

APPROVED BY
Annual General Meeting of Shareholders
"Asian-Pacific Bank"
(Open Joint-Stock Company)
Minutes dated June 27, 2014

Chairman of Annual General Meeting of Shareholders
(signature) S.A. Tyrtsev

REGULATIONS
ON THE BOARD OF DIRECTORS
"Asian-Pacific Bank"
(Open Joint-Stock Company)

Blagoveshchensk
2014

These Regulations are developed in accordance with current legislation of the Russian Federation, the Charter of "Asian-Pacific Bank" (Open Joint-Stock Company) (hereinafter - the Bank). Regulations determine organizational procedure of the Board of Directors, its status, structure and procedure of work and interactions with other bodies and structural divisions of the Bank.

1. GENERAL PROVISIONS

1.1. The Board of Directors shall carry out general governance of the Bank, except issues that fall within the competence of the General Meeting of Shareholders of the Bank according to the Bank's Charter.

1.2. Main tasks of the Board of Directors:

1.2.1. ensure rights and legitimate interests of Bank shareholders, compliance with rules and procedures determined by legislation of joint-stock companies, securities market and banks and bank activities;

1.2.2. design development strategy of the Bank in order to increase assets value and income of the Bank;

1.2.3. form effective internal control system and risk management;

1.2.4. supervise activities of the executive bodies of the Bank.

1.3. The Board of Directors within the scope of its responsibilities is governed by norms of current legislation of the Russian Federation, the Bank's Charter, these Regulations and interests of shareholders.

1.4. Decisions of the General Meeting of Shareholders of the Bank are compulsory for implementation by the Board of Directors within the scope of its responsibilities.

2. COMPETENCE OF THE BOARD OF DIRECTORS

2.1. The Board of Directors solves questions of general management of the Bank that falls within its authority according to the Bank's Charter.

2.2. The Board of Directors prepares and submits for approval of the General Meeting of Shareholders of the Bank issues that fall within the authority of the Board of Directors in accordance with the Bank's Charter.

3. COMPOSITION OF THE BOARD OF DIRECTORS

3.1. The number of members of the Board of Directors of the Bank shall be 8 (eight) members.

3.2. Only natural persons can be elected as members of the Board of Directors, they may be or may be not shareholders of the Bank.

3.3. In case number of the members of the Board of Directors is less than half of elected members of the Board of Directors, the Board of Directors shall make decision to call an Extraordinary General Meeting of Shareholders in order to elect new members of the Board of Directors. Remaining members of the Board of Directors have a right to decide only about convocation of Extraordinary General Meeting of Shareholders.

3.4. Members of the Executive Board shall not hold more than one fourth of the membership of the Board of Directors.

3.5. Members of the Board of Directors as well as candidates to members of the Board of Directors shall comply with business reputation requirements established by Article 16 of the Federal Law "On Banks and banking activity" and qualification requirements established by federal laws.

3.6. Board of Directors shall include at least 3 independent directors.

3.7. Independent director of the Board of Directors is a member of the Board of Directors, who:

3.7.1. is not, and has not been in the past year previous to the election, an official or employee of the Bank

3.7.2. is not a husband or wife, parent, child, brother or sister of the Bank's officials.

3.8.3. is not an affiliated party of the Bank, except member of the Board of Directors

3.8.4. is not a party of the Bank's obligations in accordance with which he/she can purchase property (monetary funds) in the amount of 10% or more of the total annual income of indicated persons, except remuneration for participation in activities of the Board of Directors;

3.8.5. is not a representative of the government, that is a representative of the Russian Federation, territorial subjects of the Russian Federation in respect of which decision about using special right ("golden share") was taken, and not a person elected as a member of the Board of Directors among candidates nominated by the Russian Federation, territorial subjects of the Russian Federation or municipal entity if such member of the Board of Directors shall vote based on written directions of territorial subjects of the Russian Federation or municipal entity, respectively.

3.9. An Independent director cannot be regarded independent after 7 years of performing functions of member of the Board of Directors.

4. PROCEDURE OF ELECTION AND TERMINATION OF OFFICE OF MEMBERS OF THE BOARD OF DIRECTORS

4.1. Members of the Board of Directors shall be elected by the General Meeting of Shareholders of the Bank for the term until the next Annual General Meeting of Shareholders and may be re-elected for an unlimited number of times.

If Annual General Meeting of Shareholders was not convened in due time as stipulated by the Bank's Charter, authorities of the Board of Directors are terminated, except authority to prepare, convene and conduct Annual General Meeting of Shareholders.

4.2. Nomination and election of candidates to the Board of Directors is performed in a manner stipulated by the Bank's Charter and Regulations on the General Meeting of Shareholders of the Bank.

4.3. Members of the Board of Directors shall be elected by cumulative voting.

Under cumulative voting, votes owned by each shareholder shall be multiplied by the number of the persons to be elected to the Board of Directors. Any shareholder may cast all the votes so calculated for one or more nominees to the Board of Directors.

4.4. In case a new composition of the Board of Directors is elected at the Extraordinary General Meeting of Shareholders the powers of elected Board of Directors are valid until the following Annual General Meeting of Shareholders.

4.5. Authority of the Board of Directors is terminated at the moment of opening of Annual General Meeting of Shareholders.

In case agenda of the extraordinary general meeting of shareholders includes question about early termination of authority of the Board of Directors and positive decision on the issue was not adopted, authority of the Board of Directors is prolonged until the next Annual General Meeting of Shareholders.

4.6. In case a member of the Member of Directors submits application for termination of his office, the Board of Directors shall in reasonable period of time call an extraordinary general meeting of shareholders with agenda for "early termination of authority of member of the Board of Directors and election of new composition of the Board of Directors". Authority of all members of the Board of Directors is valid until adoption of such decision by the General Shareholder Meeting.

4.7. Early termination of the office of a member of the Board of Directors can be caused by his death or decision of the General Meeting of Shareholders as well as if a court sentence for committing an intentional crime or a court decision to impose an administrative penalty of disqualification against a member of the Board of Directors has entered into legal force. General Meeting of Shareholders has the right to terminate the office of the Board of Directors only in respect of all its members.

5. OBLIGATIONS, RIGHTS AND RESPONSIBILITIES OF MEMBERS OF THE BOARD OF DIRECTORS

5.1. Members of the Board of Directors are entitled to:

5.1.1. perform their duties honestly and reasonably for the benefit of the Bank;

5.1.2. attend and take active part in discussions of issues on the agenda of the Meeting of the Board of Directors;

- 5.1.3. inform the Board of Directors/corporate secretary about inability to take part in the Meeting of the Board of Directors in due time;
- 5.1.4. thoroughly learn information and materials submitted for the vote on issues on the agenda of the Meeting of the Board of Directors in order to take decisions;
- 5.1.5. keep secret and not use pro domo sua for the benefit of the third parties confidential or insider information of the Bank according to internal documents of the Bank;
- 5.1.6. disclose information about owners of Bank shares, inform the Board of Directors in written form about intention to make transactions with the Bank's securities, its affiliated (subsidiary) companies, disclose information about completed transactions with such securities.
- 5.1.7. inform the Board of Directors about conflict of interests;
- 5.1.8. perform and provide execution of decisions adopted by the Board of Directors;
- 5.1.9. submit to the Bank information about oneself, affiliated parties to the extent sufficient for the Bank to comply with requirements of current legislation of the Russian Federation;
- 5.2. Members of the Board of Directors have the right to:
 - 5.2.1. receive materials and information on issues submitted for approval to the Board of Directors;
 - 5.2.2. request submission of additional information necessary to adopt balanced decision on issues put to vote of the Board of Directors;
 - 5.2.3. regularly receive information about financial and business operations of the Bank in the amount required to reveal negative tendencies in advance and review them at the Meeting of the Board of Directors;
 - 5.2.4. request calling of the Meeting of the Board of Directors to discuss issues demanding urgent discussion and adoption of decision according to personal point of view of the member of the Board of Directors;
 - 5.2.5. study internal documents of the Bank, information about financial and business operations of the Bank.
- 5.3. Member of the Board of Directors shall not disclose information which is a commercial secrecy of the Bank.
- 5.4. Members of the Board of Directors shall display loyalty to the Bank when exercising their rights. They are not allowed to use their resources for purposes contradictory to the Charter or to harm property and non-property interests of the Bank.
- 5.5. Members of the Board of Directors bear responsibility toward the Bank and shareholders for losses caused by their guilty activities (omission to act) determined by current legislation.
- 5.6. Members of the Board of Directors bear no responsibility if they did not take part in voting or voted against decision that led to Bank losses.
- 5.7. In order to determine scope of liability of a member of the Board of Directors, ordinary course of business and other significant terms and conditions shall be considered.
- 5.8. If in accordance with this article several people bear responsibility, they bear joint and several responsibility.
- 5.9. In case members of the Board of Directors repeatedly violated requirements of internal documents of the Bank, the following measures can be undertaken:
 - early termination of office upon decision of the General Meeting of Shareholders of the Bank;
 - prohibition of nomination to the Board of Directors.

6. WORK ARRANGEMENT OF THE BOARD OF DIRECTORS

- 6.1. The Board of Directors elects Chairman of the Board of Directors among its members by simple majority vote.
- 6.2. Chairman of the Board of Directors:
 - 6.2.1. calls and chairs the meetings of the Board of Directors;
 - 6.2.2. represents the Board of Directors on General Meetings of Shareholders and during communication with third parties;

- 6.2.3. chairs Annual and Extraordinary General Meetings of Shareholders unless the Board of Directors appointed other person as a chairperson;
 - 6.2.4. controls submission of information to members of the Board of Directors on issues of agenda;
 - 6.2.5. provides public and open discussion of issues reviewed at meetings, opinions of all members of the Board of Directors, makes conclusions of all discussions and lays down adopted decisions;
 - 6.2.6. organizes keeping of minutes of meetings;
 - 6.2.7. controls execution of decisions adopted by the Board of Directors, General Shareholder Meetings;
 - 6.2.8. on behalf of the Bank signs agreement with Chairman of the Executive Board;
 - 6.2.9. supervises activities of the executive bodies of the Bank;
 - 6.2.10. takes personal responsibility towards General Shareholder Meetings for arrangement of the Board of Directors' activities.
- 6.3. In case Chairman of the Board of Directors is absent, his duties are performed by a member of the Board of Directors elected among present members.
- 6.4. The Chairman of the Executive Board may not be the Chairman of the Board of Directors.
- 6.5. Board of Directors has a right to re-elect the Chairman any time by majority vote.
- 6.6. Board of Directors may establish committees on different Bank activities. Committees are established in order to improve effectiveness of management of the Bank's development by producing soundly-based recommendations for the Board of Directors.

7. PROCEEDINGS OF THE BOARD OF DIRECTORS

- 7.1. The Board of Directors serves to provide optimal process of adopting management decisions for the benefit of the Bank, thus decisions may be adopted at the meetings of the Board of Directors or by absentee voting.
- 7.2. Meeting of the Board of Directors shall be called by the Chairman of the Board of Directors on his own initiative, upon request of a member of the Board of Directors, audit commission, auditor or executive bodies of the Bank.
- 7.3. Initiator shall submit written request to the Chairman of the Board of Directors in case the meeting is initiated by a member of the Board of Directors, auditing commission, sole or collective executive body or if the issue is included in the agenda upon request of above-mentioned persons. Request shall contain the following:
- 7.3.1. initiator of the meeting or a note on inclusion of the issue in the agenda;
 - 7.3.2. question wording;
 - 7.3.3. need of question review statement;
 - 7.3.4. supporting materials (if required).
- 7.4. Unscheduled meeting shall be called within 15 working days from the request date.
- 7.5. Chairman of the Board of Directors has a right to reject calling an unscheduled meeting or inclusion of an issue in the agenda of the regular meeting, if:
- 7.5.1. request is submitted by an unauthorized person;
 - 7.5.2. issue does not fall within the authority of the Board of Directors;
 - 7.5.3. request was submitted after agenda of the next meeting was sent to the members of the Board of Directors.
- 7.6. Members of the Board of Directors are informed about meetings according to the procedure and terms specified by Regulations on the Procedure for Preparing and Conducting Meetings of the Board of Directors. Members of the Board of Directors are provided with agenda of the meeting, necessary materials including projects of decisions and explanatory notes.
- 7.7. In case issues put to vote are submitted for absentee voting the ballot papers are distributed for the members of the Board of Directors. Final date of filled ballot papers submission is indicated on the ballot paper.

- 7.8. Meetings of the Supervisory Board may be held both with and without physical presence. Members of the Board of Directors may be both physically present on a meeting of the Board of Directors or not by submitting opinion on an issue of the agenda in written form before the beginning of the meeting. Such written opinion shall be counted towards quorum of that meeting and in any voting thereat.
- 7.9. The Board of Directors has a right to adopt decisions without calling meetings by absentee voting. Decisions adopted by absentee voting of the members of the Board of Directors have the same power as decisions adopted with attendance.
- 7.10. The Board of Directors shall call meetings as necessary but at least 6 times a year.
- 7.11. Minutes shall be taken during meetings of the Board of Directors. Minutes of absentee voting shall be drawn based on written ballot papers.

8. DECISION MAKING PROCEDURE

- 8.1. Decisions of the Board of Directors shall be adopted by majority vote of members of the Board of Directors taking part in the meeting except cases stipulated by Federal Law "On Joint-Stock Companies", the Bank's Charter and these Regulations. Decisions adopted by absentee voting shall be adopted by majority vote of persons taking part in the vote.
- 8.2. Decision on approval of the deal with interest shall be adopted by majority vote of independent directors not interested in the deal. In case all members of the Board of Directors are considered persons with interest such deal shall be approved by the General Meeting of Shareholders according to procedure specified by current legislation.
- 8.3. Each member of the Board of Directors shall have one vote. The members of the Board of Directors may not give their votes to other person including other members of the Board of Directors. In case of an equality of votes the vote of the Chairman of the Board of Directors is casting. If the Chairman of the Board of Directors did not take part in the absentee voting in case of an equality of votes the decision is not adopted.
- 8.4. The Board of Directors shall be competent to adopt decisions if at least 2/3 of elected members of the Board of Directors are present. Absentee voting is considered successful if at least 2/3 of members of the Board of Directors submitted filled ballot papers in due time.
- 8.5. Minutes of the Board of Directors shall be drawn within 3 days from the meeting. Minutes of the absentee voting shall be drawn within 3 days from the last date required to submit filled ballot papers. Minutes shall be numbered in chronological order, have continuous numbering, that starts every year.
- 8.6. Decisions of the Board of Directors shall come into force at the moment they are adopted by the Board of Directors.
- 8.7. Member of the Board of Directors that did not take part in the vote or voted against decision adopted by the Board of Directors has a right to appeal to a court if such decision violates norms of the legislation of the Russian Federation and if such decision violates rights and legitimate interests of the member of the Board of Directors. Such appeal may be submitted to the court within one month from the date the member of the Board of Directors learned or was supposed to learn about adopted decision. The court has a right to keep in force the adopted decision if the vote of these members of the Board of Directors could not influence voting results and if violations are not significant.
- 8.8. Shareholder shall have a right to appeal to a court in decision adopted by the Board of Directors violates norms of the legislation of the Russian Federation and if such decision violates rights and (or) legitimate interests of the Bank or shareholder. The court has a right to keep in force the adopted decision if decision did not result in losses of the Bank or shareholder or any other side effect and if violations are not significant. Application of the shareholder can be submitted to the court within due term specified by legislation in force.
- 8.9. If the decision of the Board of Directors to call the General Meeting of Shareholders was declared invalid, it does not imply that the decisions adopted during such meeting are invalid. Violations of the law and other regulatory legal acts of the Russian Federation committed during calling of the General Meeting

of Shareholders are evaluated by the court when appeal of the decision adopted by the General Meeting of Shareholders of the Bank is reviewed by the court.

Acknowledgment of approvals of large deals and deals with interest by the Board of Directors as invalid in case of appeals concerning such decisions separately from appeals to correspondent Bank deals does not lead to acknowledgment of certain deals as invalid.

8.10. Decisions of the Board of Directors of the Bank have no power regardless of appeal in a judicial procedure if they are adopted with violations of authority of the Board of Directors, in case of absence of a quorum, if presence of a quorum is obligatory according to the Federal Law "On Joint-Stock Companies" or in case there is no majority vote.

9. REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

9.1. Amount and procedure of remunerations and compensations to be paid to the members of the Board of Directors are determined by Regulations on Remunerations and Compensations to Members of the Board of Directors approved by the General Meeting of Shareholders of the Bank.

10. FINAL PROVISIONS

10.1. Any amendments to these Regulations shall be made by the General Meeting of Shareholders of the Bank.

10.2. In case these Regulations contradict the current legislation of the Russian Federation, the current legislation of the Russian Federation shall be applied.