

## **Regulations on the Supervisory Board of National Settlement Depository (NSD)**

### **1. General Provisions**

1.1. These regulations on the Supervisory Board of National Settlement Depository (hereinafter referred to as the “**Regulations**”) shall determine the procedure for nominating and electing members of the Supervisory Board of NSD (hereinafter referred to as the “**Supervisory Board**”), their liability, as well as the procedure for convening and holding the Supervisory Board meetings and legalizing its decisions.

1.2. The Supervisory Board shall have overall charge of the operations of NSD (hereinafter referred to as the “**Company**”).

1.3. The Supervisory Board shall act with due regard for the laws of the Russian Federation, Articles of Association of the Company, these Regulations, and other internal documents of the Company.

1.4. Members of the Supervisory Board may be paid remunerations, and/or reimbursed for the costs of discharging their respective duties as the Supervisory Board members, to the extent and in a manner established by the General Meeting of Shareholders.

Remunerations payable to the Supervisory Board members shall be paid with due regard for the extent of their participation in the Supervisory Board matters.

1.5. The scope of the Supervisory Board competence shall be as provided by the Articles of Association of the Company.

### **2. Nominating Candidates to the Supervisory Board**

2.1. Shareholder(s) of the Company, aggregately holding at least 2% of voting shares of the Company, may propose their respective candidates to the Supervisory Board at a General Meeting of Shareholders of the Company with due regard for the deadlines provided under clause 10.2 of the Articles of Association of the Company.

Number of candidates may not exceed quantitative composition of the Supervisory Board.

Candidates to the Supervisory Board members shall meet the qualification requirements established by applicable federal laws, as well as regulations of the Bank of Russia and the Federal Financial Markets Service of Russia adopted thereunder.

2.2. A proposal for the nomination of a candidate shall be made in writing, signed by shareholder(s), and submitted to the Company.

2.3. A proposal for the nomination of a candidate to the Supervisory Board shall specify:

- full name of the candidate,
- details of his/her identity papers (series, and/or number of the document, date and place of its issue, and name of its issuer),
- name(s) of shareholder(s) proposing the candidate, as well as quantity and types of shares held by such shareholder(s).

A proposal for the nomination of a candidate to the Supervisory Board shall be accompanied with written consent of the respective candidate to the Supervisory Board.

2.4. The Supervisory Board must consider the proposals submitted, and decide either to include the proposed candidates to the Supervisory Board candidates voting list, or refuse to include them into the said list, within 5 business days after expiry of the term provided by clause 10.2 of the Articles of Association of the Company for the submission of proposals.

2.5. Candidates to the Supervisory Board proposed by shareholder(s) of the Company must be included into the voting list, unless:

- shareholder(s) of the Company fail(s) to propose a candidate to the Supervisory Board in due time as provided by the Articles of Association of the Company,
- shareholder(s) of the Company fail(s) to hold voting shares of the Company to the extent provided under clause 2.1 hereof above,
- a proposal fails to meet the requirements set forth in clauses 2.2 and 2.3 hereof above.

2.6. Reasonable decision of the Supervisory Board of the Company, pursuant to which a candidate is not included into the Supervisory Board candidates voting list, shall be served upon shareholder(s) of the Company that had proposed the respective candidate, within 3 days after the date of such decision.

Decision of the Supervisory Board, pursuant to which a candidate is not included into the Supervisory Board candidates voting list, as well as Supervisory Board's avoidance of making a decision, may be challenged through courts.

2.7. If shareholders propose no, or inadequate number of, candidates to the Supervisory Board, the Supervisory Board may draw up the Supervisory Board candidates voting list at its sole discretion.

In that case, the Supervisory Board may include the following candidates into the Supervisory Board candidates voting list, with due regards for the recommendations of the Nomination and Remuneration Committee:

- one candidate nominated by the Bank of Russia,
- Chairman of the Executive Board of the Company,
- one or two candidates, other than employees of a Company's service user, or a Company's service provider, other than affiliates of MICEX CJSC, and other than employees of MICEX CJSC, the Company, or subsidiary (affiliate) of MICEX CJSC (the aforesaid candidates shall be named as "independent Supervisory Board members" should those be elected to the Supervisory Board),
- one candidate nominated by representatives of the largest users of the Company's services,
- three or four candidates nominated by shareholders of the Company, aggregately holding less than 2% of voting shares of the Company.

### **3. Supervisory Board Elections**

3.1. The Supervisory Board members shall be elected by annual (or extraordinary) General Meeting of Shareholders, as provided by the Articles of Association of the Company and these Regulations, for a term until the next annual General Meeting of Shareholders. The Supervisory Board powers, other than those governing the preparation, convocation and holding of the annual General Meeting of Shareholders, shall be canceled should the annual General Meeting of Shareholders be not held in due time as provided by clause 10.1 of the Articles of Association of the Company.

3.2. The Supervisory Board members shall be elected at the General Meeting of Shareholders by cumulative voting.

In case of cumulative voting, the number of votes held by each shareholder shall be multiplied by the number of candidates to the Supervisory Board, and a shareholder may either cast all its votes in support of one candidate, or share its votes among two and more candidates.

Candidates that have scored the highest number of votes shall be considered elected to the Supervisory Board.

3.3. General Meeting of Shareholders of the Company may decide to cancel the powers of all Supervisory Board members before the expiry thereof.

#### **4. Supervisory Board Structure**

4.1. The quantitative structure of the Supervisory Board shall be as decided by the General Meeting of Shareholders of the Company, but it may not have less than fifteen members, and the total number of the Supervisory Board members shall be ordinal at all times.

4.2. The Supervisory Board member may be an individual only.

4.3. The number of members of the Board may not be greater than one-fourth of the Supervisory Board members. The Chairman of the Executive Board of the Company may not be the Chairman of the Supervisory Board at the same time.

None of the Internal Audit Commission members may be a Supervisory Board member at the same time.

4.4. The Chairman of the Supervisory Board of the Company, and his/her deputy (deputies), shall be elected from among the Supervisory Board members by the majority of votes of all Supervisory Board members.

The Supervisory Board at any time may re-elect the Chairman of the Supervisory Board, and his/her deputy (deputies), by the majority of votes of all Supervisory Board members.

4.5. The Chairman of the Supervisory Board, or a deputy to the Chairman of the Supervisory Board (should the Chairman of the Supervisory Board be unavailable), shall arrange work, convene the Supervisory Board meetings and chair the same, ensure taking minutes of proceedings at the meetings, and chair the General Meetings of Shareholders of the Company.

4.6. If both the Chairman of the Supervisory Board and his/her deputy (deputies) are unavailable, duties of the Chairman of the Supervisory Board shall be discharged by a Supervisory Board member pursuant to a decision of the Supervisory Board.

#### **5. Supervisory Board Procedures and Regulations**

5.1. The Supervisory Board shall hold its meetings as may be required from time to time.

The first meeting of the Supervisory Board may be convened by sole executive body of the Company (Chairman of the Executive Board), or any member of the Supervisory Board of the Company.

5.2. The Supervisory Board meetings shall be convened by the Chairman of the Supervisory Board at his/her sole discretion, on demand of a member of the Supervisory Board, Internal Audit Commission of the Company, or auditor of the Company, as well as Chairman of the Board, or Board of Directors of the Company.

5.3. The Chairman of the Supervisory Board must decide whether or not to convene a Supervisory Board meeting within 10 business days after the date of demand for the same.

Having decided to convene a Supervisory Board meeting, a notice of Supervisory Board meeting and all necessary documents shall be faxed, emailed, or delivered personally against signature to each member of the Supervisory Board.

The aforesaid notice shall specify the date, venue, and agenda of the respective meeting. The notice shall be accompanied with the materials concerning items on the agenda of the Supervisory Board meeting.

None of the matters, other than those specified in the notice, shall be examined by the Supervisory Board, unless otherwise decided by all members attending the respective Supervisory Board meeting.

5.4. A Supervisory Board meeting shall be deemed legally competent if attended by at least half of elected members of the Supervisory Board.

5.5. The Supervisory Board decisions shall be adopted by the majority of votes cast by the Supervisory Board members attending the respective meeting, except for:

5.5.1. decisions to be made with respect to major transactions, as provided by Chapter X of the Federal Law 'On Joint-Stock Companies' (that have to be adopted by the Supervisory Board unanimously),

5.5.2. decisions to be made with respect to transactions mentioned in Chapter XI of the Federal Law 'On Joint-Stock Companies' (that have to be adopted by the majority of votes of the Supervisory Board members not interested in the respective transaction),

5.5.3. decisions to be made with respect to suspending powers of the Chairman of the Executive Board, establishing (appointing) temporary sole executive body of the Company (acting Chairman of the Executive Board), and holding an extraordinary General Meeting of Shareholders to deal with the matter of early termination of powers of the Chairman of the Executive Board of the Company and the establishment (appointment) of a new sole executive body of the Company (Chairman of the Board) (that have to be adopted by at least three-fourth of votes of the Supervisory Board members),

5.5.4. decisions to be made with respect to the matters stated in clause 4.4 hereof above,

5.5.5. other decisions to be made under the Federal Law ‘On Joint-Stock Companies’.

Written opinions of the Supervisory Board members not attending the respective meeting shall be considered when determining both quorum and voting results.

A Supervisory Board member protesting against a decision adopted may issue his/her own dissenting opinion in writing.

A Supervisory Board member that has not voted, or voted against a decision adopted by the Supervisory Board in violation of the procedure provided for by the Federal Law ‘On Joint-Stock Companies’, applicable regulations of the Russian Federation, Articles of Association of the Company, may challenge such decision in court should it violate his/her rights and legitimate interests.

5.6. Each Supervisory Board member shall have one vote when voting on the items on the agenda of a Supervisory Board meeting.

A Supervisory Board member may not assign his/her vote to any third party, and inter alia – other member of the Supervisory Board.

In case of a tie vote, the Chairman of the Supervisory Board shall have the casting vote.

5.7. Where required, any Supervisory Board meeting may be adjourned with the consent of the majority of the Supervisory Board members.

5.8. Staff of the Company, as well as any third party, may be invited to attend a Supervisory Board meeting.

5.9. A Supervisory Board decision may be adopted by absentee voting.

5.9.1. The Chairman of the Supervisory Board shall decide whether or not to hold a Supervisory Board meeting as an absentee voting.

A notice of the Supervisory Board meeting held as absentee voting shall specify the agenda, address, and absentee voting ballot acceptance end date.

The notice shall be accompanied with the materials, concerning items on the agenda of the Supervisory Board meeting, and an absentee voting ballot.

5.9.2. The Supervisory Board members, who have submitted their respective voting ballots at the latest of the voting ballot acceptance end date, shall be deemed cast their votes.

5.9.3. When determining the absentee voting results, the only ballots to be counted shall be those where the Supervisory Board members have checked only one of the following voting options: ‘AYE’, ‘NAY’, ‘ABSTAINED’.

Voting ballots completed in violation of the aforesaid requirement shall be held invalid (in terms of the respective voting), and shall be ignored when determining the voting results, whereof an entry shall be made to the minutes of proceedings at the Supervisory Board meeting.

5.10. Both documentation and technical support of the Supervisory Board meetings shall be provided by the Secretary of the Supervisory Board, other than a Supervisory Board member, who has to be appointed by the Chairman of the Executive Board of the Company from among employees of the Company. An employee of the Company, appointed by the Chairman of the Executive Board of the Company, shall discharge the duties of the Secretary of the Supervisory Board should the latter be temporarily unavailable.

## **6. Minutes of Proceedings at the Supervisory Board Meeting**

6.1. The minutes of proceedings shall be kept at the Supervisory Board meeting, and shall be drawn up within 3 days after the respective meeting.

6.2. The minutes of proceedings shall, inter alia, specify:

- time and venue of the meeting,
- persons attending the meeting,
- agenda of the meeting,
- items put to vote and respective voting results,
- decisions made.

6.3. The minutes of proceedings at the Supervisory Board meeting shall be signed by a person chairing such meeting, who will be responsible for the correctness of the same.

6.4. Voting ballots completed by the Supervisory Board members shall be kept together with the minutes of proceedings should a Supervisory Board decision be adopted by absentee voting.

Written opinions of the Supervisory Board members absent at the meeting, as well as dissenting opinions of the Supervisory Board members made in writing and personally signed by them, shall be attached to the minutes of proceedings.

6.5. Minutes of proceedings at the Supervisory Board meeting shall be kept at the location of the Company's executive body.

The Internal Audit Commission members, auditor, shareholders of the Company may examine the minutes of proceedings at the Supervisory Board meetings.

6.6. Minutes of proceedings at the Supervisory Board meeting shall be made available by the Company to a shareholder for the examination at the location of the Company's executive body within 7 days after the date of the demand for the same. A copy of the minutes of proceedings at the Supervisory Board meeting shall be made available to a shareholder of the Company on his/her demand within the aforesaid term.

## **7. Liability of the Supervisory Board Members**

7.1. When exercising their rights and discharging their duties, the Supervisory Board members shall act to the benefit of the Company, as well as exercise their rights and discharge their duties with respect to the Company in a reasonable and honest manner.

7.2. The Supervisory Board members shall incur liability to the Company for damages incurred by the Company due to their faulty actions (failures to act), unless the applicable federal laws provide other reasons and the extent of liability.

However, no liability shall be incurred by the Supervisory Board members, who have voted against a decision that had resulted in damages for the Company, or by those who have not voted at all.

If liability is incurred by several members of the Supervisory Board, their liability to the Company shall be joint and several.

7.3. Normal business practices and other circumstances of importance for the case must be considered when determining both reasons and extent of liability of the Supervisory Board members.

7.4. The Company, or a shareholder aggregately holding at least 1% of issued ordinary shares of the Company, may file an action against a Supervisory Board member, thereby seeking reimbursement for damages caused to the Company.

## **8. Approving and Modifying the Regulations**

8.1. These Regulations for the Supervisory Board and all amendments hereof shall be approved by the General Meeting of Shareholders of the Company.

8.2. If any clause of these Regulations becomes in conflict with the laws of the Russian Federation as amended from time to time, such clause shall become null and void, and the Supervisory Board members shall refer to and be governed by applicable laws of the Russian Federation until these Regulations are amended respectively.