



**Азиатско-Тихоокеанский Банк**

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**APPROVED by**  
**Minutes of the Board of Directors**  
No. \_\_\_\_\_ as of « \_\_\_\_\_ » \_\_\_\_\_ 20\_\_

**CORPORATE CODE of**  
**“Asian-Pacific Bank” (OJSC)**

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## **1. PURPOSE OF THE DOCUMENT**

1.1. This Corporate Code of "Asian-Pacific Bank" (OJSC) (hereinafter referred to as the Code) is developed to improve corporate culture and conduct of the employees of the Bank and to increase profitability, financial stability and performance of the Bank, to organize a unified mechanism for interaction with clients, business partners, public and municipal authorities, employees of the Bank.

1.2. This Code is designed to protect shareholders, clients, business partners and employees of the Bank, as well as to ensure awareness of the Bank's employees of their personal responsibility to clients, business partners and shareholders of the Bank for fulfilling their official duty.

1.3. This Code establishes and regulates principles of business ethics of the Bank in human resource management, the Bank's interaction with clients, business partners and shareholders of the Bank.

## **2. GENERAL PROVISIONS**

2.1. The Corporate Code of "Asian-Pacific Bank" (OJSC) is a set of basic ethical and business standards and principles that guide the employees of "Asian-Pacific Bank" (OJSC).

2.2. This Code is developed on the basis of universally recognized principles and standards of international law, legislation of the Russian Federation and business practices, and contains mandatory rules of conduct applicable to all employees regardless of their position.

2.3. This Code is a public document of the Bank.

## **3. MISSION OF THE BANK**

The mission of the Bank is to offer the best financial solutions for realization of the plans of the clients and partners, shareholders and employees and implement the intention to become one of the most effective banks in Russia. Be a team, a winning team!

## **4. PROTECTION OF INTERESTS OF SHAREHOLDERS AND EMPLOYEES OF THE BANK**

Principles of corporate conduct are fundamentals for forming, functioning and improving the system of corporate management of entities.

Shareholders, corporate bodies and employees of the Bank shall apply the following principles of corporate conduct.

4.1. Corporate conduct practices shall enable shareholders to exercise their rights of participation in a joint-stock company.

4.1.1. The shareholders shall be provided with reliable and effective methods of stock recording, as well as easy and fast stock assignment.

4.1.2. Shareholders shall have a right to participate in the corporate management by taking decisions on crucial matters of the Bank's activity on the general meetings of shareholders. In order to implement this right, the Bank shall provide the following:

- the notification of the general meeting of shareholders shall allow shareholders to properly prepare for participation in it;
- the shareholders shall be granted a possibility to acknowledge with a list of people participating in the general meeting of shareholders;
- venue, date and time of the general meeting shall be defined in a manner to provide shareholders a real and easy possibility to participate in it;
- the shareholders' right to call a general meeting and make proposals to the agenda of the general meeting of shareholders shall not involve any unreasonable difficulty to confirm these rights by the shareholders;
- each shareholder shall have an opportunity to vote in the most simple and convenient way.

4.1.3. The shareholders shall be provided with a possibility to participate in the profits of the Bank. To exercise this right the Bank shall:

- establish a transparent and clear for shareholders mechanism for determining the amount of dividends and its payments;
- provide sufficient information to form a clear understanding of presence of the conditions for the payment of dividends and their payment procedure;
- eliminate a possibility to mislead the shareholders in the financial performance of the Bank when paying dividends;
- guarantee that the dividend payment procedures shall not involve unreasonable difficulties to collect dividends;
- take measures applicable to the executive authorities in the event of incomplete or late payment of declared dividends.

4.1.4. The shareholders have a right to regularly and timely receive complete and reliable information about the Bank. This right is exercised by:

- providing the shareholders with exhaustive information on each item of the agenda when preparing for a general meeting of shareholders;
- including in the Bank's annual report provided to shareholders, necessary information to enable them to evaluate the company's performance during the year.

4.1.5. The shareholders of the Bank shall not abuse the rights granted to them. The shareholders shall not take steps intended to cause harm to the other shareholders or the Bank; and other abuses of shareholders' rights shall be avoided.

4.2. The practice of corporate conduct in the Bank shall grant equal attitude to the shareholders, holding equal stock of shares of the same type (category). All the shareholders shall have the opportunity to obtain an effective protection against

violation of their rights.

Compliance with this principle shall be ensured by:

- establishment of a procedure of the General Meeting of Shareholders, which provides reasonable, equal opportunity for all persons present at the meeting to express their opinions and ask questions;
- establishment of the order for committing significant corporate actions to enable shareholders to receive full information regarding such activities and guarantee their rights;
- prohibiting to execute transactions with the use of insider or confidential information;
- electing members of the Board of Directors, members of the Executive Board and the Chairman of the Executive Board in accordance with a transparent procedure providing the shareholders with complete information about these persons;
- the members of the Executive Board, the Chairman of the Executive Board and other persons which may be considered as interested parties while making a transaction by providing information on such interest;
- taking all necessary and available measures to settle conflicts between the Bank and its shareholders, as well as between the shareholders if this conflict influences the interests of the Bank (hereinafter referred to as a corporate conflict).

4.3. Practice of corporate conduct shall ensure the Board of Directors to implement strategic management of the Bank and effective control over the executive bodies of the Bank, as well as accountability of the members of the Board of Directors to its Shareholders.

4.3.1. The Board of Directors shall determine development strategy of the Bank and also maintain an effective control over financial and economic activities of the Bank. For this purpose the Board of Directors shall approve:

- priority directions of the Bank's activity;
- financial and economic plan.

4.3.2. The Board of Directors of the Bank shall ensure the most effective execution of the functions entrusted to the Board of Directors. To do this:

- the members of the Board of Directors shall be elected by a transparent procedure that takes into account the diversity of views of shareholders, ensures compliance of the Board of Directors with the legislative requirements and enables the election of independent members of the Board of Directors (hereinafter - the Independent Director);
- the Board of Directors shall consist of a sufficient number of Independent Directors.

4.3.3. The members of Board of Directors shall actively participate in the meetings of the Board of Directors and committees of the Board of Directors.

The meetings of the Board of Directors shall be held:

- regularly in accordance with a specially developed plan;
- in person or in absentia, depending on the importance of the issues.

The committees shall be established in the Board of Directors for preliminary consideration of the most important issues related to the competence of the Board of Directors:

- the audit committee shall provide control of the Board of Directors over financial and economic activities of the Bank.

The Board of Directors may also consider establishment of other committees including Risk Management Committee, Ethics Committee.

4.4. Practice of corporate conduct shall ensure the executive bodies of the Bank to maintain effective management in a reasonable, faithful way, exclusively for the benefit of the Bank, as well as accountability of the executive bodies to the members of the Board of Directors and its Shareholders.

4.4.1. The Executive Board of the Bank shall ensure the most effective execution of the functions entrusted to it. To do this:

- the Chairman and members of the Executive Board shall be elected by a transparent procedure, providing the shareholders with complete information on these persons;
- the Chairman and members of the Executive Board shall have sufficient amount of time to discharge their duties.

4.4.2. The executive bodies shall act in accordance with the financial and economic plan of the Bank.

4.4.3. The remuneration of the Chairman and members of the Executive Board shall correspond with their qualification and take into account their real contribution to the performance of the Bank.

4.5. The practice of corporate conduct shall provide timely disclosure of complete and reliable information about the Bank, including its financial situation, economic performance, ownership structure and management in order to ensure reasonable decision-making by the shareholders and investors.

4.5.1. All Shareholders shall have an equal access to the same information.

4.5.2. All Shareholders shall be able to receive complete and reliable information, including information about the financial position of the Bank, performance indicators, management of the Bank, information about major shareholders, as well as significant facts concerning the financial and economic activities.

4.5.3. The Bank shall execute control over the use of confidential and insider information.

4.6. The practice of corporate conduct shall take into account legally provided rights of the interested parties, including the employees of the Bank, and stimulate active cooperation of the Bank and interested parties in order to increase the Bank's assets, shares and other securities' prices and create new jobs.

4.6.1. To ensure the effective performance of the Bank the executive bodies shall take into consideration the interests of third parties, including the government and municipal entities in the territory where the Bank or its structural divisions are located.

4.6.2. The management bodies of the Bank shall stimulate the interest of employees in the performance of the Bank.

4.7. The practice of the corporate conduct shall ensure the effective control over the financial and economic activities of the Bank in order to protect legal interests of the Shareholders.

4.7.1. The Bank developed an effective system of daily control over financial and economic activities. Thereto the Bank's activity is regulated by the financial and economic plan, approved by the Board of Directors annually.

4.7.2. The Bank shall divide the competence of bodies responsible for control over its financial and economic activity from the competence of persons responsible for development, approval, implementation and evaluation of the internal control system. Development of internal control procedures is entrusted to the internal control service, which is independent from the executive bodies of the Bank; approval of internal control procedures is entrusted to the Board of Directors.

## **5. PRINCIPLES OF BUSINESS ETHICS**

Daily corporate conduct of the Bank's employees is based on nine key principles of business ethics.

### **5.1. Principle of professionalism.**

5.1.1. Professionalism means an activity of the Bank's employees, characterized by a certain level of qualification in relations with clients, counteragents, business partners, as well as among each other, and effective implementation and usage of the Bank's resources, compliance with approved rules, regulations and procedures.

5.1.2. A mandatory requirement to the Bank's employees is competence, suggesting that the Bank's employees shall possess the required knowledge, skills and experience. The Bank's employees shall share their knowledge with the colleagues, not concealing anything in order to gain an advantage for themselves.

5.1.3. To continue improvement of professional level of the employees and development of professional qualities the Bank created conditions for functioning of educational and training systems.

5.1.4. The Bank shall provide every employee with an opportunity to show independence and responsibility in their work.

5.1.5. The Bank shall control that the employees possess the required level of qualification and professionalism, including compliance with qualification requirements of the regulating authorities.

### **5.2. Principle of legality.**

5.2.1. In their professional activity the employees of the Bank shall follow the requirements stipulated by the laws of the Russian Federation, the internal documents of the Bank, as well as take all acceptable and legal steps to ensure compliance with these requirements by clients, counteragents, business partners.

5.2.2. The employees of the Bank shall refuse to fulfill the client's orders, if they are contrary to the effective legislation of the Russian Federation and internal documents of the Bank.

### **5.3. Principle of respect.**

5.3.1. All employees of the Bank shall listen to the opinion of colleagues, pay attention to them, respect their values, feelings and beliefs, never resort to any form of pressure or action, which may offend an employee.

5.3.2. The employees of the Bank shall refrain from undue criticism, public discussion of the work of each other, as well as other similar actions, which may harm or undermine the business reputation of a certain employee, and as a result the reputation of the Bank as a whole.

5.3.3. The employees of the Bank shall show respect to the clients, counteragents and partners of the Bank.

5.3.4. The Bank's employees shall control and ensure confidentiality of information, which they receive from clients.

### **5.4. Principle of transparency.**

5.4.1. The Bank shall adhere to the policy of maximum openness and transparency of the Bank's activity for the shareholders, clients, business partners, counteragents, state authorities, employees.

5.4.2. The Bank shall seek to use all available sources of information to acquaint all interested parties with disclosed information about the Bank.

5.4.3. The Bank's employees disclose information about legal status, performance of the Bank, etc., in the order stipulated by the legislation of the Russian Federation, requirements of the Central Bank of the Russian Federation, internal documents of the Bank.

5.4.4. The Bank shall provide timely news coverage of its products and services.

### **5.5. Principle of justice.**

5.5.1. The Bank shall treat all employees on equal basis without any political, religious, national and other discrimination. The main criterion for employment, promotion, remuneration is an acknowledgment of professional skills and abilities of the employees.

5.5.2. When working with clients, counteragents and partners the Bank shall not single out separate persons, and all the decisions of the Bank's employees concerning clients, counteragents and partners of the Bank are taken objectively.

### **5.6. Principle of trust.**

5.6.1. The Bank shall always fulfill its promises to clients, counteragents and partners, and always acknowledge its mistakes.

5.6.2. The Bank shall constantly seek to reconcile its medium-term and long-term interests with those of clients, counteragents and partners, as well as constantly try to defend interests of clients, counteragents and partners.

### **5.7. Principle of freedom.**

5.7.1. The heads of the Bank's divisions shall control execution by the employees of their duties and have a right to give instructions subject to compulsory implementation by the employees, without putting any pressure on employees for self-serving or other unethical purposes.

5.7.2. The employees of the Bank shall objectively address the issues of the Bank's activity; prevent actions executed

under the pressure of third parties or any kind of dependence on them, if it directly or indirectly affects an employee when performing his functions.

5.8. Principle of good faith.

5.8.1. All employees when performing his functions shall act in good faith, which means to act with a certain level of honesty, diligence and responsibility, which is required from them taking into consideration banking specifics and business practices.

5.8.2. The Bank's employees shall properly exercise their professional duties, i.e. apply their professional knowledge, skills and experience, as well as take reasonable and responsible actions to protect legal rights and interests of clients, counteragents and partners of the Bank.

5.8.3. All employees of the Bank shall attentively examine and timely react to the comments, complaints and claims addressed to the Bank.

5.9. Principle of security.

5.9.1. The Bank shall take all necessary steps to prevent any illegal acts of third parties against the Bank's shareholders, clients, counteragents, partners and employees, as well as against the state.

5.9.2. According to the legislation of the Russian Federation, legal acts of the Central Bank of the Russian Federation, internal documents of the Bank all employees shall ensure the confidentiality of information, defined as insider information and/or commercial, bank secrecy, received while performing their functions.

5.9.3. Each employee of the Bank shall give an obligation not to disclose the information about transactions, accounts and deposits of clients, counteragents, representatives of state authorities, the Bank, as well as other information, which may harm the business reputation, other non-financial and financial interests of a client, counteragent, representative of state authorities, the Bank, unless the disclosure of such information is stipulated by the legislation of the Russian Federation.

## **6. PERSONNEL POLICY**

### **6.1. General provisions of the personnel policy of the Bank.**

The Bank considers its personnel as a key resource, main condition to receive income and increase service level, as a capital, acquired during the competitive struggle, and personnel expenses as long-term investments in the business development.

The fundamental components of the personnel policy are seven interconnected spheres, which help to achieve the strategic goals of the Bank:

- personnel recruitment;
- personnel motivation;
- personnel assessment;
- personnel training;
- job safety;
- labour discipline;
- corporate culture.

Personnel policy implementation shall be a responsibility of all managers of the Bank, who are supported by specialists of the Bank's divisions responsible for development of the personnel of the Bank, implementing processes in human resource management.

### **6.2. Objectives of the personnel policy of the Bank are:**

- to receive maximum return on investments in personnel by developing an effective system of personnel management;
- to build a team of qualified employees;
- to establish relations with each employee, which are based on the principles of social partnership, and in accordance with the requirements of actual labour legislation of the Russian Federation and the best Russian and international standards and experience in developing systems of personnel management.

### **6.3. Goals of the personnel policy are:**

- to create conditions for optimal employment of human capital;
- to decrease the employee turnover rate;
- to create a system of qualified personnel selection for the Bank;
- to achieve full quantitative and qualitative compliance of the personnel with strategic goals of the Bank;
- to develop an effective motivation system of personnel;
- to develop an effective assessment system of personnel;
- to create and maintain a single corporate culture.

### **6.4. Principles of personnel policy are:**

- justice of relations between the Bank and personnel;
- attitude to any worker as to an individual;
- equal opportunity of employees for professional and personal development;
- realistic, attainable goals to rate personnel activity;
- regular feedback based on promotion plans and ratings of professional competence and performance of the Bank's employees.

### **6.5. Main priority directions of the personnel policy of the Bank are:**

- personnel training;

- development and implementation of motivation system of personnel;
- implementation of an assessment system of personnel and forming personnel reserves;
- development of a co-responsibility for personnel based on assessment procedures of all managers of the Bank and the employees of the Human Resources Department of the Bank;
- development and automation of the Bank's unitary system for personnel registration and records administration in accordance with the requirements of the effective legislation of the Russian Federation.

#### **6.6. Prevention of conflict of interests when implementing personnel policy.**

The employees of the Bank shall not be engaged in business which can lead to the conflict of interests with the Bank, or can be considered as such conflict; the employees shall not be engaged directly or indirectly through members of their family or other people acting on behalf of these employees, in such business.

An employee shall not use the Bank, its reputation, insider information for his own benefit or the gain of other people.

If circumstances require employing a person or a company as a consultant, one should make certain that there are no conflicts of interests between this person or company and the Bank

With the aim of preventing conflicts of interests while implementing the personnel policy the Bank shall:

- familiarize each official and employee with the present Code when employing;
- give regular guidance aimed to inform the officials and the Bank's employees of the content of the present Code;
- keep commercial, banking, professional secrecy;
- ensure the internal control;
- establish in the order stipulated by the labour legislation of the Russian Federation, types of disciplinary penalties for not meeting the requirements and restrictions established by this Code.

### **7. RELATIONS WITH CLIENTS, BUSINESS PARTNERS AND REPRESENTATIVES OF STATE AND MUNICIPAL AUTHORITIES**

7.1. Relations with clients, business partners and representatives of state and municipal authorities are based on the principles of good faith, honesty, professionalism, mutual trust and respect, high priority of clients' interests, inviolability of obligations, and completeness of disclosure of required information.

The banking specific is that not only the confidence of Shareholders in the management of the Bank plays a great role, but also confidence of clients and partners in the Bank's employees and the Bank as a whole. In this regard, an important moment in the formation of the Bank's corporate governance principles is the necessity to maintain a stable, trusting relationships of employees of the Bank with its clients and partners and government representatives.

7.2. According the Bank's vision, its clients are all kinds of enterprises, credit and other financial institutes, public administration institutions and individuals. The Bank shall defend interests of each client and adheres to the principle of neutrality in its relations with clients. All employees of the Bank shall make efforts to minimize any risk for clients and business partners.

7.3. The Bank honestly and reasonably, with possible care fulfills all taken liabilities to clients and strives to ensure high quality of provided services, work with clients with respect, honesty and openness. The Bank declares its adherence to and complies with the principles of fair competition.

7.4. The Bank actively participates in anti-money laundering and combating the financing of terrorism in accordance with the rules of internal control of the Bank and requirements of the legislation of the Russian Federation.

7.5. The Bank excludes any possibility of providing clients with unreliable or distorted information about its financial position and performance.

7.6. The Bank makes every effort to ensure the safety and security of information about transactions of its clients, doesn't disclose information about the operations, accounts and deposits of clients and their business partners, unless the disclosure of such information is required by the legislation of the Russian Federation. The Bank constantly works on improving the quality of its services, timely and attentively examines emerging conflicts and difficulties, resolves complaints and claims of the clients.

### **8. RELATIONSHIP WITH COMPETITORS**

The relationships with the counteragents of the Bank are based on the principles of honesty and mutual respect. In case of disagreements or disputes in the competition the priority is given to negotiations and compromises.

When building relations with competitors, the Bank assumes that the healthy economic competition enables the correct distribution of goods and services and proceeds for the greater benefit of the society. The Bank respects physical and intellectual property rights of the competitors, avoids any illegal actions against them, including obtaining commercial information by unfair, illegal and unethical means.

The Bank considers itself bound to comply with antimonopoly legislation and competition laws.

### **9. PREVENTION OF CONFLICT OF INTERESTS**

9.1. The present Code establishes the following measures to prevent conflicts of interests, binding on the governing bodies, officials and employees of the Bank:

- comply with the requirements of the legislation, normative acts, the Charter and internal documents of the Bank;
- refrain from actions and decisions which can rise a conflict;
- ensure efficiency of assets and liabilities management, including ensuring the safety of assets, banking risks management;

- eliminate any possibility of involving the Bank in illegal activity, including money laundering and terrorism financing;
- ensure the highest possible performance when executing banking and other transactions;
- control over compliance of the Bank's with limits when executing banking and other transactions, as well as transactions with the related parties of the Bank and transactions on preferable terms;
- exercise internal and external control in accordance with the Charter and internal documents of the Bank;
- submit for consideration of the Board of Directors separate transactions and series of related transactions, which amounts exceed the Bank's established limits for such transactions;
- as often as twice a year provide the Board of Directors with the reports about all transactions with the related parties of the Bank and transactions on preferable terms;
- perform inspections by the internal control service and external auditor of the conditions of the transactions with the related parties of the Bank and transactions on preferable terms;
- attract independent appraisers to determine the market value, when the Board of Directors approves transactions in accordance with the requirements of the legislation;
- maintain a file of affiliated persons, shareholders of the Bank and its affiliated persons, insiders of the Bank;
- ensure the development and compliance with the procedures of executing transactions:
  - a) with affiliated persons;
  - b) with shareholders and their affiliated persons;
  - c) with insiders of the Bank;
  - d) with the persons, with whom transactions are executed on preferable conditions or connected with regular losses for the Bank, as well as swap transactions;
- not execute large transactions and related party transactions without preliminary approval of the authorized bodies of the Bank;
- disclose information about the Bank's performance in accordance with the requirements of the effective legislation;
- ensure reliability of financial statements and other public information, provided to the shareholders, clients, regulatory and supervisory authorities and other interested persons, including for promotion purposes;
- develop and improve measures to prevent the use of the Bank's information for private benefit by persons who have access to such information in mass media;
- timely examine reliability and objectivity of the negative information about the Bank in mass media and other sources. The Bank shall timely react on each fact of appearing of such information;
- ensure the medium and long term profitability of the Bank;
- participate in revealing banking risks and deficiencies of the internal control system of the Bank;
- ensure that the paid compensations to the members of management board are adequate to the financial performance of the Bank, and to the extent the achieved financial performance corresponds with the planned performance;
- comply with the principles of professional ethics.

9.2. In order to prevent conflicts of interests between the shareholders of the Bank, as well as between the management bodies, officials, employees of the Bank and its shareholder (shareholders), the management bodies, officials, employees of the Bank shall:

- respect the rights of the majority and minority shareholders, stipulated by the Law on joint-stock companies, normative acts, the Charter and internal documents of the Bank;
- timely provide the shareholders with clear and well-founded position of the Bank in questions of ensuring the legal rights of the shareholders;
- provide the shareholders with complete information concerning the issues, which may cause a conflict of interests;
- reveal transactions, where the interest party is one of the members of the management bodies of the Bank, when purchasing shares (stocks) of a competing company, as well as taking a position in the management bodies by such persons;
- aim at accepting independent directors to the Board of Directors in order to ensure objective, weighted and independent decision-making.

9.3. In order to eliminate conflicts of interests between the management bodies, officials, employees of the Bank and clients, the management bodies, officials, employees of the Bank shall:

- ensure safety of monetary funds and other values, entrusted by the clients and correspondents to the Bank;
- ensure on-time settlement of the clients' payments, deposit, interests payments, as well as other payments;
- provide conditions under which monetary funds and other values of individuals and legal entities on the accounts, deposits or in custody may be seized only in the cases stipulated by the legislation and normative acts;
- provide information about the operations and accounts of legal entities and individuals as stipulated by the Federal Law "On banks and banking activity" and other normative acts;
- ensure strict compliance with secrecy of operations, accounts and deposits of the clients of the Bank and its correspondents, as well as other commercial secrecy of the Bank;
- charge commissions, fees and other payments from a client in the amount established on mutual agreed basis in a contract, or in the tariffs, the information about which is fully disclosed;
- prevent transactions, which don't meet the interests of the clients of the Bank, and which are aimed at increasing fee and other payments, received by the Bank;



- carry out operations (transactions) of the Bank's clients professionally, thoroughly and in good faith, and also carry out operations of the clients to the best advantage from the financial efficiency point of view, based on the current market situation;
- carry out operations (transactions) on behalf of the client strict within the powers, provided by the agreements or other documents;
- exclude any conscious use of the situation by the employees for their own advantage when a client makes an obvious mistake (including mistakes in the order, application or other document, signed by the client). If there is such a mistake in the order of a client, the employee of the Bank shall take reasonable steps to prevent execution of the mistaken order and inform the client about it;
- ensure that the recommendations given to a client are based on the honest analysis of the available information on this issue;
- strictly comply with legal requirements on provisions for attracted monetary funds as stipulated by the Bank of Russia;
- develop a storage system of created, gained and accumulated information in the course of banking operations, which prevents selling, transferring, copying, duplication, exchanging and other spreading and replication of the insider or proprietary information, stored in the Bank in paper, magnetic and other types of carriers without approval of the management bodies of the Bank or authorized officials.

9.4. In order to prevent conflicts of interests between the Bank and officials, employees discharging their duties, the officials and employees shall:

- comply with business etiquette and principles of professional ethics;
- conclude agreements within the established limits;
- inform the higher official or management bodies about the intention to purchase shares (stocks) of the Bank's competing company;
- timely inform the higher official about the circumstances which can bring about a conflict;
- inform the higher officials in written about the company(ies), where an official or members of their family have a financial interest, and with which the Bank conducts or is going to conduct business;
- refrain from any activity which influence the relations between the Bank and companies where the officials or members of their family have a financial interest or are affiliated persons;
- preliminarily get a permission from an authorized body of the Bank for taking a post in the management bodies of the other company, whose interests may contradict the interests of the Bank;
- inform the higher officials in advance about their intention to combine jobs and shall verify that the future job won't contradict the interests of the Bank.

## **10. RESOLUTION OF CONFLICTS OF INTERESTS**

10.1. In order to settle conflicts of interests in the Bank the management bodies, officials and employees of the Bank shall find a solution which is legal, well-founded and complies with the interests of the Bank.

10.2. The officials shall register and timely examine letters, applications and requirements (including verbal) of the shareholders and clients to the management bodies, corporate secretary and departments.

10.3. Registration of corporate conflicts is made by the corporate secretary (the secretary of the Board of Directors) of the Bank. The corporate secretary of the Bank preliminarily estimates the corporate conflict, prepares necessary documents on the matter, and by agreement of the governing body of the Bank transfers it to the body of the Bank responsible for examination of this corporate conflict.

10.4. The corporate secretary of the Bank analyses frequently asked questions and requirements of the shareholders and decides if it is necessary to provide all shareholders with additional information concerning these questions or makes a suggestion to the governing body of the Bank to amend the internal orders and instructions, to make other arrangements in order to eliminate the cause of such sort of appeals.

10.5. The employee who received information about the conflict situation from a client or other sources, informs the higher official about it without delay. In case it is impossible to eliminate the conflict at the department level, within one business day the head of the department provides the Chairman or the Deputy Chairman of the Bank with the information about the conflict, its causes and measures taken. The Chairman or the Deputy Chairman of the Bank establishes the procedures to settle the conflict and assigns an authorized person, if it is necessary, establishes a commission to settle the conflict of interests.

10.6. The authorized person (commission) takes all measures to settle a conflict of interests. In case it is impossible to settle the conflict of interests the governing body of the Bank submits the issue for consideration of the Executive Board, submits the information about the conflict to the Chairman of the Board of Directors. Upon the decision of the Executive Board the issue may be submitted for the consideration of the Board of Directors of the Bank.

10.7. Within 3 business days the information about the conflict, which on one of its stages may affect the interests of the president of the Bank, shall be submitted to the Board of Directors for further decision-making on elimination of the conflict.

10.8. The Board of Directors is liable to form a special committee from its members for settling corporate conflicts in accordance with the Regulations on the Board of Directors.

10.9. If after considering the conflict it is necessary to develop or amend the effective internal documents of the Bank, then the Board of Directors or the Executive Board make a decision to develop or amend the document.

10.10. In order to settle any kind of conflicts of interests emerging in the Bank, the officials of the Bank shall:

- discover emerging conflicts of interests as soon as possible, determine its causes;

- make a clear distinction between the competence and responsibility of the management bodies of the Bank;
- assign an authorized person of the Bank or, if it is necessary, set up a commission to settle the conflict;
- as soon as possible determine the Bank's stance on the conflict, make an appropriate decision and inform the other party of the conflict;
- send a complete and detailed reply to other party of the conflict with the Bank's clear stance in the conflict, and the notice of objection to meet the request or claim of a party to the conflict shall be motivated as stipulated by the legislation, normative acts, the Charter and internal regulations, approved by the general meeting of shareholders of the Bank;
- ensure that the authorized person, who participates in settling the conflict, shall immediately inform that the conflict affects or may affect his/her interests or interests of the members of his/her family;
- ensure that the persons, whose interests are affected or may be affected in the conflict, shall not participate in settling the conflict or in decision-making on it.

10.11. In order to settle corporate conflicts between the shareholders, between the Executive Board of the Bank and shareholders:

- on the proposal of the Board of Directors or executive bodies an authorized person of the Bank is liable to act as a negotiator in settling the conflict arisen between the shareholders of the Bank;
- an authorized person or an authorized body of the Bank is liable to be a party in the negotiations between the shareholders, provide the shareholders with available and pertinent information and documents, interpret formulations of the legislation, the Charter and internal documents of the Bank;
- the authorized bodies or authorized persons of the Bank give advice and recommendations to the shareholders, make drafts of the documents on settlement of the conflict for signing by the shareholders, on behalf of the Bank within their jurisdiction they incur liabilities to the shareholders inasmuch as it helps to settle the conflict;
- the management bodies of the Bank in accordance with their authorities shall implement the decision on settling the corporate conflict and assist in implementation of the agreements signed on behalf of the Bank with the party of the conflict. In cases when a party of the conflict and the Bank have no disputes concerning their liabilities but have disputes on the order, procedures, terms and other conditions of fulfilling the liabilities, the Bank shall suggest to the party to settle the differences and outline the terms on which the Bank meets the claim of the shareholder;
- if the consent of the Bank to meet the claim of the shareholder requires some actions from the shareholder stipulated by the legislation, the Charter or other internal documents, then the Bank indicates these conditions in the reply, and also provides all the necessary information (for example, the fee amount for making copies of the documents required by the shareholder or bank details of the Bank and etc.).

10.12. The present list of measures is not limiting. In each case there can be different forms of settling the conflict of interests depending on its sphere.

## **11. FINAL PROVISIONS**

11.1. Execution of the rules, recommendations, requirements and provisions of this Code shall be binding on all employees of the Bank.

11.2. Heads of departments of the Bank shall control the compliance of the rules and procedures stipulated hereof by the Bank, its officials and employees.

11.3. The control includes:

- monitoring transactions and other operations, which provoke conflicts of interests on the basis of available information;
- performing internal audits upon facts of violations of the provisions of this Code by officials and employees of the Bank;
- ensuring the confidentiality of the information received;
- other actions aimed at maintaining control over the compliance of the provisions of this Code.

11.4. This Code shall take effect upon the date of approval by the Board of Directors.