

EXPLANATORY NOTE

On amendments to the Bank's Charter,
the Regulation on the Supervisory Board,
and the Regulation on the Management Board and Chairman of the Management Board

In view of the Bank's reorganisation by spinning off [...]¹, and in order to improve its corporate governance practices and operational risk management, it is proposed to submit the new versions of its Charter and regulations on its governing bodies for approval by an extraordinary General Shareholders' Meeting.

As at the date of approval of the materials deliverable to shareholders in contemplation of such Meeting, the amendments to the Bank's Charter and regulations on its governing bodies comply with applicable laws and the Bank of Russia's recommendations.

The Bank complies with laws once they become effective.

No.	Amendments to the Charter	Comments
1.	1. Clause 1.1 of article 1 "GENERAL PROVISIONS" shall be amended by adding paragraph 12 as follows: "By resolution of the General Shareholders' Meeting dated [•] (Minutes No. [•] dated [•]), the Bank was reorganised by spinning off [...] ¹ ."	The article is amended to reflect the reorganisation.
2.	Clause 10.1, paragraph 7 of article 10 "FUNDS OF THE BANK" shall be restated as follows: The Bank shall form its reserve fund at a ratio of 5 (five) percent of its charter capital. Until the required amount of the reserve fund is achieved, the Bank shall allocate 5 (five) percent of the annual net income to the said fund."	Brought in line with art. 35, cl. 1 of Federal Law No. 208-FZ dated 26.12.1995 "On Joint-Stock Companies" (the words "its reserve fund at a ratio of at least 5 (five) percent of its charter capital" replaced with "its reserve fund at a ratio of 5 (five) percent of its charter capital.>").
3.	Clause 13.2 of article 13 "SUPERVISORY BOARD" shall be amended by adding sub-clause 13.2.60. as follows: "13.2.60. Approving the Sustainability Policy."	Reflects the Supervisory Board's involvement in the Bank's non-financial operations.
4.	Subcl. 13.2.60-13.2.64 of clause 13.2 of article 13 "SUPERVISORY BOARD" shall be renumbered respectively as subcl. 13.2.61-13.2.65 thereof.	
5.	Cl. 14.2 of article 14 "MANAGEMENT BOARD" shall be amended by adding subclauses 14.2.11-14.2.16 as follows:	Responsibilities for managing / taking operational risks added in line with cl. 1.5, 2.1.6, 2.2.1, 3.3.5, 4.3.4, 5.3 of the Bank of

¹ The spin-off company's name is not disclosed pursuant to clause 1, paragraph 2 of Russian Government's Decree No. 1102 dated 04.07.2023 "On Particularities of the Disclosure and/or Delivery of Information Disclosable and/or Deliverable under the Federal Law "On Joint-Stock Companies" and the Federal Law "On the Securities Market" and Resolution of the Bank of Russia's Board of Directors dated 22.12.2023 and specifying which information disclosable by credit institutions, non-credit financial organisations, and financial market professional service providers under Russian laws or the Bank of Russia's regulations they need not disclose from 1 January 2024 to and including 31 December 2024, and which information listed in Russian laws or the Bank of Russia's regulations the latter shall not disclose on its official website from 1 January 2024 to and including 31 December 2024

	<p>"14.2.11. Ensuring compliance with the Bank's operational risk management procedures.</p> <p>14.2.12. Approving alert triggers and control metrics of operational risk for annual planning periods across business areas, including their component processes, and subdivisions, within the Bank's overall operational risk alert triggers and control metrics.</p> <p>14.2.13. Setting operational risk limits based on approved control metrics by allocating them across business areas, including their component processes, subdivisions, and risk subtypes.</p> <p>14.2.14. Ensuring control of the operational risk level and addressing any cases where control metrics approved under cl. 14.2.12 hereof are exceeded.</p> <p>14.2.15. Authorising the taking of operational risks.</p> <p>14.2.16. Approving the list of subdivision functions, banking operations and services that were not performed during a calendar year, and other changes to the Bank's critically important processes, including any functions, operations, or services outsourced in whole or in part (to external contractors, counterparties, or banking group members).".</p>	Russia's Regulation 716-P dated 08.04.2020 "On Requirements to Credit Institutions' and Banking Groups' Risk and Capital Management System".
6.	Subcl. 14.2.11-14.2.21 of clause 14 of article 14 "MANAGEMENT BOARD" shall be renumbered respectively as subcl. 14.2.17-14.2.27 thereof.	

Amendments to the Regulation on the Supervisory Board and the Regulation on the Management Board and the Chairman of the Management Board result from and reproduce the provisions of the amendments to the Charter.

The Regulation on the Management Board and Chairman of the Management Board is further amended as follows:

No.	Amendments	Comments
1.	Cl. 4.2 of the Regulation shall be restated as follows: "4.2. In relation to internal control, the Management Board is authorised to:".	It is specified that cl. 4.2.1. – 4.2.6. thereof fall within the Board's competence as per cl. 14.2.1, 14.2.5-14.2.6, 14.2.10, 14.2.18, and 14.2.21 of the Charter.
2.	Cl. 4.3 of the Regulation shall be restated as follows: "In relation to internal control, the Chairman of the Management Board is authorised to:"	The Chairman's internal control competence is aligned with cl. 15.2.11 and 15.2.19-15.2.22 of the Charter.
3.	The Regulation shall be amended by adding cl. 4.3.1-4.3.5 as follows: "4.3.1. Define responsibilities for the implementation of the Supervisory Board's resolutions; implement the Bank's internal control set-up and execution strategy and policy; authorise managers of the relevant structural units to develop internal control policies, and control their implementation; review compliance of the Bank's (its banking group's) operations with its internal control regulations, and evaluate the adequacy of the latter to the nature and the scale of the former; assign duties to the units and officers responsible for specific areas (forms and methods) of internal control; review the materials and findings of regular internal control performance appraisals; set up efficient communication	Reflects cl. 15.2.11 and 15.2.19-15.2.22 of the Charter.

	<p>systems enabling users to get relevant information; run a system for control over remediation of any irregularities or deficiencies identified in the internal control and appraise success of any such remediation.</p> <p>4.3.2. Approve the Bank’s own insider information lists.</p> <p>4.3.3. Review and approve reports contemplated in the internal control rules for preventing, detecting and obstructing insider information abuse and/or market manipulation.</p> <p>4.3.4. Review and approve reports and other documents contemplated in the stock market professional participant internal control rules.</p> <p>4.3.5. Approve the internal control rules for the purposes of anti-money laundering, terrorism financing and counter-weapons of mass destruction financing.”.</p>	
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