is located, property and valuables, and engage for that purpose government and non-government organizations holding licenses required under the applicable laws of Ukraine, and other authorization documents;

11) enforce a pledge under the procedure established by the applicable laws of Ukraine;

12) independently determine, in accordance with the applicable laws of Ukraine, the procedure for hiring and dismissing employees, as well as remuneration forms and systems.

The Bank shall also have other rights in accordance with the applicable laws of Ukraine and this Charter.

2.13. In its activities, the Bank shall be governed by: the Constitution of Ukraine, the Civil and Commercial Codes of Ukraine, the Laws of Ukraine "On Banks and Banking", "On Financial Services and State Regulation of Financial Services Markets", "On Joint Stock Companies", "On Securities and Stock Market", regulations of the National Bank of Ukraine, other applicable laws and regulations of Ukraine and this Charter.

### **III. PURPOSE AND SUBJECT OF THE BANK'S ACTIVITIES**

3.1. The purpose of the Bank's activities shall be: satisfaction of the social needs in banking and other financial services (except services in the sphere of insurance), other activities of banks as determined by applicable laws; raising, accumulation of funds, ensuring of cash flow and cash reallocation; and generation of profit based on the results of activities not prohibited by applicable laws.

3.2. The subject of the Bank's activities shall be rendering of banking and other financial services (except services in the sphere of insurance), carrying out of other activities in accordance with the applicable laws of Ukraine based on the banking license, general license for currency transactions issued by the National Bank of Ukraine, and the annex thereto, as well as other authorization documents issued according to requirements of the applicable laws of Ukraine.

3.3. The Bank shall carry out its foreign economic activity in accordance with the applicable laws of Ukraine, specifically, the Laws of Ukraine "On Banks and Banking", "On Foreign Economic Activities".

3.4. The Bank may not operate in the area of material production, trade (except for sales of any memorial, commemorative, and investment coins) and insurance, but may act as an insurance agent. The Bank does not conduct risky activity that threatens the interests of depositors or other

creditors of the Bank.

#### **IV. BANKING TRANSACTIONS AND TYPES OF THE BANK'S ACTIVITY**

4.1. The Bank shall provide banking and other financial services (except services in the sphere of insurance) and carry out other activities in accordance with the applicable laws of Ukraine.

4.2. The Bank shall carry out banking activity based on its banking license by rendering the following banking services:

4.2.1. Attraction of funds and bank metals as deposits from an unlimited range of legal entities and individuals.

4.2.2. Opening and maintenance of current (correspondent) accounts of the customers, including accounts in bank metals.

4.2.3. Allocation of funds and bank metals attracted as deposits, including those placed on current accounts, in its own name, on its own terms and at its own risk.

4.3. The Bank shall have the right to provide financial services to its customers, specifically:

4.3.1. Issuance of payment documents, payment cards, traveler's checks and/or their servicing, clearing, and other forms of securing settlements.

4.3.2. Trust management of financial assets.

4.3.3. Currency exchange operations.

4.3.4. Attraction of financial assets on a repayment basis.

4.3.5. Financial leasing.

4.3.6. Lending of funds, including lending on financial credit terms.

4.3.7. Provision of guarantees and sureties.

4.3.8. Money transfers.

4.3.9. Services in the area of funded pension provision.

4.3.10. Professional activity in the securities market, which is subject to licensing.

4.3.11. Factoring.

4.4. On the basis of a license for the right to engage in relevant professional activities in the stock market issued by the Securities and Stock Market State Commission, the Bank may carry out the following professional activity in the securities market:

- brokerage activity;
- dealer activity;
- underwriting;
- activities related to securities management;
- custodian's depositary activity;
- activities related to custody of assets of joint investment institutions;
- activities related to pension fund assets;
- activities related to management of mortgage pool;

4.5. The Bank shall provide financial services to its customers (other than banks), in particular, by entering into agency agreements with legal entities (commercial agents).

The list of financial services which the Bank may render to its customers (other than banks) by entering into agency agreements shall be established by the National Bank of Ukraine. The Bank shall notify the National Bank of Ukraine of any agency agreements concluded by the Bank. The Bank shall have the right to enter into agency agreements with legal entities which comply with the requirements established by the National Bank of Ukraine.

4.6. In addition to rendering financial services, the Bank shall be entitled to carry out

activities related, inter alia, to:

- 4.6.1. Investments.
- 4.6.2. Issuance of own securities.
- 4.6.3. Issuance, distribution and conducting of lotteries.
- 4.6.4. Safekeeping of valuables, or lease (rental) of an individual bank safe.
- 4.6.5. Cash collection and transportation of currency valuables.
- 4.6.6. Rendering of consulting and information services regarding banking and other financial services.

4.7. The Bank shall carry out activities, render banking and other financial services in the national currency, and, if it has a general license issued by the National Bank of Ukraine – in foreign currency.

The Bank shall be entitled to execute any deeds required for its rendering of banking and other financial services and carrying out of other activity.

The Bank shall have the right to start carrying out a new type of activity or rendering a new type of financial services (other than banking services), provided it complies with the requirements established by the National Bank of Ukraine with respect to such type of activity or service.

The Bank shall, no later than a month before carrying out a new type of activity or render a new type of financial services (other than banking services), inform the National Bank of Ukraine thereof according to the requirements and under the procedure established by the National Bank of Ukraine.

The Bank shall independently establish interest rates and commission fees for the rendered services.

4.8. On the basis of the general license for currency transactions, the Bank may carry out:

- 4.8.1. Non-commercial transactions with currency values.
- 4.8.2. Transactions with foreign exchange cash and checks (purchase, sale, exchange, acceptance for encashment purposes), which are carried out in cash offices and foreign exchange offices of banks.
- 4.8.3. Transactions with foreign exchange cash (purchase, sale, exchange), which are carried out in foreign exchange offices operating on the basis of agency agreements made by banks with resident legal entities.
- 4.8.4. Maintenance of foreign currency accounts of its customers (residents and non-residents) and Ukrainian currency accounts of its non-resident customers.
- 4.8.5. Servicing of the correspondent accounts of banks (residents and non-residents) in foreign currency.
- 4.8.6. Servicing of the correspondent accounts of banks (non-residents) in the national currency of Ukraine.
- 4.8.7. Opening of correspondent foreign currency accounts with any accredited Ukrainian banks and performance of any transactions through such accounts.
- 4.8.8. Opening of correspondent foreign currency accounts with banks (non-residents) and performance of any transactions through such accounts.
- 4.8.9. Attraction and placement of foreign currency in the currency market of Ukraine.
- 4.8.10. Attraction and placement of foreign currency in international currency markets.
- 4.8.11. Trading of foreign currency in the currency market of Ukraine [except for transactions with foreign exchange cash and checks (purchase, sale, exchange) which are carried out in cash offices and foreign exchange offices of banks and agents].
- 4.8.12. Trading of foreign currency in international markets.
- 4.8.13. Attraction and placement of bank metals in the currency market of Ukraine.
- 4.8.14. Attraction and placement of bank metals in international currency markets.
- 4.8.15. Transactions with bank metals in the currency market of Ukraine.
- 4.8.16. Trading of bank metals in international markets.

4.8.17. Currency transactions in the currency market of Ukraine which are financial services under Article 4 of the Law of Ukraine “On Financial Services and State Regulation of Financial Services Markets” and are not specified in paragraphs two through seventeen of Section 2 of the Regulation on the procedure for granting general licenses for currency transactions to banks and branches of foreign banks, as approved by Resolution No. 281 of the Board of the National Bank of Ukraine dated August 15, 2011 (as amended).

4.8.18. Currency transactions in international markets which are financial services under Article 4 of the Law of Ukraine “On Financial Services and State Regulation of Financial Services Markets” and are not specified in paragraphs two through seventeen of Section 2 of the Regulation on the procedure for granting general licenses for currency transactions to banks and branches of foreign banks, as approved by Resolution No. 281 of the Board of the National Bank of Ukraine dated August 15, 2011 (as amended).

4.9. Activity which is classified as professional activity in the securities market according to the requirements of the laws of Ukraine shall be carried out by the Bank only upon obtainment of a license for conducting the relevant professional activity in the stock market issued by the Securities and Stock Market State Commission.

## **V. PROPERTY OF THE BANK**

5.1. The Bank shall be the owner of:

- monetary funds transferred to the Bank by its shareholders as a payment for the shares in establishing and increasing the authorized capital;
- income generated by the Bank based on the results of activities authorized by the Charter within and outside of Ukraine;
- any other property, property and non-property rights acquired on the grounds not prohibited by the applicable laws of Ukraine.

Any increase in the Bank’s property which occurs as a result of activities conducted by the Bank shall belong to the Bank.

5.2. The Bank shall be entitled to take any actions with respect to the Bank’s property which are not contrary to the applicable laws of Ukraine.

5.3. The Bank may own any real estate with a total value of up to 25 percent of the Bank’s capital. This limitation shall not apply to:

- 1) any premises ensuring technological performance of any bank functions;
- 2) any property transferred into the Bank’s ownership on the basis of exercising its rights as a pledgee in accordance with the terms of a pledge agreement;
- 3) any property acquired by the Bank with a view to preventing any loss, provided that such property shall be disposed of by the Bank within one year after acquiring the title thereto.

## **VI. AUTHORIZED CAPITAL AND FUNDS OF THE BANK**

6.1. The authorized capital of the Bank shall amount to UAH 162,382,000.00 (One hundred sixty-two million three hundred eighty-two thousand hryvnias and 00 kopecks).

6.2. The authorized capital of the Bank shall be divided into 122,000 (One hundred twenty-two thousand) common registered shares. The par value of one share shall be UAH 1,331.00 (One thousand three hundred thirty-one hryvnias and 00 kopecks).

The form of issue and the form of existence of shares shall be ‘non-documentary’.

6.3. The authorized capital of the Bank is the value of shares paid with monetary contributions of the Bank’s shareholders in the amount determined by the Charter.

The Bank shall form its authorized capital in accordance with the applicable laws of Ukraine, specifically, the Law of Ukraine “On Banks and Banking” and this Charter.

The Bank shall be formed and capitalized through monetary contributions.

Ukrainian residents shall make monetary contributions in order to increase the authorized capital of the Bank in hryvnias, while non-residents shall make them in hard currency or in hryvnias.

The Bank shall not form its authorized capital from any unverified sources.

6.4. The Bank shall have the right to increase its authorized capital by using funds and in manners prescribed by the applicable laws of Ukraine. Any losses incurred by the Bank shall not prevent it from increasing its authorized capital.

The resolution to increase the authorized capital shall be adopted at the General Shareholders Meeting of the Bank.

The Bank may conduct a public and private offering of shares.

The authorized capital may be increased by:

- an increase in the par value of the shares;
- an increase in the number of the shares with the current par value.

The Bank may increase the authorized capital after the registration of reports on the results of placement of all its previous issues of shares.

An increase in the authorized capital with the attraction of additional contributions shall be made through placement of additional shares. Additionally issued shares shall be placed in the manner determined by the applicable laws of Ukraine. The pre-emption right of the shareholders to purchase shares which are additionally placed by the Bank shall be exercised during private placement only and shall be established by laws. The Bank can not purchase its own shares to be placed.

An increase in the authorized capital without the attraction of additional contributions shall be made through an increase in the par value of shares.

6.5. The Bank shall have the right to reduce the authorized capital. The authorized capital may be reduced by:

- decreasing the par value of the shares;
- canceling the shares previously redeemed by the Bank and reducing their total number.

The resolution to reduce the authorized capital shall be adopted at the General Shareholders Meeting of the Bank.

In the event of reduction of the Bank’s authorized capital, its amount shall be at least equal to the minimum amount of the authorized capital as determined by the applicable laws of Ukraine. Should the Bank reduce its authorized capital below the amount prescribed by the applicable laws of Ukraine, such reduction shall result in liquidation of the Bank.

6.6. Prior to the approval of the results of placement of the first issue of the Bank’s shares, the founder (shareholder) shall pay for the acquired shares in full. Before the registration of a report on the share placement results, the founder (shareholder) shall have all the rights which are certified by the shares, except for the right to alienate and encumber the same.

The Bank’s founder (shareholder) shall receive a document confirming its title to the shares after it pays for such shares in full within 10 business days from the Bank’s receipt of a registration certificate for an issue of shares.

## **VII. SHARES OF THE BANK. BANK SHAREHOLDERS**

7.1. Each share shall certify its holder’s corporate rights in the Bank. The Bank shall issue common registered shares in a non-documentary form. The Bank shall be prohibited from issuing bearer shares.



7.2. The Bank shall issue its own shares in accordance with the applicable laws of Ukraine.

The shares shall be paid for only in monetary form. The value of the shares shall be specified in the national currency of Ukraine.

All placed shares shall be paid for in full before the Bank's body authorized to make such decisions approves the share placement results.

Upon placement of the shares, the transferee shall acquire the title thereto under the procedure and within the time frame established by the legislation regulating the depository system of Ukraine.

7.3. Title to the shares shall be transferred and exercised in accordance with the applicable laws of Ukraine.

The Bank's shares may be purchased and sold at the stock exchange.

The Bank shall be obligated to undergo the procedure of including its shares into the stock register and be in it of at least one stock exchange in Ukraine.

Shares of the Bank can not enter into the exchange list of more than one stock exchange in Ukraine.

7.4. The Bank shareholders may include any individuals and legal entities, whether residents or non-residents, and the state as represented by the Cabinet of Ministers of Ukraine or any bodies authorized thereby.

The Bank shareholders may not include any legal entities in which the Bank has a material interest, any associations of individuals, religious and charity organizations. No joint investment institutions may be founders of the Bank and holders of a material interest in the Bank.

A legal entity or individual intending to acquire a material interest in the Bank or increase such interest, so that such entity or individual would own, directly and/or indirectly, individually or jointly with other persons, an interest of 10, 25, 50, 75, or more percent in the Bank's authorized capital or voting shares (equity interests) in the Bank's authorized capital and/or, regardless of formal ownership, have a material influence on the Bank's management or business, shall be obligated to give the Bank and the National Bank of Ukraine a notice of its intent three months prior to acquiring a material interest or increasing the same.

Holders of a material interest in the Bank shall have an impeccable business reputation and satisfactory financial condition. Requirements for the business reputation and satisfactory financial condition of the founders and persons acquiring a material interest shall be established by the National Bank of Ukraine.

7.5. Each of the common shares of the Bank shall confer on the holder of such share an equal scope of rights, including the following rights:

- 1) to participate in the management of the Bank;
- 2) to receive dividends;
- 3) to use the pre-emption right to purchase additionally issued shares, if such shares are placed by way of private offering, under the procedure prescribed by the applicable laws of Ukraine;
- 4) to receive information regarding the Bank's business activities in accordance with the procedure established by the applicable laws of Ukraine;
- 5) to dispose of the shares held by each shareholder under the procedure established by the applicable laws of Ukraine;
- 6) to receive, upon liquidation of the Bank, a portion of the Bank's property or value of such portion of the Bank's property.

One common share of the Bank shall give one vote to its holder for resolving each of the issues at the Bank's General Shareholders Meeting, except for cumulative voting.

A shareholder (shareholders) holding in aggregate at least 10 percent of the Bank's common shares shall have the right to initiate audits of financial statements, consolidated financial statements and other information on the financial and business activities, and such audits shall be conducted by an

audit firm according to the laws of Ukraine, including regulations of the National Bank of Ukraine, audit regulations and standards approved by the Audit Chamber of Ukraine in accordance with the international standards of audit and ethics.

The Bank's shareholders shall also have other rights provided by the applicable laws of Ukraine and this Charter.

7.6. The Bank's shareholders shall:

- 1) comply with the requirements of this Charter and the Bank's internal documents;
- 2) fulfill resolutions of the Bank's General Shareholders Meeting and other governing bodies of the Bank;
- 3) perform their obligations to the Bank, including those related to property participation;
- 4) pay for the shares in the amounts, under the procedure and in the manner prescribed by the Charter of the Bank and in accordance with the applicable laws of Ukraine;
- 5) not disclose any restricted information, in particular: any banking, commercial secrets and confidential information relating to the Bank's activities;
- 6) perform any other obligations as stipulated by the applicable laws of Ukraine and this Charter.

If the General Shareholders Meeting of the Bank so resolves, the Bank's shareholders may enter into an agreement under which the shareholders shall be bound by additional obligations, including those of mandatory participation in the General Shareholders Meetings of the Bank and under which the shareholders shall be liable for a failure to perform such obligations.

## **VIII. GOVERNING AND CONTROLLING BODIES OF THE BANK, THEIR COMPETENCE AND DECISION MAKING PROCEDURE**

8.1. The governing bodies of the Bank shall be:

General Shareholders Meeting of the Bank (hereinafter referred to as the General Meeting); and Management Board of the Bank (hereinafter referred to as the Management Board).

8.2. The controlling bodies of the Bank shall be:

Supervisory Board of the Bank (hereinafter referred to as the Supervisory Board); and Internal Audit Service of the Bank that is an integral part of the internal control system and reports to the Supervisory Board.

**8.3. The General Meeting.**

8.3.1. The General Meeting shall be the highest governing body of the Bank.

The General Meeting shall be authorized to pass resolutions on any matters related to the Bank's activity.

The Bank shall convene the General Meeting on an annual basis (the annual General Meeting). The annual General Meeting shall be held no later than on April 30 of the year following the reporting year. The agenda of the annual General Meeting shall necessarily include the matters set out in clauses 4, 5, 6, 8 and 10 of clause 8.3.2 of the Charter of the Bank.

Any General Meetings other than the annual General Meetings shall be considered extraordinary.

The General Meetings shall be held at the expense of the Bank. If an extraordinary General Meeting is called at the initiative of a shareholder (shareholders), such shareholder (shareholders) shall pay the costs of organizing, preparing, and holding such General Meeting.

8.3.2. Decisions related to the following issues shall fall within the exclusive competence of the General Meeting:

- 1) defining of the principal directions of the Bank's activity and approval of relevant progress reports;
- 2) introduction of changes and amendments to the Charter of the Bank;

3) changing of the amount of the Bank's authorized capital (increase or reduction of the Bank's authorized capital);

4) election (appointment) of the members of the Supervisory Board; approval of the terms and conditions of civil law contracts or employment agreements (contracts) to be entered therewith, establishment of the size of their remuneration, election of a person authorized to sign agreements (contracts) with the members of the Supervisory Board;

5) termination of the authority of the Chairman and members of the Supervisory Board, in particular, regarding their early dismissal, except as provided by the laws of Ukraine;

6) approval of the annual results of the Bank's activities (annual report of the Bank);

7) approval of the annual results of the Bank's subsidiaries' activities;

8) approval of the report of the Supervisory Board, report of the Management Board and passing of the resolution on the results of their consideration

9) approval of the measures based on the results of consideration of external audit's opinions;

10) procedure covering losses and distribution of profits of the Bank subject to requirements envisaged by the laws of Ukraine;

11) approval of the amount of annual dividends, subject to the requirements of the laws of Ukraine;

12) placement of the Bank's shares, their splitting or consolidation;

13) redemption by the Bank of its placed shares, except in the event of mandatory redemption of shares in the order established by the laws of Ukraine";

14) passing of a resolution on the procedure for holding the General Meeting;

15) election of members of the Counting Commission, passing of a resolution on terminating their powers;

16) cancellation of the Bank's repurchased shares;

17) approval of the Bank's corporate governance principles (code);

18) election of the Bank's liquidation commission;

19) approval of Regulations on the General Meeting, the Supervisory Board and the Management Board, and amendments thereto;

20) spin-off and dissolution of the Bank, liquidation of the Bank, election of the liquidation commission (liquidator) of the Bank, approval of the procedure and terms of liquidation, procedure for distribution of property remaining after satisfaction of the creditors' claims among the shareholders, and approval of the Bank's liquidation balance sheet;

21) grant consent to enter into a material transaction, if the market value of the property, works, or services being the subject matter of such transactions exceeds 25 percent of the value of the assets according to the latest annual financial statements of the Bank;

22) changing the type of the Bank;

23) form of shares;

24) changing the business legal structure of the Bank.

8.3.3. The General Meeting shall resolve any other issues falling within its competence according to the applicable laws of Ukraine, this Charter and Regulation on the General Meeting.

8.3.4. The General Meeting may be attended by persons included in the register of shareholders entitled to attend the General Meeting or by such persons' representatives. At the invitation of the person convening the General Meeting, the General Meeting may also be attended by other persons determined by the applicable laws of Ukraine.

The list of shareholders entitled to attend the General Meeting shall be prepared as of 00:00 o'clock three business days before the date of such General Meeting under the procedure established by the legislation regulating the depositary system of Ukraine.

It shall be forbidden to amend the list of shareholders entitled to attend the General Meeting of the Bank once such list has been prepared.

Upon request of a shareholder of the Bank, the person who keeps records of title to the Bank's shares shall provide information on the inclusion of such shareholder in the list of shareholders entitled to attend the General Meeting.

8.3.5. A written notice of the General Meeting and draft of its agenda shall be sent by registered mail or delivered personally to each shareholder of the Bank against the signature of the shareholder; such notice shall be sent by the person convening the General Meeting or by the person who keeps records of title to the Bank's shares (if the General Meeting is initiated by the shareholders) within the time frame established by the applicable laws of Ukraine.

The announcement on holding of the General Meeting shall include any data required under the applicable laws of Ukraine.

The Bank shall, within the time specified by the applicable laws of Ukraine, publish in the official printed media an announcement on holding the General Meeting (except for draft decisions on each of the issues included in draft agenda) and send a notice of the General Meeting and draft of its agenda to the stock exchange on which the Bank is listed, and post the information required under the applicable laws of Ukraine on its own website on the Internet.

Announcement on holding the General Meeting shall be approved by the Supervisory Board.

8.3.6. The General Meeting shall be held within the population center at the location of the Bank, save as otherwise provided by the Law of Ukraine "On Joint Stock Companies".

8.3.7. From the date of sending the notice of the General Meeting to the date of the General Meeting, the Bank shall provide the shareholders with the opportunity to become familiar with the documents necessary for passing resolutions on any items of the agenda at the location of the Bank, on business days, during business hours, and in an accessible place, and, on the date of the General Meeting, also at the place of the General Meeting. The notice of the General Meeting shall specify the exact address (room, office number, etc.) for becoming familiar with the documents and the name of the Bank's officer responsible for the procedure under which the shareholders shall become familiar with the documents.

If the agenda of the General Meeting includes voting on issues relating to mandatory redemption of shares by the Bank at the shareholders' request, the Bank shall provide the shareholders with the opportunity to become familiar with the draft agreement on redemption of shares by the Bank under the procedure established by the Law of Ukraine "On Joint Stock Companies". The terms and conditions of such agreement shall be the same for all the shareholders (except for the quantity and total value of the shares).

If the number of the shareholders who own the common shares exceeds 100 persons, the documents related to the agenda of the General Meeting may be provided to the shareholders (upon a written request of the shareholders or their representatives) electronically, including through posting of scanned copies of the documents and other information on the Bank's website on the Internet.

Once the notice of the General Meeting has been sent to the shareholders, the Bank may not introduce any changes to the documents which were provided to the shareholders or which they had the opportunity to become familiar with, except to the extent that such changes to the said documents are required in connection with changes in the agenda or with correction of any errors. In this case, such changes shall be made no later than 10 days before the date of the General Meeting and any changes regarding candidates to the Bank's governing bodies – no later than four days before the date of the General Meeting.

8.3.8. The draft agenda of the General Meeting and agenda of the General Meeting shall be approved by the Supervisory Board, and if the extraordinary General Meeting is convened on the shareholders' request as provided by the Law of Ukraine "On Joint Stock Companies", the agenda shall be approved by the shareholders requesting the convocation.

Prior to the General Meeting, upon a relevant request, the shareholder shall have an opportunity to become familiar, in the manner prescribed by the applicable laws of Ukraine and this Charter, with the draft resolution(s) on the agenda items.

Each shareholder shall be entitled to submit proposals (in written form) with respect to any issues included in the draft agenda of the General Meeting, and with respect to new candidates to the Bank's bodies, whose number may not exceed the quantitative composition of each of the bodies.

Such proposals shall be presented no later than 20 days before the date of the General Meeting, and proposals related to candidates to the Bank's governing bodies shall be submitted no later than seven days before the date of the General Meeting. Proposals with respect to new candidates to the Supervisory Board shall include information on whether there is such proposed candidate representative of the shareholder (shareholders), or that the proposed candidate for the position is an independent member of the Supervisory Board. The information set out in proposals for Supervisory Board members must be included in the ballot for cumulative voting against the names of the respective candidate.

Any proposal regarding the draft agenda of the General Meeting shall be submitted in writing, specifying the surname (name) of the shareholder submitting such proposal, the number, type and/or class of the shares owned by the shareholder, content of the proposal regarding the relevant issue and/or draft resolution, as well as the number, type and/or class of the shares owned by the candidate proposed by such shareholder to be a member of the Bank's bodies.

The Supervisory Board or, if an extraordinary General Meeting is convened at the request of shareholders, the requesting shareholders shall make a decision on including such proposals in the draft agenda and approve agenda no later than 15 days before the date of the General Meeting, and in the event of proposals related to candidates to the Bank's governing bodies – no later than 4 days before the date of the General Meeting.

Any proposals from shareholders (shareholder) who in the aggregate hold 5 percent or more of the common shares shall be unconditionally included in the draft agenda of the General Meeting. In this case, the resolution of the Supervisory Board on including the issue in the draft agenda shall not be required, and the proposal shall be deemed included in the draft agenda, provided it was submitted in compliance with this clause of the Charter.

In the case of shareholder proposals to the draft agenda of the General Meeting regarding the early termination of Chairman of the Management Board must simultaneously submit proposal for candidate for the election of Chairman of the Management Board or the appointment of a person who temporarily carry out its responsibilities.

Amendments to the draft agenda of the General Meeting shall be made only by including new issues and draft resolutions on the proposed issues therein. The Bank may not introduce any changes to any issues or draft resolutions proposed by the shareholders.

In case of amendments to the draft agenda of the General Meeting, Bank no later than 10 days before the General Meeting sends notice with draft agenda to shareholders by registered mail or delivers personally to each shareholder against the signature of the shareholder. The Bank also sends a notice with the draft agenda together with the draft decisions on each of the issues on the draft agenda of the General Meeting to the stock exchange(s) on which the Bank is listed, and no later than 10 days before the General Meeting posted on its website on the Internet relevant information about the changes in the agenda of the General Meeting.

A decision to deny inclusion in the draft agenda of the General Meeting of a proposal submitted by a shareholder(s) holding in the aggregate 5 percent or more of the common shares, as well as suggestions of Committee of the Supervisory Board on the appointment of independent members of the Supervisory Board, may be taken only if: such shareholders fail to meet the deadline established by the applicable laws of Ukraine and this Charter; the data provided under the applicable laws of Ukraine and this Charter are incomplete.

A decision to deny inclusion in the draft agenda of the General Meeting of a proposal submitted by a shareholder(s) holding less than 5 percent of the shares may be taken in case of incomplete data provided by the legislation of Ukraine and this Charter, and other grounds defined by the Charter and / the Regulation on the General Meeting.

The motivated decision to deny inclusion of the proposal in the draft agenda of the General Meeting shall be sent by the Supervisory Board to the respective shareholder within 3 days after such decision is taken. If a shareholder appeals in court a decision to deny inclusion of his/her proposal in the draft agenda, this shall not preclude holding the General Meeting. The court, following the results of the case consideration, may issue a decision to oblige the Bank to hold the

General Meeting with respect to the issue whose inclusion in the draft agenda was unreasonably denied to the shareholder.

8.3.9. A shareholder shall have the right to appoint his/her representative to attend and vote at the General Meeting. A shareholder may be represented at the General Meeting by an individual or by an authorized person of a legal entity. No officials of the Bank's bodies and their affiliates may act as representatives of other shareholders of the Bank at the General Meeting.

A representative may be permanent or appointed for a certain period.

A shareholder may at any time replace his/her representative by giving a notice thereof to the Management Board.

A proxy to participate in and vote at the General Meeting shall be executed and certified under the procedure prescribed by the applicable laws of Ukraine.

To attend the General Meeting, a representative of a corporate shareholder of the Bank shall additionally present a duly certified copy of the constituent documents of such corporate shareholder in support of his/her powers. A representative of a corporate shareholder of the Bank shall be appointed and authorized to attend the General Meeting in compliance with the constituent documents of the corporate shareholder. If according to the constituent documents of a corporate shareholder of the Bank its representative is appointed and authorized to attend the General Meeting based on a resolution or approval by the governing body of such corporate shareholder of the Bank, the representative shall additionally present the original copy of the respective resolution in support of his/her powers.

A shareholder may authorize several of his/her representatives to participate in voting at the General Meeting.

A shareholder may at any time recall or replace his/her representative at the General Meeting.

Granting of a proxy to participate in, and vote at, the General Meeting shall not deprive the shareholder issuing the proxy of the right to participate in this Meeting instead of his/her representative.

8.3.10. The Chairman and Secretary of the General Meeting shall be elected by the General Meeting. The Chairman of the Supervisory Board or a person acting in his/her capacity or another member of the Supervisory Board shall open and preside at the General Meeting until the Chairman and Secretary of the General Meeting are elected.

Registration of the shareholders (their representatives) shall be carried out based on the list of shareholders entitled to attend the General Meeting, which shall be compiled in accordance with the procedure established by the applicable laws of Ukraine, specifying the number of votes held by each shareholder. The shareholders (their representatives) shall be registered by the Registration Commission appointed by the Supervisory Board, and in the event of an extraordinary General Meeting convened at the request of shareholders (as provided by the applicable laws of Ukraine), by the requesting shareholders.

If the Chairman of the Registration Commission has not been elected by the body that has appointed the Registration Commission, its Chairman shall be elected before the registration by a simple majority of votes of its members.

The Registration Commission shall have the right to refuse to register a shareholder (his/her representative) only if such shareholder (his/her representative) fails to produce documents identifying the shareholder (his/her representative), and as regards the shareholder's representative – also the documents confirming the powers of such representative to attend the General Meeting.

The list of shareholders registered for attending the General Meeting shall be signed by the Chairman and members of the Registration Commission. Any shareholder failing to register may not attend the General Meeting.

The powers of the Registration Commission under the relevant agreement may be delegated to the depository institutions. In this event, the Chairman of the Registration Commission shall be representative of the depository institutions, that provides Bank with additional services, in particular the functions of Registration Commission.

The list of shareholders registered for attending the General Meeting shall be attached to the minutes of the General Meeting.

A motivated decision of the Registration Commission on refusal to register a shareholder or his/her representative for attending the General Meeting, which is signed by the Chairman of the Registration Commission, shall be attached to the minutes of the General Meeting and issued to the person whose registration was refused.

Prior to the expiration of the time assigned for registration of the General Meeting participants, a shareholder shall have the right to replace his/her representative by giving the relevant notice to the Registration Commission and the Management Board, or participate in the General Meeting in person.

If several representatives of the shareholder have appeared to participate in the General Meeting, the representative to whom a proxy was issued later shall be registered.

If any share is jointly owned by more than one person, the voting powers at the General Meeting shall be exercised with their mutual consent by one of the co-owners or by their common representative.

The shareholders (shareholder) who, as of the date of compilation of the list of shareholders entitled to attend the General Meeting, hold in the aggregate 10 or more percent of the common shares of the Bank, as well as the Securities and Stock Market State Commission may appoint their representatives to oversee the process of registration of the shareholders, holding of the General Meeting, voting and summarizing of the results thereof. The Bank shall be notified of the appointment of such representatives in writing prior to registration of the shareholders.

Officers of the Bank shall ensure free access of representatives of the shareholders (shareholder) and/or the Securities and Stock Market State Commission to supervision over the registration of the shareholders, holding of the General Meeting, voting and summarizing of the results of the General Meeting.

The course of General Meeting or consideration of a specific issue may, upon a resolution passed by the initiators of the General Meeting or by the General Meeting itself, be recorded using technical equipment, with the relevant records attached to the minutes of the General Meeting.

8.3.11. The presence of a quorum of the General Meeting shall be determined by the Registration Commission as at the time of completion of the registration of the shareholders for attending the General Meeting.

There shall be a quorum at the General Meeting provided that shareholders holding in the aggregate 50 percent or more of the voting shares have registered for participation in such General Meeting.

8.3.12. One voting share shall grant one vote to the shareholder in order to resolve each of the issues put to a vote at the General Meeting, except for cumulative voting.

The shareholders holding common shares shall have voting rights at the General Meeting. No shareholder may be deprived of his/her voting right, except as otherwise provided by the applicable laws of Ukraine.

Any resolution of the General Meeting on an issue put to a vote shall be passed by a simple majority of votes of the shareholders registered for participation in the General Meeting and holding shares entitled to vote thereon.

Resolutions on the following issues shall be passed by more than three quarters of the votes of the shareholders registered for the participation in the General Meeting and holding the shares voting on such issues:

- 1) introduction of changes and amendments to the Charter of the Bank;
- 2) placement of the Bank's shares;
- 3) changing the amount of the Bank's authorized capital (increase or reduction of the Bank's authorized capital);
- 4) spin-off and dissolution of the Bank, liquidation of the Bank, election of the liquidation commission (liquidator) of the Bank, approval of the procedure and terms of liquidation, procedure for distribution of property remaining after satisfaction of the creditors' claims among the

shareholders, and approval of the Bank's liquidation balance sheet;

- 5) canceling the Bank's repurchased shares;
- 6) changing the type of the Bank;

Resolutions on granting consent to enter into a material transaction, if the market value of the property, works or services being the subject matter of this transaction equals or exceeds 50 percent of the value of the assets according to the latest annual financial statements, shall be passed by more than 50 percent of the total votes of the shareholders.

Resolutions on granting consent to enter into a material transaction, if the market value of the property or services being the subject matter of this transaction exceeds 25 percent but is lower than 50 percent of the value of the assets according to the latest annual financial statements, shall be passed by a simple majority of votes of the shareholders registered for participation in the General Meeting and holding the shares voting on this issue.

Members of the Supervisory Board of the Bank shall be elected through cumulative voting. If the Bank has a sole shareholder, members of the Supervisory Board shall be elected without cumulative voting.

When electing members of the Supervisory Board through cumulative voting, the voting shall be held in relation to all candidates at the same time. Candidates who receive more shareholder votes than any other candidates shall be deemed elected. Members of the Supervisory Board of the Bank shall be deemed elected and the Bank's body fully formed only if all members of the Bank's body are elected through cumulative voting.

The General Meeting during meeting can change the order of consideration of the agenda provided that for a decision to change the order of consideration of the agenda will be given at least three quarters of votes of shareholders registered for the participation in the General Meeting.

The General Meeting may be adjourned until the following day. A resolution on adjourning the meeting until the following day shall be passed by a simple majority of votes of the shareholders registered for participation in the General Meeting and holding shares entitled to vote at least on one of the issues to be considered on the next day. Repeated registration of shareholders (their representatives) shall not be conducted on the following day.

The General Meeting shall not be entitled to pass resolutions on any issues which have not been included in the agenda, except for changing the order of consideration of the agenda and adjourning the meeting until the following day.

The number of votes of the shareholders registered for participation in the General Meeting shall be determined based on the registration data of the first day.

After the adjournment, the General Meeting shall be held at the same venue as specified in the notice of the General Meeting.

The number of adjournments in the course of the General Meeting may not exceed three.

The General Meeting shall vote on all items of the agenda put to a vote.

8.3.13. Any issues included in the agenda shall only be voted on at the General Meeting by using voting ballots.

Requirements for the voting ballots shall be set forth by the applicable laws of Ukraine.

The form and wording of the voting ballot shall be approved by the Supervisory Board no later than 10 days prior to the date of the General Meeting, the ballot intended for electing candidates to the Bank's bodies – no later than four days prior to the date of the General Meeting, and if the General Meeting is convened at the shareholders' request – by the shareholders requesting convocation of such Meeting. The shareholders shall be entitled to become familiar with the form of the voting ballot before the General Meeting in accordance with the procedure as established by the applicable laws of Ukraine and this Charter.

Ballot is certified by signature of the Chairman of the Counting Commission and until his election – by signature of the Chairman of the Registration Commission. If the ballot consists of several sheets, ballot's pages shall be numbered. In addition, each sheet shall be signed by the shareholder (shareholder's representative).

The voting ballot shall be held invalid:



- 1) if it differs from the official sample; or
- 2) if it does not bear the signature (signatures) of the shareholder (shareholder's representative);
- 3) consists of several pages, which are not numbered;
- 4) shareholder (shareholder's representative) is not marked in any newsletters or marked more than one variant of voting on a one draft decision.

The ballot for cumulative voting shall be held invalid if the shareholder (shareholder's representative) noted in a ballot more votes than he owns for such a vote.

The voting ballots held invalid for the abovementioned reasons shall not be considered during the counting of votes.

8.3.14. The Counting Commission elected by the General Meeting shall count the votes at the General Meeting, explain the procedure for voting, counting the votes and resolving other issues related to the organization of voting at the General Meeting for an unlimited term until the new members of the Counting Commission will be elected.

The powers of the Counting Commission under the relevant agreement may be delegated to the depository institution, which provides the Bank with additional services, including the functions of the Registration Commission.

Until the election of Counting Commission, counting of votes at the General Meeting, explaining the procedure for voting, counting and other issues related to the voting at the General Meeting provides Temporary Counting Commission, appointed by the Supervisory Board, and in the event of an extraordinary General Meeting convened at the request of shareholders in cases stipulated by the current legislation of Ukraine – by the requesting shareholders.

The Supervisory Board (in the event of an extraordinary General Meeting convened at the request of shareholders in cases stipulated by the current legislation of Ukraine – by the requesting shareholders) shall determine the first item of the agenda of the General Meeting issue of election of the Counting Commission.

If the number of the shareholders holding common shares exceeds 100 persons, the Counting Commission shall consist of at least three persons.

Members or candidates to the Bank's bodies may not become members of the Counting Commission.

8.3.15. All members of the Counting Commission who took part in the counting of votes shall sign a report which shall be drawn up based on the voting results.

If the powers of the Counting Commission are delegated to the depository institution under agreement on providing services in particular the functions of the Registration Commission, the report on the voting results shall be signed by a representative of the depository institution.

The report on the voting results shall contain data required under the applicable laws of Ukraine.

Any resolution of the General Meeting shall be deemed passed from the time of issuance of the report on the voting results.

The voting results shall be declared at the General Meeting at which the voting was held. After the closing of the General Meeting, the voting results shall be notified to the shareholders within 10 business days; such notice shall be sent by registered mail, e-mail or delivered personally to each shareholder against his/her signature.

The report on the voting results shall be attached to the minutes of the General Meeting.

After drawing up the report on the voting results, the voting ballots shall be sealed by the Counting Commission (or by the person to whom the authorities of the Counting Commission were delegated) and kept in the Bank during the period of its activity, but for no longer than four years.

8.3.16. The minutes of the General Meeting shall be drawn up within 10 days of closing of the General Meeting and signed by the Chairman and the Secretary of the General Meeting.

The minutes of the General Meeting shall contain data required under the applicable laws of Ukraine.

The minutes of the General Meeting signed by the Chairman and the Secretary of the General

Meeting shall be filed, sealed with the Bank's seal, and signed by the Chairman of the Management Board.

8.3.17. An extraordinary General Meeting shall be convened by the Supervisory Board:

- 1) at its own initiative;
- 2) upon request of the Management Board – in the event of bankruptcy proceedings initiated against the Bank or the necessity to execute a material transaction;
- 3) upon request of the shareholders (shareholder) who as of the day of the request hold(s) in the aggregate 10 percent or more of the common shares;
- 4) upon request of the National Bank of Ukraine in the cases and manner established by the applicable laws of Ukraine; and
- 5) in other cases established by the applicable laws of Ukraine or the Bank's Charter.

A request to convene an extraordinary General Meeting shall be submitted in writing to the Management Board at the Bank's address and shall specify the body or surnames (names) of the shareholder(s) requesting convocation of the extraordinary General Meeting, the reasons for convening the Meeting, and the agenda. If an extraordinary General Meeting is convened at the initiative of shareholders, the request shall also contain information reflecting the quantity, type, and class of the shares held by the shareholders and shall be signed by each of the shareholders submitting it. If the agenda of the extraordinary General Meeting provided the issue early termination of Chairman of the Management Board, while necessarily submitted a proposal for candidate for the election of Chairman of the Management Board or the appointment of a person who temporarily carry out its responsibilities.

The Supervisory Board shall pass a resolution on convening an extraordinary General Meeting or refusal to convene such Meeting within 10 days after receipt of such request to convene the Meeting.

A resolution on refusal to convene an extraordinary General Meeting may only be adopted if:

- the shareholders, as of the date of the request, do not hold the number of the Bank's common shares as prescribed by the applicable laws of Ukraine;
- the data required under the applicable laws of Ukraine are incomplete.

A resolution of the Supervisory Board to convene an extraordinary General Meeting or a well-grounded refusal to convene such Meeting shall be provided to the relevant governing body of the Bank or to the shareholders requesting convocation of the Meeting no later than within three days from the moment it was passed.

The Supervisory Board shall not have the right to make changes to the agenda of the General Meeting contained in the request to convene an extraordinary General Meeting, except for inclusion of new issues or draft resolutions in the agenda.

An extraordinary General Meeting shall be held within 45 days from the date of the Bank's receipt of the request to convene the Meeting.

Where the Bank's interests so require, the Supervisory Board in deciding to convene the extraordinary General Meeting may provide that a written notice on convening the extraordinary General Meeting will be at least 15 days prior to the date of the Meeting according to the applicable laws of Ukraine and this Charter. In this case, the Supervisory Board approved the agenda.

The Supervisory Board may not pass the resolution indicated in paragraph 8 of clause 8.3.17 hereof if the agenda of the extraordinary General Meeting includes issues concerning the election of members of the Supervisory Board.

If the Supervisory Board fails to pass a resolution on convening an extraordinary General Meeting within the established time frame, such Meeting may be convened by the shareholders requesting its convocation. The resolution of the Supervisory Board on refusal to convene an extraordinary General Meeting may be appealed by shareholders in court.

Shareholders convene an extraordinary General Meeting of the Bank not later than 30 days before the extraordinary General Meeting shall publish in the official printed media an announcement on holding the extraordinary General Meeting of the Bank and shall send a notice of

the extraordinary General Meeting and the draft of its agenda to the stock exchange on which the Bank is listed.

Notice of extraordinary General Meeting convened at the request of shareholders shall include data required under the current legislation of Ukraine, and the address to which shareholders may submit proposals to the draft agenda of the extraordinary General Meeting. Notice of the extraordinary General Meeting shall be approved by shareholders convened general meeting.

The person who keeps records of titles to the Bank's shares shall, within five business days, provide information about the list of the Bank's shareholders and any other information necessary for organizing an extraordinary General Meeting upon request of the Supervisory Board.

If the General Meeting is convened by the shareholders, a notice thereof and any other materials shall be sent to all the shareholders by the person who keeps records of titles to the shares.

8.3.18. If the Bank has one shareholder, the provisions of Articles 33 through 48 of the Law of Ukraine "On Joint Stock Companies" as well as provisions of clauses 8.3.2 through 8.3.17 of this Charter regarding the procedure for convening and holding the General Meeting shall not apply to the Bank. The powers of the General Meeting provided by Article 33 of the Law of Ukraine "On Joint Stock Companies" and the Bank's internal documents shall be solely exercised by the shareholder.

The shareholder's resolution with respect to matters falling within the competence of the General Meeting shall be executed in writing (in the form of a resolution) and certified with the Bank's or a notary's seal. Such shareholder's resolution shall have the status of minutes of the General Meeting.

#### **8.4. Supervisory Board.**

8.4.1. The Supervisory Board is a body of the Bank which protects the rights of the Bank's shareholders and regulates and controls the activities of the Bank's Management Board within the competence as determined by this Charter, the Regulation on the Supervisory Board of the Bank, which is approved by the General Meeting, and the applicable laws of Ukraine.

The Supervisory Board shall consist of the Chairman and other members of the Supervisory Board (hereinafter collectively referred to as the members of the Supervisory Board).

The Supervisory Board shall have 5 (five) members.

Member of the Supervisory Board can be only individual. Members of the Supervisory Board shall be elected from among Bank's shareholders, its representatives and independent members. A Supervisory Board member shall be an individual who has full civil capacity.

Not less than one fourth of the members of the Supervisory Board of the Bank shall be independent members. A Supervisory Board member who is an associated person of the Management Board, a representative of related or affiliated entities of the Bank, the Bank's shareholders or their representative may not be deemed independent. The legislation of Ukraine may establish other requirements for persons who can not be considered independent members of the Supervisory Board.

In the course of the election of the members of the Supervisory Board, along with information about each candidate (surname, first name, middle name (name) of the shareholder, the amount of shares owned) as a member of the Supervisory Board in the ballot for cumulative voting indicated information about whether there is such a candidate shareholder representative shareholder or group of shareholders (including information about that shareholder or shareholders) or that it is an independent member. Member of the Supervisory Board, elected as a representative of the shareholder or group of shareholders can be replaced by such shareholder or group of shareholders at any time.

Not less than one fourth of the members of the Supervisory Board of the Bank shall be people with complete higher education in Economics or Law. Other members of the Supervisory Board shall have complete higher education and education in management. At least one of the Supervisory members who has education in Economics or Law shall have not less than three years' experience in banking system in executive positions.

Members of the Supervisory Board shall comply with the requirements of the applicable laws of Ukraine with regard to professional suitability and business reputation. The National Bank of Ukraine shall determine compliance with the requirements for professional suitability and business reputation under the procedure prescribed by the applicable laws of Ukraine.

The rules of procedure, remuneration payment procedure and responsibility of the Supervisory Board members, procedure of formation of the Supervisory Board as well as requirements for candidates to the Supervisory Board shall be set out in the Regulation on the Supervisory Board.

Members of the Supervisory Board shall be elected through cumulative voting only, and under the procedure established by the applicable laws of Ukraine, except when the Bank has a sole shareholder. Candidates for the Supervisory Board members shall be considered by the Bank's shareholders at the General Meeting.

Members of the Supervisory Board elected by the shareholders at the General Meeting for the term until the next annual General Meeting. If the annual General Meeting have not been conducted within a reasonable time or the decision is not made on matters provided in paragraphs 4, 5, paragraph 8.3.2. of the Bank's Charter, the powers of the members of the Supervisory Board terminated, except the powers of the preparation, convening and holding the annual General meeting.

If the quantity of the Supervisory Board members whose powers are valid, less than half of its quantitative composition, elected in accordance with the requirements of the law by the General Meeting, the Bank within three months shall convene an extraordinary General Meeting for the election of the remaining members of the Supervisory Board, and in the case of election of members of the Supervisory Board by cumulative voting - for the election of all members of the Supervisory Board.

Persons elected by the members of the Supervisory Board may be re-elected unlimited number of times.

The powers of the Supervisory Board's member, elected by cumulative voting, by the decision of the General Meeting may be terminated only in case of early termination of powers of all members of the Supervisory Board. In such case, the decision to terminate the powers of the Supervisory Board's members shall be adopted by the General Meeting by a simple majority of votes of shareholders registered for participation in the meeting. The provisions of this paragraph shall not apply to the right of the shareholder(s), representative of which is elected to the Supervisory Board, to replace such representative - a member of the Supervisory Board.

The powers of a member of the Supervisory Board shall be valid from the moment of his/her election by the General Meeting.

In the case of replacing a member of the Supervisory Board - the representative of the shareholder, the powers of revoked member of the Supervisory Board is terminated, and a new member of the Supervisory Board assumes the powers after the receipt by the Bank a written notice from the shareholder(s), representative of which is the appropriate member of the Supervisory Board.

Notice about the replacement of the Supervisory Board's member - a representative of the shareholder shall contain information about the new member of the Supervisory Board, which is appointed to replace the revoked (surname, first name, middle name (name) of the shareholder (s), the amount of shares owned by him/her or collectively owned). Such written notice should be placed by the Bank on its website on the Internet within one business day after its receipt.

Shareholder(s), representative of which is elected as a member of the Supervisory Board could limit the powers of a representative as a member of the Supervisory Board.

A member of the Supervisory Board shall not be at the same time a member of the Management Board and hold other positions at the Bank under employment agreement.

8.4.2. The General Meeting may pass a resolution to terminate the powers of the Supervisory Board members at an earlier date and simultaneously elect new members of the Supervisory Board. The resolution of the General Meeting on the early termination of powers may only be passed with respect to all members of the Supervisory Board.

The powers of a member of the Supervisory Board shall be terminated without a resolution of

the General Meeting in the following cases:

- 1) at his/her own wish and subject to a two-week prior written notice to the Bank;
- 2) if he/she is unable to act as a member of the Supervisory Board for health reasons;
- 3) if a court's sentence or decision come into force, by which he/she is convicted to punishment that prevents him/her from acting as a member of the Supervisory Board;
- 4) if he/she dies or is recognized as legally incapable, partially incapable, missing or deceased;
- 5) if the Bank receives written notification on replacement the member of the Supervisory Board who is a representative of the shareholder.

Once the independent member of the Supervisory Board during his/her term of appointment ceases to meet requirements defined by this Charter and legislation of Ukraine, he/she shall resign anticipatorily by providing the Bank with written notice.

Once the powers of a member of the Supervisory Board are terminated, the agreement (contract) made with him/her shall also be terminated simultaneously.

If the General Meeting passes a resolution to terminate the powers of the Supervisory Board members at an earlier date, such powers of the Supervisory Board members shall be deemed terminated upon election of new members of the Supervisory Board. The term of office of the Supervisory Board members shall be extended until the date of election of new members of the Supervisory Board.

The National Bank of Ukraine has the right to demand terminating the powers of a Supervisory Board member if the latter unduly performs its functions in the order established by the applicable laws of Ukraine.

8.4.3. The Chairman of the Supervisory Board shall be elected by members of the Supervisory Board from among its members by simple majority of votes from the quantitative composition of the Supervisory Board. The Supervisory Board has the right to re-elect the Chairman of the Supervisory Board.

The Chairman of the Supervisory Board shall organize its work, call meetings of the Supervisory Board and preside at such meetings, perform other functions prescribed by the Charter or the Regulation on the Supervisory Board.

If the Supervisory Board is unable to perform its functions, these functions shall be performed by one of the members of the Supervisory Board according to its resolution unless otherwise provided for by the Charter or the Regulation on the Supervisory Board.

8.4.4. According to the requirements of the applicable legislation, the following shall be within the exclusive competence of the Supervisory Board:

- 1) approving the regulations on the Internal audit service, on the Corporate Secretary (if appointed), on the Supervisory Board's permanent and provisional committees (if established), other internal regulations for activities of Bank's structural units, as well as other internal documents the approval of which falls within the competence of the Supervisory Board according to the requirements of the applicable laws of Ukraine;
- 2) preparing an agenda of the General Meeting, passing a resolution on a date of the Meeting and on putting any proposals on such agenda, except for an extraordinary General Meeting which is convened by the shareholders;
- 3) passing a resolution on holding ordinary or extraordinary General Meetings in accordance with this Charter and as provided by the Law of Ukraine "On Joint Stock Companies";
- 4) notice of the General Meeting in accordance with the laws of Ukraine;
- 5) passing a resolution on sale of shares previously repurchased by the Bank;
- 6) passing a resolution on placement by the Bank of any securities other than the shares;
- 7) passing a resolution on redemption of any securities, other than the shares, placed by the Bank;
- 8) passing a resolution on purchasing securities of other legal entities on its own behalf for the Bank's portfolio, except for purchase (acquisition) of government securities and government-guaranteed securities;

- 9) approving the market value of property as provided by the applicable laws of Ukraine;
- 10) appointing and dismissing the Chairman and members of the Management Board;
- 11) electing and dismissing the head of the Internal Audit Service;
- 12) determining the order of work and plans of the Internal Audit Service and controlling it;
- 13) approving civil law, labor agreements (contracts) concluded with members of the Management Board and employees of the Internal Audit Service, establishing their remuneration, conditions of remuneration and incentives including incentive rewards and reimbursements;
- 14) passing a resolution on suspension of the Chairman or a member of the Management Board from functions performing and on election of a person who will temporarily perform functions of the Chairman of the Management Board;
- 15) determining the audit firm to conduct an external audit of the Bank and approving the agreement to be concluded with the audit firm, assessment of a fee to be paid for its services;
- 16) considering the conclusion of the external audit of the Bank and preparing recommendations to the General Meeting for passing a resolution on it;
- 17) establishing the date for enlisting persons entitled to receive, and the procedure and period for paying out, dividends within the time frames as provided by the applicable laws of Ukraine;
- 18) determining a date for drawing up the list of shareholders who shall be notified of the General Meeting and shall be entitled to participate in the General Meeting in accordance with the applicable laws of Ukraine;
- 19) electing the Registration Commission of the General Meeting except the cases envisaged by the laws of Ukraine;
- 20) passing a resolution on granting consent to enter into a material transactions by the Bank, if the market value of the property or services being the subject matter of such transactions equals 10 to 25 percent of the value of the Bank's assets, according to the last annual financial statements;  
If the Supervisory Board fails to pass a resolution on granting consent to enter into a material transaction where the market value of the property or services being the subject matter of such transaction is up to 25 percent of the value of the Bank's assets according to the last annual financial statements, the issue related to execution of such transaction may be brought up for consideration at the General Meeting;
- 21) passing a resolution on granting consent to submit a proposal to the General Meeting for passing a resolution to execute transactions, if the market value of the property, works, or services being the subject matter of such transactions exceeds 25 percents of the value of the Bank's assets according to the latest annual financial statements of the Bank;
- 22) determining whether the Bank is likely to become insolvent as a result of its assuming or performing any obligations, including as a result of paying out dividends or redeeming the shares;
- 23) passing a resolution on electing an appraiser for the Bank's property and approving the terms and conditions of an agreement to be made therewith and a fee to be paid for the appraiser's services;
- 24) passing a resolution on electing (replacing) a custodial institution and/or clearing agency and approving the terms and conditions of an agreement to be made with it and a fee to be paid for its services;
- 25) sending offers to the shareholders, in the manner envisaged by the applicable laws of Ukraine, with respect to the acquisition of shares;
- 26) exercising control over the Management Board's activities, contributing suggestions on its improvement;
- 27) passing a resolution on holding the Chairman and members of the Management Board liable;
- 28) solving issues on establishment by the Bank and/or participation of the Bank in establishment of other legal entities, their unions according to the laws of Ukraine;
- 29) solving issues on participation of the Bank in groups;
- 30) passing a resolution on the establishment, reorganization, and liquidation of any subsidiaries and separate units, and approving their by-laws and regulations;

- 31) electing the Corporate Secretary and approving the Regulation on the Corporate Secretary;
- 32) creating provisional and permanent committees of the Supervisory Board, determining their members, powers and other issues related to their functioning; considering the opinions of the provisional and permanent committees of the Supervisory Board;
- 33) establishing the procedure for auditing and controlling the financial and business activities of the Bank;
- 34) resolving issues falling within the competence of the Supervisory Board according to the applicable laws and arising in connection with a merger, takeover, split-up, spin-off or transformation of the Bank;
- 35) determining the Bank's organizational structure including the Internal Audit Service;
- 36) approving the Bank development strategy according to the key activity areas determined by the General Meeting;
- 37) approving the Bank budget including the Internal Audit Service and the Bank development business plan;
- 38) determining and approving the strategy and the policy of risk management, procedures of their management as well as a list of risks and their margin sizes;
- 39) ensuring the Bank internal control system functioning and performance management;
- 40) performance management, risk management system functioning;
- 41) approving the plan of the Bank business recovery;
- 42) determining the capitalization sources and other financing of the Bank;
- 43) determining the credit policy of the Bank;
- 44) control for the elimination of defects identified by the National Bank of Ukraine and other state authorities, which are within the competence of supervisors of the Internal Audit Service of the Bank and the Internal Audit Service based on the results of the external audit;
- 45) ensuring the timely submission (publication) of reliable information on its activities by the Bank in accordance with the laws of Ukraine;
- 46) approving the procedure on transactions performance with parties related to the Bank;
- 47) determining a data of confidential nature, as well as establishing a procedure for accessing confidential information.

The Supervisory Board shall also resolve other issues falling within its competence according to the applicable laws of Ukraine and this Charter, as well as issues delegated to the Supervisory Board by the General Meeting.

The Supervisory Board shall take measures to prevent conflicts of interest in the Bank and facilitate their settlement. The Supervisory Board shall notify the National Bank of Ukraine of conflicts of interest arising from the Bank.

The Supervisory Board shall ensure the maintenance of effective relationships with the National Bank of Ukraine.

The Supervisory Board members are responsible for the Bank's activities within their powers. Shareholders and the Supervisory Board member who is their representative, shall be jointly liable for compensation of losses caused to the Bank by such member of the Supervisory Board. The Supervisory Board members shall refuse to participate in deciding if a conflict of interest does not allow them to fully perform their duties in the interests of the Bank, its depositors and shareholders.

8.4.5. The Supervisory Board shall operate by holding meetings.

Meetings of the Supervisory Board shall be convened by the Chairman of the Supervisory Board or upon request of a member of the Supervisory Board. Meetings of the Supervisory Board shall also be convened at the request of the Management Board (or one of its members). The National Bank of Ukraine has the right to demand to convene the extraordinary meeting of the Supervisory Board.

Upon request of the Supervisory Board, the following persons may participate in its meeting or in the consideration of specific issues put on the agenda: the Chairman of the Management Board or deputy Chairmen of the Management Board and other persons determined by the Supervisory Board.

Representatives of a trade union or any other body which is authorized by the labor collective and which has signed the collective bargaining agreement on behalf of the labor collective may be invited by the Supervisory Board to participate in its meeting with the right of a deliberative vote.

The Supervisory Board meetings shall be held when necessary but at least once a quarter.

A meeting of the Supervisory Board shall be deemed competent if attended by more than 50% of the Supervisory Board members.

In the case of early termination of powers of one or more members of the Supervisory Board and prior the election of all members of the Supervisory Board, Meeting of the Supervisory Board is authorized to resolve issues in accordance with its competence if the number of members of the Supervisory Board with valid powers are more than half of its members.

If the quantity of the Supervisory Board members with valid powers will be half or less than half of its number of members elected by the General Meeting, the Supervisory Board can not make decisions, except the decisions on convening the extraordinary General Meeting to elect the remaining members of the Supervisory Board, and in the case of election of members of the Supervisory Board by cumulative voting - for the election of all members of the Supervisory Board.

The procedure for convening and holding meetings of the Supervisory Board shall be governed by the Regulation on the Supervisory Board.

8.4.6. Resolutions of the Supervisory Board shall be adopted by a simple majority vote of the Supervisory Board members attending the Supervisory Board meeting and entitled to cast such vote. In the course of voting, each member of the Supervisory Board shall have one vote. In the event of a tie vote, the Chairman of the Supervisory Board shall have a casting vote.

In order prescribed by the Regulation on the Supervisory Board, the resolution of the Supervisory Board may be made by an absent (distance) voting (questioning).

8.4.7. Minutes of the Supervisory Board meeting shall be signed by the Chairman and the secretary of the Supervisory Board meeting. Minutes of the Supervisory Board meeting shall be executed within five days after the meeting. An extract from the minutes of the Supervisory Board meeting shall be signed by the Chairman of the Supervisory Board.

Resolutions passed by the Supervisory Board within its competence shall be binding upon all members of the Supervisory Board, the Chairman of the Management Board, Deputy Chairmen of the Management Board and other members of the Management Board and employees of the Bank.

8.4.8. The Supervisory Board may create permanent or provisional committee from its members for studying and preparing issues falling within the competence of the Supervisory Board.

The Bank is required to form an Audit committee, the Committee on determining the remuneration of officials of the company (hereinafter - the Remuneration Committee) and the Committee for appointments. Herewith the Remuneration committee and the Committee for appointments can be combined. These committees are composed exclusively or predominantly of independent members of the Supervisory Board and headed by them.

The Supervisory Board shall take decisions on matters within the competence of the Audit Committee and the Remuneration Committee, exclusively on the basis of and within the proposals of the respective committee. If the Supervisory Board Committee rejected the proposal of the Committee, it indicate the reasons for its decision and sends it to the committee for reconsideration.

The procedure for the establishment and operation of the committees shall be set forth in the Regulation on the Supervisory Board.

A resolution on the establishment of a committee and on the list of issues that will be given to it for study and preparation shall be adopted by a simple majority of votes of the Supervisory Board members.

8.4.9. The Supervisory Board shall have the right to elect, in the established manner, a Corporate Secretary as proposed by the Chairman of the Supervisory Board. The Corporate Secretary shall be a person responsible for the Bank's interaction with the shareholders and/or investors. The procedure for electing the Corporate Secretary, requirements for the candidates, and the competence of the Corporate Secretary, if elected, shall be set forth in the Regulation on the Corporate Secretary.



8.4.10. The Supervisory Board shall report to the General Meeting on its activities, general condition of the Bank and any steps taken by it to achieve the Bank's purpose.

8.4.11. Any other issues regarding the rules of procedure, formation procedure, requirements for the candidates to the Supervisory Board etc. which are not governed by this Charter shall be governed by the applicable laws of Ukraine and the Regulation on the Supervisory Board.

## **8.5. Management Board.**

8.5.1. The Management Board is a permanent collective executive body of the Bank which manages the Bank's day-to-day activities, resolves issues falling within its competence prescribed by the applicable laws of Ukraine, this Charter, and the Regulation on the Management Board of the Bank, and is responsible for the Bank's performance according to the applicable legislation and this Charter.

The Management Board shall resolve any issues related to the Bank's activity other than those falling within the exclusive competence of the General Meeting and/or the Supervisory Board. The General Meeting and the Supervisory Board may decide to delegate a portion of their powers to the Management Board except for the powers that fall within the exclusive competence of each of these governing bodies of the Bank in accordance with the applicable laws of Ukraine and the Bank's Charter.

The following issues (without limitation) shall fall within the competence of the Management Board:

- 1) organizing the convocation and holding of ordinary and extraordinary General Meetings;
- 2) organizing the implementation of resolutions passed by the Supervisory Board and the General Meeting;
- 3) carrying out preliminary consideration of issues submitted to the Supervisory Board and the General Meeting for consideration; preparing relevant materials and proposals relating to such issues;
- 4) providing preparation of a draft budget of the Bank, strategy and business plan of the Bank for the Supervisory Board approval;
- 5) implementing the strategy and business plan of the Bank;
- 6) resolving issues related to the day-to-day management of operations of the Bank and its units, and ensuring fulfillment of tasks assigned thereto and observance of the Bank's overall budget;
- 7) developing regulations governing the activities of structural and separate units of the Bank in accordance with the development strategy of the Bank;
- 8) approving regulations, policies, rules, procedures of the Bank and other internal documents of the Bank regarding the Bank's operating procedure, document preparation and management, relations with the customers, carrying out of banking transactions etc., except for those the approval of which falls within the exclusive competence of the Supervisory Board and the General Meeting;
- 9) determining the form and establishing procedures for monitoring the activities of the Bank;
- 10) implementing the strategy and risk management policy approved by the Supervisory Board, ensuring implementation of risks identification, evaluation, control and monitoring procedures;
- 11) approving an internal control program to counteract the legalization (laundering) of proceeds from crime;
- 12) organizing audits of the activities of the Bank's structural units, separate units, subsidiary banks, branches and representative offices of the Bank in any other countries;
- 13) ensuring compliance with the restricted data handling procedure established in the Bank, in particular, with regard to protecting bank secret, commercial secret and confidential information;
- 14) securing information systems of the Bank and systems for storing client assets;
- 15) forming an organizational structure of the Bank determined by the Supervisory Board;
- 16) considering and approving candidates to the positions of managers and deputy managers, chief accountants, deputy chief accountants of the Bank's separate units, branches and representative offices of the Bank in any other countries;

17) informing the Supervisory Board on the index of the Bank activities, found violations of legislation, internal regulations of the Bank and on any deterioration in financial condition or the threat of such deterioration, the level of risks arising in the course of the Bank's business;

18) resolving any other issues related to the Bank's day-to-day activity other than those falling within the exclusive competence of the General Meeting or the Supervisory Board.

The Management Board shall, according to the applicable laws of Ukraine, particularly, regulations of the National Bank of Ukraine, establish permanent committees and vest them with powers necessary for performing the duties imposed on them.

The Management Board shall act on the basis of this Charter, the Regulation on the Management Board, and the applicable laws of Ukraine.

The Management Board shall be accountable to the General Meeting and the Supervisory Board.

Members of the Management Board are responsible for the Bank's activities within their powers. The Management Board members shall refuse to participate in deciding if a conflict of interest does not allow them to fully perform their duties in the interests of the Bank, its depositors and shareholders.

8.5.2. The Management Board shall be composed of five (5) persons.

The Management Board shall consist of: the Chairman of the Management Board, the Deputy (Deputies) Chairman of the Management Board and members of the Management Board. The Chairman of the Management Board shall chair the Management Board.

Any individual who has full legal capacity and is not a member of the Supervisory Board, and who is an employee of the Bank and complies with any other requirements provided for by the applicable laws of Ukraine, may become Chairman of the Management Board, Deputy Chairman of the Management Board, or other members of the Management Board. Members of the Management Board shall have higher education in Economics, Management or Law; at least three years' experience in the banking system on the relevant specialty; impeccable business reputation.

The Chairman of the Management Board and the Chief Accountant shall take office after the National Bank of Ukraine gives its written consent thereto. The National Bank of Ukraine shall determine compliance of other members of the Management Board or persons acting as such for more than one month with the requirements for professional suitability and business reputation.

8.5.3. In the event of temporary absence of the Chairman of the Management Board, the duties of the Chairman of the Management Board may be imposed on the Deputy Chairman of the Management Board under an order to be issued by the Chairman of the Management Board.

The person on whom the duties of the Chairman of the Management Board are temporarily imposed for the period of his/her absence, shall have all powers of the Chairman of the Management Board of the Bank as prescribed by the laws of Ukraine, this Charter, and the Regulation on the Management Board of the Bank, including the right to act on behalf of the Bank without a power of attorney and represent the Bank's interests before all institutions, enterprises, and organizations.

If the Chairman of the Management Board has not been appointed, the Acting Chairman of the Management Board shall be appointed by the Supervisory Board.

8.5.4. The Chairman of the Management Board, the Deputy Chairman of the Management Board and other members of the Management Board shall be elected and may be dismissed at an earlier date or suspended from office upon the resolution of the Supervisory Board. A resolution on electing the Chairman of the Management Board, the Deputy Chairman of the Management Board and other members of the Management Board shall be passed by the Supervisory Board under the procedure established by this Charter and the Bank's internal documents.

The powers of the Chairman of the Management Board, the Deputy Chairman of the Management Board and other members of the Management Board shall be terminated by virtue of a relevant resolution passed by the Supervisory Board at the same time making a decision on the appointment of Chairman of the Management Board or a person who temporarily carry out its responsibilities. Grounds for terminating the powers of the Chairman of the Management Board,

Deputy Chairman of the Management Board and other members of the Management Board shall be determined under the applicable laws of Ukraine and under a contract made with the Chairman of the Management Board, Deputy Chairman of the Management Board and other members of the Management Board.

8.5.5. The Management Board shall operate by holding its meetings.

Meetings of the Management Board may be convened at any time and with regard to any matters upon the resolution of the Chairman of the Management Board or as proposed by the Deputy Chairman of the Management Board, other members of the Management Board, or upon request of the Supervisory Board.

Members of the Supervisory Board shall be entitled to attend a meeting of the Management Board with the right of a deliberative vote.

The Bank's Management Board shall have the right to resolve issues submitted for its consideration if the meeting is attended by more than 50% of the elected members of the Management Board.

Resolutions of the Management Board shall be passed by a simple majority of votes of its members present at the meeting of the Management Board. In the event of a tie vote, the Chairman of the Management Board (or the person performing his/her functions) shall have a casting vote.

In order prescribed by the Regulation on the Management Board, the resolution of the Management Board may be made by an absent (distance) voting (questioning).

In the absence of an agreement on a resolution of the Management Board, the Chairman of the Management Board shall have the right to submit the issue in question to the Supervisory Board for consideration. The resolution of the Supervisory Board on this issue shall be final.

Minutes shall be kept at a meeting of the Management Board. The Chairman of the Management Board shall arrange the keeping of minutes of the Management Board meetings. The book (register) of minutes shall be made available at any time to the Chairman of the Management Board, Deputy Chairman of the Management Board and other members of the Management Board, and to the Chairman and members of the Supervisory Board for inspection upon their request. Certified copies of extracts from the minutes shall be made available upon their request.

## **8.6. Chairman of the Management Board.**

8.6.1. The Chairman of the Management Board shall be elected by the Supervisory Board.

The powers, rights and duties of the Chairman of the Management Board shall be determined by the applicable laws of Ukraine, this Charter and the Regulation on the Management Board.

The Chairman of the Management Board shall manage and organize the operation of the Management Board, convocation of its meetings and keeping of minutes of the Management Board meetings.

The Chairman of the Board shall, in particular but without limitation, have the right:

- to act on behalf of the Bank without a power of attorney, in particular, to: represent the Bank's interests before government institutions, enterprises of all forms of ownership and public organizations, and before all law enforcement agencies and controlling bodies; execute deeds and perform any legal acts on behalf of the Bank; execute and sign agreements, contracts;
- represent the Bank without a power of attorney including before other business entities and individuals both in Ukraine and abroad;
- issue powers of attorney on behalf of the Bank;
- allocate duties to members of the Management Board;
- issue orders and instructions binding upon all the Bank's employees;
- employ and dismiss employees of the Bank, provide incentives to and impose disciplinary penalties on them in accordance with the applicable laws of Ukraine, this Charter and internal documents of the Banks;
- establish the forms, systems and procedure for paying remuneration to the Bank's employees according to the applicable laws of Ukraine; approve the staff list of the Bank and staff lists of the separate units, determine the amount of official salaries for all the Bank's employees;

- sign the collective bargaining agreement on behalf of the Bank;
- approve the job descriptions of the Bank's employees;
- engage in pre-trial settlement procedures, sign claims, complaints and any documents relating to court hearings for claims and complaints; represent the Bank's interests in courts with all rights granted by law to a claimant, defendant, third party, including the right to withdraw claims in whole or in part, accept a claim, change the subject of a claim, conclude amicable settlements, challenge judicial decisions, submit any writs of execution for enforcement, or issue a power of attorney to another person authorizing such person to perform relevant actions;
- participate in the meetings of the Supervisory Board in a consultative capacity;
- exercise other functions as required for ensuring the day-to-day activities of the Bank.

Other persons may act on behalf of the Bank on a representation basis as provided by the Civil Code of Ukraine.

The Chairman of the Management Board is personally responsible for the Bank's activities.

The Chairman of the Management Board is not allowed to be at the head of structural units of the Bank.

### **8.7. Internal Audit of the Bank.**

8.7.1. The Bank shall form a permanent Internal Audit Service of the Bank (hereinafter referred to as the Service), which shall be an integral part of internal control. The Service shall be subordinate to the Supervisory Board, reports to it and act on the basis of the Regulation on the Service, which is approved by the Supervisory Board. The Head of the Service shall be appointed by the Supervisory Board. The National Bank of Ukraine shall determine compliance of the professional suitability and business reputation of the Head of the Service with the requirements of the applicable laws of Ukraine on the basis of documents submitted by the Bank.

8.7.2. The Service shall perform the following functions:

- 1) examine the existence and evaluate the performance efficiency of the risk management systems, compliance of these systems with the types and volumes of ongoing Bank operations and internal control of the Bank;
- 2) check the process of the capital adequacy evaluation taking into account the risks of the Bank;
- 3) monitor the compliance of the managers and employees of the Bank with the requirements of the laws and internal regulations of the Bank, approved by the Supervisory Board;
- 4) evaluate the technical support management and operations;
- 5) check the maintenance and accuracy of accounting and financial reporting;
- 6) check the financial and economic activities of the Bank;
- 7) check the competence requirements and carrying out their professional duties by the Bank's employees;
- 8) identify and check cases of abuse of powers by the Bank's officers, and occurrence of conflicts of interest in the Bank;
- 9) check the accuracy and timeliness of information provision to public authorities, which are within the competence of supervisors of the Bank;
- 10) perform other functions related to the supervision over the Bank's activity.

8.7.3. The Service shall evaluate the activities of the bank, the implementation of which is ensured by involving legal entities and individuals on a contractual basis (outsourcing).

On the results of inspections the Service shall prepare and submit reports and proposals to the Supervisory Board to eliminate violations.

The National Bank of Ukraine shall approve the candidacy of the head of the Service. Requirements for professional competence and reputation of the head shall be set by the National Bank of Ukraine.

The head of the Service is not allowed to occupy positions in other banks.

The decision to dismiss the head of the Service shall be made by the Supervisory Board. In all cases, the decision to dismiss the head of the Service not on his/her initiative shall be agreed with

the National Bank of Ukraine.

The head of the Service has the right to demand the extraordinary meeting of the Supervisory Board.

While performing their functions, employees of the Service shall be entitled to access to documents, information written explanations on the Bank operation issues, including all structural units of the Bank regardless of the country of their location, and affiliates of the Bank, the right of access to the banking operations automate system and the right to receive written explanations from the managers and employees of the Bank on matters arising during the audit and its results.

## **IX. PROCEDURE FOR DISTRIBUTION OF PROFITS AND COVERING OF LOSSES**

9.1. Net profit of the Bank that remains at the Bank's disposal after tax payment and other mandatory payments provided by the applicable laws of Ukraine shall be allocated for the creation of the Bank's funds, payment of dividends and for other purposes under the procedure established by the applicable laws of Ukraine based on a resolution of the General Meeting.

9.2. The Bank shall pay dividends in money only.

Dividends shall be paid on the shares whose placement report has been registered as prescribed by the applicable laws.

The Bank shall pay dividends once a year out of the net profit for the reporting year based on a resolution of the General Meeting within a period not exceeding six months from the date when the General Meeting passes a resolution on the payment of dividends. If the General Meeting passes the resolution on dividend payment within a less than six months period, the dividend payment shall be made within the period specified by the General Meeting.

The resolution on the payment of dividends and the amount of dividends per common share shall be adopted at the General Meeting.

9.3. For each payment of dividends, the Supervisory Board shall determine a date for making a list persons entitled to receive, and a procedure and period for paying, such dividends. The date for making a list of persons entitled to receive the dividends is determined by the Supervisory Board mentioned in the first sentence of this paragraph but not earlier than 10 business days after the date of the decision of the Supervisory Board.

The Bank shall inform the persons entitled to receive the dividends of the date, amount, procedure and period of the dividend payment by sending each of the said persons a written notice thereof; such notice shall be sent by registered mail or delivered personally against the signature. Within 10 days after adopting a relevant resolution on payment of dividends, the Bank shall notify the stock exchange (exchanges) in whose exchange register the Bank has been registered, of the date, amount, procedure and period of the dividend payment.

If a shareholder disposes of its shares after the date of making a list of persons entitled to receive the dividends but before the date of the dividend payment, the person specified in such list shall reserve the right to receive the dividends.

Bank in accordance with the legislation of Ukraine pays dividends through the depository system of Ukraine or directly to shareholders. The specific method of payment of dividends shall be determined by the relevant decision of the General Meeting.

9.4. The Bank shall not be entitled to decide on payment of dividends on common shares and actually pay such dividends if:

- 1) the share placement report has not been registered according to the procedure established by the applicable laws of Ukraine;
- 2) the Bank's equity capital is less than the amount in its authorized capital, reserve capital, and the amount by which the liquidation value of preference shares exceeds their face value.

The Bank may not pay dividends on the common shares if the Bank has an obligation to

redeem shares as provided by the applicable laws of Ukraine.

Dividends shall be accrued only if the Bank complies with the Bank's regulatory capital adequacy requirements.

## **X. RESERVE FUND AND OTHER FUNDS OF THE BANK**

10.1. The Bank shall create a reserve fund to cover contingent losses in relation to all asset items and off-balance sheet liabilities.

The reserve fund shall be created and used under the procedure established by the applicable laws of Ukraine, particularly, regulations of the National Bank of Ukraine.

The Bank shall make deductions to the reserve fund out of the net profit for the reporting year that remains at the Bank's disposal after payment of all taxes and other mandatory payments provided by the applicable laws of Ukraine.

Annual deductions to the reserve fund shall be no less than 5 percent of the Bank's net profit until it totals 25 percent of the Bank's regulatory capital.

10.2. The Bank shall establish any other funds and reserves to cover losses in accordance with regulations of the National Bank of Ukraine.

## **XI. ACCOUNTING AND REPORTING OF THE BANK**

11.1. The Bank shall arrange its accounting in accordance with its internal accounting policy developed by virtue of the rules established by the National Bank of Ukraine in compliance with the international accounting standards.

Accounting shall ensure that timely and complete records of all bank transactions are made and that users are provided with reliable information on the status of assets and liabilities, financial results, and any changes therein.

The financial statements of the Bank shall reflect its operating results for a reporting period.

11.2. The Bank shall submit to the National Bank of Ukraine its financial statements and statistical reports with respect to the Bank's operations, transactions, liquidity, solvency, and profitability as well as the information of the Bank's affiliates in order to assess the financial condition of the Bank.

11.3. The Bank shall, during the month following the reporting period, post on the Bank's website on the Internet and the Bank's premises to which customers (including depositors) have access, its quarterly balance sheet, income statement of the Bank and notes to the statements whose list is determined by the National Bank of Ukraine.

The bank shall make public the auditor's opinion and audited annual financial statements and annual consolidated financial statements, including:

- 1) balance sheet;
- 2) income statement;
- 3) cash flow statement;
- 4) equity statement;
- 5) notes to the statements whose list is determined by the National Bank of Ukraine.

The Bank shall, no later than the 30th of April of the year following the reporting year, make public the annual financial statements and annual consolidated financial statements along with the auditor's opinion, and any information, to the extent as determined by the National Bank of Ukraine, about the holders of a material interest in the bank by publishing such information in periodicals and/or disseminating the same as separate printed publications or by posting in on the Internet.

11.4. The financial year of the Bank shall be a calendar year starting from January 1.

## **XII. EXTERNAL AUDIT OF THE BANK**

12.1. The Bank shall ensure annual audit of its financial statements, consolidated financial statements and any other information related to its financial and business activity by an audit firm in accordance with the applicable laws of Ukraine, including regulations of the National Bank of Ukraine, audit regulations and standards approved by the Audit Chamber of Ukraine according to the international standards of audit and ethics.

The right to carry out audits of the Bank shall be granted to an audit firm entered in the Register of Audit Firms Entitled to Audit Banks, which is maintained by the National Bank of Ukraine.

The following persons may not be an auditor of the Bank: the Bank's affiliate; affiliate of the Bank's officer; a person rendering consultation services to the Bank.

The Bank shall have the right to execute agreements on carrying out audits of annual financial statements and consolidated financial statements with the same audit firm for no longer than seven consecutive years.

12.2. The Bank and the audit firm shall provide to the National Bank of Ukraine, upon its request, explanations, including written explanations on issues related to external audit of the Bank.

The National Bank of Ukraine shall be entitled to demand that the Bank extend the scope of the audit under the procedure and to the extent as set forth in the regulations of the National Bank of Ukraine.

The Bank shall, under the procedure and according to the requirements established by the regulations of the National Bank of Ukraine, submit to the National Bank of Ukraine the audit opinion and other documents following the results of the audit.

12.3. The Bank executives shall provide conditions for conducting external audit of the Bank in accordance with the applicable laws of Ukraine, and shall, upon request of the audit firm, provide reports on inspections of the Bank conducted by the National Bank of Ukraine as well as reports on the external and internal audits of the Bank.

12.4. The Bank may also be audited upon the request of a shareholder (shareholders) holding more than 10 percent of the Bank's common shares. In such event, the shareholder(s) shall independently enter into an agreement with an audit firm chosen by it for an audit of financial and business activities of the Bank, which agreement shall indicate the scope of the audit.

Any expenses related to such audit shall be borne by the shareholder(s) that required the audit to be conducted. The General Meeting may adopt a resolution to indemnify the shareholder(s) against such audit expenses.

An audit required by a shareholder (shareholders) holding more than 10 percent of the shares in the Bank may be conducted not more than twice in a calendar year.

The Bank shall ensure that the auditor is able to conduct such audit, within 10 days following the date of receipt of the audit request from the shareholder(s). The Management Board shall, within the said period, give the shareholder(s) a reply with a date fixed for the beginning of the audit.

## **XIII. BANK SECRET AND CONFIDENTIALITY OF INFORMATION. PREVENTION OF LEGALIZATION (LAUNDERING) OF PROCEEDS FROM CRIME**

13.1. Any information on the activities and financial condition of a customer which becomes known to the Bank in the course of providing services to, and as a result of relations with, such customer or any third parties in rendering services to the Bank, and the disclosure of which may cause financial or moral damage to the customer shall constitute a bank secret.

In particular, bank secret shall include:

- 1) information on bank accounts of its customers, including correspondent accounts of the Bank with the National Bank of Ukraine;
- 2) transactions made for the benefit on under the instructions of a customer, and agreements executed by such customer;
- 3) financial and economic condition of customers;
- 4) the Bank's and customers' security systems;
- 5) information on the organizational and legal structure of a customer - legal entity, its executives, and activities;
- 6) information on customers' commercial activities or commercial secret, any project, invention, model or any other commercial data;
- 7) information on reporting of the Bank except for information that is subject to publication;
- 8) codes used by the Bank to protect information.

The Bank guarantees that it will keep bank secret with respect to transactions, accounts and deposits of its customers and correspondent banks. The Bank employees shall, when taking office, sign a relevant undertaking not to disclose any bank secret. Any information relating to legal entities and individuals which contains bank secret shall be disclosed by the Bank solely on the grounds of, and in accordance with the procedure established by the applicable laws of Ukraine.

The Bank shall ensure bank secret protection by:

- 1) restricting the number of persons having access to any information that constitutes a bank secret;
- 2) arranging a special manner of record keeping with respect to any documents containing a bank secret;
- 3) applying technical facilities to prevent any unauthorized access to electronic and other information media; and
- 4) including clauses regarding bank secret protection and liability for its disclosure in any agreements and contracts between the Bank and a customer.

13.2. The list of information classified as restricted data, in particular, confidential information and commercial secret in the Bank, as well as the procedure for accessing restricted data shall be determined by the Supervisory Board of the Bank subject to the requirements of the applicable laws of Ukraine.

Executives and employees of the Bank shall be obligated not to disclose or use to their own or any third parties' benefit confidential information that has become known to them in the process of performing their official duties.

13.3. In order to prevent legalization (laundering) of proceeds from crime, an internal financial monitoring system shall be created in the Bank.

The Chairman of the Management Board shall be responsible for ensuring compliance with the requirements of the laws of Ukraine on the prevention of money legalization (laundering) of proceeds from crime, terrorist financing and financing the spread of weapons of mass destruction.

Ensuring compliance with the requirements of the laws of Ukraine on the prevention of money legalization (laundering) of proceeds from crime, terrorist financing and financing the spread of weapons of mass destruction shall include a complex of measures related to the appointment of a responsible employee of the Bank according to the requirements of the laws of Ukraine on the prevention of money legalization (laundering) of proceeds from crime, terrorist financing, and financing the spread of weapons of mass destruction as well as establishment and functioning of an internal system for preventing money legalization (laundering) of proceeds from crime, terrorist financing, and financing the spread of weapons of mass destruction, approval and ongoing updating of the Bank's documents related to issues of conducting financial monitoring, exercising of control over compliance with the statutory requirements in the sphere of prevention of money legalization (laundering) of proceeds from crime, terrorist financing and financing the spread of weapons of mass destruction.



An employee of the Bank responsible for conducting financial monitoring shall be in charge of the internal system for preventing money legalization (laundering) of proceeds from crime, terrorist financing and financing the spread of weapons of mass destruction. The employee of the Bank responsible for conducting financial monitoring shall be a member of the Bank's Management Board by virtue of his/her position, and shall be appointed and removed from office by the Bank's Supervisory Board. The responsible employee of the Bank (except for a separate unit of the Bank) shall be appointed after his/her candidature is approved by the National Bank of Ukraine.

The Bank shall develop, implement and continuously update the rules of internal financial monitoring and the program for conducting the same subject to the requirements of the applicable laws of Ukraine on the prevention of legalization (laundering) of proceeds from crime, terrorism financing and financing the spread of weapons of mass destruction.

The Bank may create an internal system for preventing legalization (laundering) of proceeds from crime, terrorist financing and financing the spread of weapons of mass destruction, under which certain powers related to maintaining the register of financial transactions, and making a decision on informing the central body of executive power which implements state policy on preventing legalization (laundering) of proceeds from crime, terrorism financing and financing the spread of weapons of mass destruction of financial transactions carried out in the relevant region, shall be exercised the Bank's separate units designated by the Bank (appointed responsible employees of the Bank's separate units).

13.4. The Bank shall be obligated to identify and to verify in accordance with the requirements of the laws of Ukraine:

- customers (excluding banks registered in Ukraine) who open accounts with the bank;
- customers who conduct financial transactions, which are subject to financial monitoring;
- customers (persons) in case of suspicion that their financial transactions (financial transaction) could be associated with terrorism financing or financing the spread of weapons of mass destruction;
- customers who conduct transfers without opening an account in an amount equal to or exceeds USD 15,000 or the equivalent of this amount, including in foreign currency, banking metals, other assets and cost units, but less than USD 150,000, or the equivalent of this amount, including in foreign currency, banking metals, other assets and cost units;
- customers who conduct financial cash transactions without opening an account, in the amount equal to or exceeding UAH 150,000 or in amount equal to this amount, including in foreign currency, banking metals, other assets and cost units;
- customers whom bank attracts to invest funds as a subordinated debt;
- customers who enter into credit agreements with the bank, as well as agreements on deposits of valuables or on property lease (rent) of a safe deposit box guarded by the bank;
- persons (excluding banks registered in Ukraine), with whom the bank as a professional securities market participant enters into agreements to conduct its professional activity at the securities market (stock market). Since such an agreement conclusion, this person is a customer of the bank;
- persons authorized to act on behalf of the abovementioned customers/persons (customer's representatives), customers (persons), determined by the regulatory legal act of the National Bank of Ukraine on financial monitoring execution.

The Bank shall carry out identification, verification of the customer (person, customer's representative) and take measures in accordance with the laws governing relations in the area of preventing legalization (laundering) of proceeds from crime, terrorism financing and financing the spread of weapons of mass destruction, before opening an account for this customer, entering into agreements or carrying out financial transaction, mentioned in this clause of the Charter.

The Bank shall have the right to demand and the customer (person, customer's representative) shall provide documents and information necessary for carrying out identification and/or

verification (including establishing the identification data of ultimate beneficiary owners (controllers), analysis and detection of financial transactions subject to financial monitoring and other documents and data provided for by laws required by the Bank in order to satisfy the requirements of the laws governing relation on preventing legalization (laundering) of proceeds from crime, terrorism financing and financing the spread of weapons of mass destruction. In case the customer (person, customer's representative) fails to provide documents required for the identification and / or verification (including the establishment of the identity of the final beneficial owners (controllers), analysis and detection of financial transactions subject to financial monitoring, an account shall not be opened, agreements (financial transactions), mentioned at this clause of the Charter shall not be entered into (executed).

The Bank has the right to waive from establishment (maintenance) of contractual relationships (including through termination of contractual relationships) or financial transactions if a customer is determined to be at unacceptably high risk based on the evaluation or reevaluation of risk.

#### **XIV. DISSOLUTION OF THE BANK. REORGANIZATION AND LIQUIDATION PROCEDURE**

14.1. The Bank shall be dissolved as a result of transfer of all its property, rights and obligations to other successor legal entities (merger, takeover, split-up) or as a result of liquidation.

14.2. The Bank may be reorganized upon a decision of the Bank owners, and the procedure for making such decision shall be established by the applicable laws of Ukraine and this Charter.

Reorganization may be carried out by way of merger, takeover, split-up, spin-off, or transformation.

In the event of reorganization of the Bank through transformation, no statutory provisions governing liquidation of a legal entity shall apply. Upon reorganization of the Bank through transformation, creditors shall not be entitled to demand termination or acceleration of the bank's obligation.

Reorganization to be made upon a decision of the Bank owners shall be in accordance with the Ukrainian business companies laws subject to prior approval of the National Bank of Ukraine for reorganization of the Bank and approval by the National Bank of Ukraine of the Bank's reorganization plan. In the event of the Bank reorganization upon a decision of the Bank owners through transformation, no reorganization plan of the Bank shall be required.

14.3. The Bank may be liquidated:

- 1) upon a decision of the Bank owners;
- 2) if the National Bank of Ukraine withdraws the banking license at its own discretion or at the proposal of the Individual Deposits Guarantee Fund.

The National Bank of Ukraine shall be entitled to withdraw the banking license at its own discretion if:

- 1) it is revealed that the documents submitted for obtaining the banking license contain incorrect information;
- 2) the Bank has not conducted any banking transaction for a period of one year from the date of receipt of the banking license;
- 3) it is identified a regular violation by the Bank of the laws on prevention and counteraction to legalization (laundering) of proceeds from crime, or terrorism financing, as well as financing of proliferation of weapons of mass destruction.

The National Bank of Ukraine shall make a decision to withdraw the banking license of the Bank and liquidate the Bank at the proposal of the Individual Deposits Guarantee Fund within five days after such proposal is received from the Fund.

The National Bank of Ukraine shall, no later than the day following the day on which a decision is made to withdraw the banking license and to liquidate the Bank, notify the Bank thereof and send the decision to the Individual Deposits Guarantee Fund.

The Individual Deposits Guarantee Fund shall, on the day when the decision of the National Bank of Ukraine to liquidate the Bank is received, acquire the rights of the Bank liquidator and start the Bank liquidation procedure pursuant to the Law of Ukraine “On the System of Guarantees for Individual Deposits”.

The Bank liquidation procedure shall be deemed completed and the Bank liquidated upon the relevant entry in the Uniform State Register of Legal Entities, Private Entrepreneurs and Social Formation.

The National Bank of Ukraine shall make an entry in the State Register of Banks on the liquidation of the Bank by virtue of the decision received from the Individual Deposits Guarantee Fund on the approval of the liquidation balance sheet and the liquidator’s report.

The Bank shall be liquidated at the Bank owners’ initiative under the procedure established by the laws regulating the liquidation of legal entities if the National Bank of Ukraine, upon receipt of the Bank owners’ decision to liquidate the Bank, does not reveal any features by which the Bank may be classified as a troubled or insolvent bank.

The Bank owners shall be entitled to initiate the Bank liquidation procedure based on a resolution of the General Meeting only after the National Bank of Ukraine gives its consent thereto and subject to withdrawal of the banking license.

If the Bank, which is to be liquidated at the Bank owners’ initiative, is classified by the National Bank of Ukraine as a troubled or insolvent bank, the National Bank of Ukraine and the Individual Deposits Guarantee Fund shall take such action with respect thereto as provided by the Laws of Ukraine “On Banks and Banking”, and “On the System of Guarantees for Individual Deposits”. In all cases documentation of the Bank, which is to be liquidated, shall be transferred by the liquidation commission to the National Bank of Ukraine for keeping.

## **XV. MODIFICATIONS AND AMENDMENTS TO THE BANK CHARTER**

15.1. The General Meeting shall be competent to pass a resolution on making modifications and amendments to the Charter.

Any modifications and amendments to the Charter of the Bank shall be subject to state registration according to the laws governing state registration of legal entities, individual entrepreneurs and social formation subject to the specifics established by the Law of Ukraine “On Banks and Banking”.

The Bank shall submit any documents required for the state registration of modifications and amendments to the Charter of the Bank after they are approved by the National Bank of Ukraine.

15.2. Any modifications and amendments to be entered in the Bank Charter shall become effective as of the date of their state registration.

**Chairman of the Management Board of  
PJSC “BANK AVANGARD”**

/signed/  
Seal.

**S.A. Korchynska**