

**APPROVED**

by the Deputy Governor  
of the Central Bank of the Russian Federation

*/Signature/* M.I. Sukhov

14 July 2016

*Seal:*

**[Central Bank of the Russian Federation  
Main Branch in the Central Federal  
District,  
the City of Moscow]**

Bank of Russia's seal

*Stamp:*

**[Moscow City Office of the Federal Tax  
Service of Russia**

**26 July 2016**

**Signature /Signature/ S.V. Dykunova]**

Senior State Tax Inspector,  
Moscow City Office of the Federal Tax  
Service of Russia

*Seal:*

**[Moscow City Office of the Federal Tax  
Service of Russia]**

**ARTICLES OF ASSOCIATION  
of  
National Settlement Depository (NSD)**

**APPROVED**

by the Annual General Meeting of  
Shareholders of NSD  
Minutes No. 33 dated 31 May 2016

MOSCOW  
2016

## ARTICLE 1. GENERAL PROVISIONS

1.1. The credit organization (the “Company”) was established in accordance with the General Meeting of Shareholders’ decision dated 15 February 1996 (Minutes no. 1) under the following name: MICEX Settlement House (MICEX SH).

In accordance with the General Meeting of Shareholders’ decision dated 17 April 1997 (Minutes no. 3), the Company’s full corporate name was changed to MICEX Settlement House.

In accordance with the General Meeting of Shareholders’ decision dated 20 April 2000 (Minutes no. 7), the Company’s full corporate name was changed to MICEX Settlement House.

In accordance with the General Meeting of Shareholders’ decision dated 30 July 2002 (Minutes no. 11), the Company’s short corporate name was changed to MICEX SH.

In accordance with the annual General Meeting of Shareholders’ decision dated 29 June 2010 (Minutes no. 25), the Company’s name was changed to National Settlement Depository (NSD).

The Company is a legal successor of National Depository Center (NDC) as a result of the Company’s reorganization through consolidation with National Depository Center (NDC) (Principal State Registration Number (OGRN): 1097799013256). The Company succeeded to all rights and obligations of National Depository Center (NDC), including liabilities challenged by the relevant parties.

In accordance with the annual General Meeting of Shareholders’ decision dated 31 May 2016 (Minutes No. 33), the Company’s name in Russian was changed to «Небанковская кредитная организация акционерное общество «Национальный расчетный депозитарий», НКО АО НРД.

1.2. The Company is a legal entity under the Russian laws and the owner of its separate assets recorded in the Company’s standalone balance sheet. The Company shall act on a commercial basis and may, in its own name, make deals and transactions, exercise civil-law-regulated rights, have civil-law-regulated obligations, and appear in courts either as a claimant or a defendant.

1.3. The Company may establish branches or representative offices in the Russian Federation in accordance with the federal laws.

Such branches or representative offices shall not constitute legal entities and shall operate in accordance with their respective regulations approved by the Company.

1.4. The Company shall be liable for its obligations with all of the Company’s assets.

The Russian Federation or Russian state authorities shall not be liable for any of the Company’s obligations (unless the Russian Federation has assumed such obligations), and neither shall the Company be liable for any of the obligations of the Russian Federation or those of Russian state authorities.

The Company may not be compelled to be engaged in any activities not provided for by these Articles of Association, save for the cases stipulated by the federal laws.

1.5. The Company shall not be liable for obligations of its shareholders.

Where the Company’s insolvency (bankruptcy) is caused by an action or omission on the part of any of the Company’s shareholders or any other persons who have the right to give instructions binding on the Company or are otherwise capable to influence the Company’s course of action, such shareholders or such other persons shall be held liable for the Company’s obligations should the Company’s assets be insufficient to meet the Company’s liabilities.

The Company’s insolvency (bankruptcy) shall only be deemed to have been caused by an action or omission on the part of any of the Company’s shareholders or any other persons who have the right to give instructions binding on the Company or are otherwise capable to influence the Company’s course of action, if such shareholders or such other persons have used such right and/or capability to cause the Company to make anything, while knowing that this will result in the Company’s insolvency (bankruptcy).

Company’s shareholders shall not be liable for Company’s obligations and shall only bear the risk of losses associated with the Company’s activities to the extent of the value of the shares held by such shareholders.

1.6. The Company shall have a round corporate seal containing the Company's full corporate name in Russian and registered office address, as well as stamps and corporate letterheads containing the Company's corporate name, and the Company's own emblem. The Company may also have a duly registered trade mark and any other means of visual identification.

1.7. In the course of its activities, the Company shall comply with the Constitution of the Russian Federation, Russian laws governing banking operations and professional activities in the securities market, other federal laws, Bank of Russia's regulations, regulations issued by any other federal executive authorities, and these Articles of Association.

1.8. The Company may (either alone or together with other legal entities or individuals) have interest in any other for-profit or non-profit organizations either in the Russian Federation or abroad in compliance with the Russian laws, Bank of Russia's regulations, and (as the case may be) the laws of the relevant foreign jurisdictions.

## ARTICLE 2. COMPANY'S NAME, REGISTERED OFFICE AND DURATION

2.1. The Company's full corporate name shall be:

- in Russian – Небанковская кредитная организация акционерное общество «Национальный расчетный депозитарий»;
- in English – National Settlement Depository.

The Company's short corporate name shall be:

- in Russian – НКО АО НРД;
- in English – NSD.

2.2. The Company's registered office shall be at 12 Spartakovskaya Street, Moscow.

2.3. The duration of the Company shall be unlimited.

## ARTICLE 3. BANKING TRANSACTIONS, OTHER TYPES OF ACTIVITIES, AND OTHER TRANSACTIONS OF THE COMPANY

3.1. The Company shall have the right to make the following types of banking transactions in Russian rubles or foreign currencies:

- opening and maintaining bank accounts for legal entities;
- making money transfers from bank accounts of legal entities (including correspondent banks) in accordance with their instructions;
- collection of cash, bills/promissory notes, and payment and settlement instruments, and providing payment services to individuals<sup>1</sup> and legal entities;
- purchase and sale of a foreign currency in a non-cash form;
- making money transfers without opening a bank account, including electronic money transfers (but excluding postal money transfers).

3.2. In addition to the banking transactions listed in clause 3.1 above, the Company may make the following transactions:

- acquire claims against third parties in connection with their liabilities;
- deal with precious metals or precious stones in accordance with the Russian laws;

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<sup>1</sup> The Company may only provide payment services to individuals in connection with money transfers without opening a bank account, including electronic money transfers (but excluding postal money transfers).

- lease special-purpose premises or safe deposit boxes located therein to individuals or legal entities for storage of documents or valuables;
- make finance lease transactions; and
- provide consulting or information services, including in the information technology market.

3.3. In accordance with a banking license granted by the Bank of Russia, the Company may issue, buy, sell, record, store, or otherwise deal with securities, unless transactions with such securities require, in accordance with the federal laws, a specific license.

3.4. The Company shall be engaged in depository operations, including in the capacity of a settlement depository, in accordance with the Federal Law “On the Securities Market” and subject to the Federal Law “On a Central Securities Depository” and related regulations issued by the Bank of Russia.

3.5. Unless otherwise provided for by the federal laws, the Company may be engaged in any other activities (including clearing operations); provide information disclosure services to issuers, investment funds’ managers, mutual investment funds’ managers, non-governmental pension funds’ managers, or other entities that are required to disclose information in accordance with the federal laws; assign international securities identification numbers to Russian securities; and provide services for installation, set-up, operation, administration, and maintenance of software, hardware, or other products, including clearing, settlement, or payment systems of various purposes, as well as electronic messaging systems.

3.6. The Company may make investments, in its own name and at its own expense, in compliance with the Bank of Russia’s requirements to the prudential ratios, in the following instruments:

- debt securities of the Russian Federation;
- correspondent accounts and deposits with the Bank of Russia, as well as with any other organizations, save for those specified in clause 3.7.4 hereof;
- Bank of Russia’s bonds; or
- government debt securities issued by a country that meets the requirements set out in the Bank of Russia’s regulations.

3.7. The Company may not:

3.7.1. raise money from individuals or legal entities, including through the issuance of promissory notes;

3.7.2. act as a central counterparty;

3.7.3. lend money or securities owned by the Company;

3.7.4. make money deposits on correspondent or deposit accounts with credit institutions or foreign banks that do not meet the Bank of Russia’s requirements to organizations with which the Company may make money deposits;

3.7.5. discharge its liabilities or third parties’ liabilities using securities owned by Company’s clients, or use such securities to secure any of the Company’s liabilities or third parties’ liabilities without the consent of the Company’s clients that own such securities;

3.7.6. undertake to secure liabilities of third parties;

3.7.7. exercise voting rights on any stocks or other securities recorded by the Company, at the Company’s own discretion;

3.7.8. be an incorporator (shareholder) of any organization the legal form of which implies that liability of its incorporators (shareholders) is unlimited;

3.7.9. hold assets in trust; and

3.7.10. act as a certification authority.

ARTICLE 4. SHARE CAPITAL.  
SHARE CAPITAL FORMATION AND CHANGE

4.1. The Company's share capital shall be 1,180,675,000 (One Billion One Hundred and Eighty Million Six Hundred and Seventy-Five Thousand) Russian rubles, divided into 1,180,675 (One Million One Hundred and Eighty Thousand Six Hundred and Seventy-Five) registered ordinary shares with a par value of 1,000 (One Thousand) Russian rubles each.

Each ordinary share shall rank *pari passu* with other ordinary shares in terms of the rights provided for by clause 8.2 hereof.

The Company shall be authorized to issue additional 74,325 (Seventy-Four Thousand Three Hundred and Twenty-Five) registered ordinary shares with a par value of 1,000 (One Thousand) Russian rubles (authorized shares). Should any authorized shares be issued, such new shares shall rank *pari passu* with the existing ordinary shares.

4.2. Share Capital Increase.

4.2.1. The share capital may be increased either by increasing the par value of the shares, or by issuing additional authorized shares.

4.2.2. The decision to increase the share capital by increasing the par value of the shares shall be made by the General Meeting of Shareholders. Such increase shall only be made using Company's assets, and the shares shall be allocated to all shareholders in proportion to their current shareholdings.

4.2.3. The decision to increase the share capital by issuing additional shares shall be made by the General Meeting of Shareholders upon the proposal by the Supervisory Board.

4.3. The issuance of Company's shares and the state registration of the issuance shall be made in compliance with the Russian laws and Bank of Russia's regulations.

4.4. Share Capital Decrease.

4.4.1. The Company may decrease its share capital in the manner stipulated by the laws of the Russian Federation, or, in the cases stipulated by the federal laws, shall be obliged to decrease its share capital.

The share capital shall be decreased either by decreasing the par value of the shares, or by decreasing the total number of shares, including by way of the Company buying back and canceling some of the shares, and such decision shall be made by the General Meeting of Shareholders.

Within three business days of the date when the decision is made to decrease the share capital, the Company shall report such decision to the state authority in charge of state registration of legal entities and publish the relevant notification in the printed media that is used to publish information on the state registration of legal entities. Such notification shall be published twice, at a frequency of once a month.

4.4.2. The Company shall be obliged to bring its share capital in line with its equity capital in the cases and in the manner prescribed by the Federal Law "On Insolvency (Bankruptcy)" and Bank of Russia's regulations.

ARTICLE 5. SHARE REGISTER

5.1. The Company's share register shall be kept by a professional securities market participant engaged in keeping registers of registered securities holders (the "registrar").

5.2. Any person included in the Company's share register shall be required to notify the Company's registrar of any changes in such person's details in a timely fashion. Should such person fail to give such notice, the Company and the registrar shall not be liable for any resulting losses.

## ARTICLE 6. PROFIT DISTRIBUTION. COMPANY'S FUNDS

6.1. The Company's pre-tax profit and net profit shall be calculated in the manner prescribed by the Russian laws. The pre-tax profit shall be used to pay applicable taxes and other mandatory payments to the budget and the extra-budgetary funds, as well as to pay expenses which, in accordance with the Russian laws, are required to be paid before paying taxes.

In accordance with decisions made at an annual General Meeting of Shareholders, the Company's net profit shall be used to pay dividend, establish funds, or to meet any objectives provided for by these Articles of Association.

6.2. The Company may make decisions regarding distribution of its net profit at its absolute discretion.

6.2.1. The Company may make a decision to pay dividend (declare dividend) on the outstanding shares in accordance with the Russian laws.

6.2.2. The amount of dividend may not exceed the amount recommended by the Supervisory Board.

Dividend shall be paid in cash or in kind, in the form of any assets determined by the General Meeting of Shareholders.

6.3. The Company shall establish funds in accordance with the applicable laws and Bank of Russia's regulations.

6.3.1. The Company shall establish a reserve fund, the amount of which shall be equivalent to 15 percent of the Company's share capital. The reserve fund shall be established by setting aside the relevant amounts on an annual basis, until the amount of the reserve fund reaches the amount required by these Articles of Association. The annual amount to be so set aside shall be equivalent to at least 5 percent of the Company's annual net profit.

6.3.2. The Company's reserve fund shall be used to cover Company's losses, as well as to buy back Company's shares, provided that no other money is available for that purpose, and may not be used for any other purpose.

## ARTICLE 7. SAFEGUARDING CLIENTS' INTERESTS

7.1. The Company shall keep secret any transactions and accounts of its clients and correspondents, as well as their details. All of the Company's officers and employees, shareholders and their representatives, as well as Company's auditors shall keep secret any transactions, accounts, and deposits of the Company and those of Company's clients and correspondents, as well as any information that constitutes a Company's trade secret.

7.2. The Company shall only disclose information regarding clients' transactions and clients in accordance with the Russian laws.

7.3. Any money or other valuables of Company's clients, as deposited with, or otherwise kept by, the Company, as well as electronic money balances, may only be seized or forfeited in the cases and in accordance with the procedure set forth by the federal laws.

7.4. The Company shall not be liable for any losses sustained as a result of any seizure or forfeiture of any clients' money or other valuables, unless otherwise provided for by law.

## ARTICLE 8. RIGHTS OF SHAREHOLDERS AND TRANSFER OF SHARES

8.1. Company's shareholders may include:

8.1.1. Russian legal entities that fall into the category of mutual investment funds', joint-stock investment funds', or non-governmental pension funds' managers, professional participants of the securities market, securities market operators, or clearing houses;

8.1.2. Foreign organizations that fall into the category of:

- International centralized systems that record rights to securities and/or settle securities trades; or

- Central securities depositories pursuant to the laws of the jurisdiction of their incorporation;
- 8.1.3. Foreign organizations that:
- Settle securities trades on foreign stock exchanges or other regulated markets; or
  - Clear such trades.
- 8.2. A shareholder holding ordinary shares in the Company may:
- participate in managing Company’s affairs;
  - attend Company’s General Meetings of Shareholders and vote on any and all matters reserved to the General Meeting, either in person or through a proxy;
  - receive dividend;
  - upon the Company’s liquidation, receive a portion of the Company’s assets remaining after settlements with its creditors, or the value thereof;
  - transfer his shares without the other shareholders’ and the Company’s consent;
  - be provided with information concerning Company’s activities, and get access to Company’s accounting or any other documents and records in accordance with the laws of the Russian Federation;
  - challenge Company’s management bodies’ decisions that have civil law consequences, in the cases and in the manner provided for by the laws of the Russian Federation;
  - acting on behalf of the Company, demand that any damages caused to the Company be compensated;
  - acting on behalf of the Company, challenge Company’s transactions on any ground provided for by the laws of the Russian Federation, and demand that the applicable consequences of invalidation of any such transaction, or of a Company’s null and void transaction, be enforced; and
  - exercise any other rights provided for by the Russian Civil Code, the Federal Law “On Joint-Stock Companies”, and hereby.

8.3. A shareholder who intends to transfer his shares to a third party shall be required to give notice to the other shareholders and the Company in writing. Such notice shall state the number and the par value of the shares to be transferred, the consideration payable, and any other material terms and conditions on which the shares are offered to the third party, as well as the third party’s name and other details.

Such notice shall be given to the other shareholders through and at the cost of the Company.

8.4. The shareholders shall have a pre-emptive right to purchase the shares offered by any shareholder to a third party, at the price offered to such third party, in proportion to such shareholders’ current shareholdings.

8.5. The shareholders shall be allowed to exercise their pre-emptive rights within one month following the date of notice given to them and to the Company by the shareholder who intends to transfer his shares to a third party.

8.6. The period within which the pre-emptive rights shall be exercised shall terminate, if before their expiry all of the shareholders have given a written notice of their intention to exercise or waive their pre-emptive rights.

8.7. Where the shareholders failed to exercise their pre-emptive rights, the pre-emptive right to purchase the shares offered by the shareholder may be exercised by the Company.

The Company may exercise its pre-emptive right within one month following the termination or expiry of the period within which the shareholders could exercise their pre-emptive rights. The decision to purchase Company’s shares or to sell or allocate Company’s treasury shares shall be made by the Supervisory Board.

8.8. Where the shareholders and the Company fail to exercise their pre-emptive rights to purchase all of the shares offered within two months of the date when the relevant notice was

given to the shareholders and the Company, the shares may be sold to a third party at the price and on the terms and conditions that were communicated to the Company and the shareholders.

8.9. Where a shareholder sells his shares in violation of the other shareholders' and the Company's pre-emptive rights, any shareholder and/or the Company may, within three months of the date when such shareholder and/or the Company became, or should have become, aware of such violation, take legal action to have the purchaser's rights and obligations assigned to them.

8.10. No share of the Company may be transferred to be held in trust.

## ARTICLE 9. MANAGEMENT BODIES

9.1. The Company shall be managed in the manner stipulated by the Russian laws and these Articles of Association.

9.2. The Company shall have the following management bodies:

- the General Meeting of Shareholders;
- the Supervisory Board;
- the Chairperson of the Executive Board (chief executive officer), and the Executive Board (collegial executive body).

## ARTICLE 10. INTERNAL CONTROL

10.1. In compliance with the requirements of the Russian laws and Bank of Russia's regulations, the Company shall implement internal controls adequate to the nature and scope of the Company's operations, as well as to the level and combination of accepted risks, to pursue the following objectives:

- ensuring efficiency and effectiveness of Company's financial and commercial performance in the course of banking or any other operations, ensuring efficient management of assets and liabilities (including protection of assets), and efficient risk management;
- ensuring that Company's financial statements, accounting, statistical, and other reports (both internal and external) are accurate, complete and objective, and are prepared and submitted in a timely fashion, and ensuring information security (safeguarding Company's interests (objectives) in the information field comprising information, information infrastructure, and parties involved in collection, aggregation, dissemination, and use of information, and the framework of regulation of resulting relationships);
- ensuring compliance with laws and regulations, self-regulatory organizations' standards, and Company's Articles of Association and internal regulations; and
- preventing the Company's or its employees' involvement in illegal activities (including money laundering and terrorist financing), and ensuring that relevant information is reported to Russian government authorities and the Bank of Russia in a timely fashion in accordance with the Russian laws.

10.2. Internal controls in the Company shall be implemented by the following bodies in accordance with their authority and powers provided for by these Articles of Association and Company's internal regulations:

10.2.1. management bodies:

- the General Meeting of Shareholders;
- the Supervisory Board;
- the Chairperson of the Executive Board (chief executive officer), and the Executive Board (collegial executive body).



- 10.2.2. the Internal Audit Commission;
- 10.2.3. the chief accountant and deputy chief accountant(s);
- 10.2.4. divisions and employees in charge of internal control at the Company in accordance with their respective responsibilities set out in Company's internal regulations ("divisions and employees in charge of internal control"), including, inter alia:
  - the internal audit division, the Company's division operating in accordance with the requirements set forth by federal laws, Bank of Russia's regulations, these Articles of Association, Company's internal regulations, and Company's management bodies' decisions relating to internal controls;
  - the internal control division;
  - the officer responsible for anti-money laundering and combating the financing of terrorism in accordance with the Federal Law "On Anti-money Laundering and Combating the Financing of Terrorism" (the "AML/CFT officer"); and
  - the officer monitoring compliance with the requirements of the laws on combating insider trading and market manipulation (the "CIT/MM officer"), and Company's controllers.

## ARTICLE 11. GENERAL MEETING OF SHAREHOLDERS

11.1. The General Meeting of Shareholders shall be the Company's superior management body.

Annual General Meetings shall be convened at least once a year, no earlier than two months and no later than six months after the end of each reporting year.

11.2. A shareholder(s) holding in aggregate at least 2 percent of the Company's voting shares may propose any item to the agenda of an annual General Meeting and propose nominees to the Company's management and supervisory bodies the election of which is reserved to the General Meeting in accordance with these Articles of Association. Any such proposal shall be received by the Company within 60 days after the end of the Company's reporting year. Any such proposal shall be made in writing, include the name(s) of the shareholder(s) making such proposal, the number and category (type) of his/their shares, and be signed by such shareholder(s).

A proposal of items to the agenda of a General Meeting shall include the wording of each item proposed. A proposal of nominees to a Company's management or supervisory body shall include the name of each such nominee, the details of their respective identification documents (the series and/or number, the date and place of issue, and the issuing authority), the body for election to which they are nominated, and any other details of such nominees, as required to be disclosed in accordance with the Supervisory Board Regulations.

The Supervisory Board shall be obliged to consider any such proposal and, within 5 days following the expiry of the time period referred to in this clause, make a decision on whether to include the items so proposed in the agenda of the General Meeting.

11.3. Any General Meeting, other than an annual General Meeting, shall be extraordinary.

An extraordinary General Meeting shall be convened in accordance with a decision made by the Supervisory Board either on its own initiative, or upon request by the Internal Audit Commission, or upon request by the Company's external auditor, or upon request by a shareholder(s) holding in aggregate at least 10 percent of the Company's voting shares as at the date when such request is made.

If requested by the Internal Audit Commission, or by the Company's external auditor, or by a shareholder(s) holding in aggregate at least 10 percent of the Company's voting shares, an extraordinary General Meeting shall be convened by the Supervisory Board.

An extraordinary General Meeting convened upon request by the Internal Audit Commission, or upon request by the Company's external auditor, or upon request by a

shareholder(s) holding in aggregate at least 10 percent of the Company's voting shares shall be held within 40 days of the date when such request is made.

Where the proposed agenda of an extraordinary General Meeting includes the election of Supervisory Board members, such General Meeting shall be held within 75 days of the date when the request to convene the same is made.

11.4. Resolutions of the General Meeting may be passed without holding a General Meeting (i.e., without simultaneous attendance by the shareholders for discussion of the agenda items and passing resolutions put to the vote), but rather by absentee voting. Votes on the agenda items of a General Meeting held in the form of absentee voting shall be cast with voting ballots.

It shall not be allowed to hold a General Meeting in the form of absentee voting, if the agenda of such General Meeting includes the election of the Supervisory Board or of the Internal Audit Commission, or appointment of an external auditor, or the matters set out in clauses 11.7.1 or 11.7.9 below.

11.5. A notice of a General Meeting shall be given no later 20 days prior to the General Meeting date, and a notice of a General Meeting the agenda of which includes the Company's reorganization shall be given no later than 30 days prior to the General Meeting date, in each case unless different time limits are set forth by the Federal Law "On Joint-Stock Companies".

Within the said time limits, a notice of the General Meeting shall be given to the persons entitled to attend the General Meeting and registered in the Company's share register, by any one or more than one method determined by the Supervisory Board in the course of making arrangements for holding the General Meeting:

- by registered mail;
- by e-mail at the e-mail address of the relevant person, as shown in the Company's share register;
- by a text message describing how the notice of the General Meeting can be viewed, as sent at the contact telephone number or e-mail address shown in the Company's share register;
- by posting the notice of the General Meeting on the Company's web site at <http://www.nsd.ru>.

Information (materials) to be provided in advance to the persons entitled to attend the General Meeting shall include the Company's annual report and the Internal Audit Commission's report on the audit thereof, annual financial statements, external auditor's report and Internal Audit Commission's report issued following the audit of such financial statements, details of the persons nominated to the Supervisory Board and the Internal Audit Commission, draft amendments to the Articles of Association (or the draft of a new version thereof), drafts of Company's internal regulations, draft resolutions of the General Meeting, and information (required by the Federal Law "On Joint-Stock Companies") regarding shareholders' agreements entered into by the Company over the one-year period preceding the General Meeting date (if any).

The said information (materials) shall be made available during the period of 20 days (or, if the General Meeting's agenda includes the Company's reorganization, 30 days) before the General Meeting date to the persons entitled to attend the General Meeting, for review in the office of the Company's executive body and at any other places the addresses of which are designated in the notice of the General Meeting. Such information (materials) may also be posted on the Company's web site. Such information (materials) shall be made available to the persons attending the General Meeting during the General Meeting.

If requested by a person entitled to attend the General Meeting, the Company shall provide such person with a copy of the said documents.

The method of giving notice to the shareholders of the General Meeting, the list of information (materials) to be provided in advance to the shareholders, and the method of provision of such information (materials) shall be determined by the Supervisory Board in the course of making arrangements for holding the General Meeting.

11.6. A General Meeting shall be competent to transact business (shall be deemed to have the quorum), if attended by the shareholders holding in aggregate more than a half of the Company's outstanding voting shares.

A General Meeting shall be deemed to have been attended by the shareholders who have been registered to take part in the General Meeting, and the shareholders whose voting ballots have been received no later than two days prior to the General Meeting date.

A General Meeting held in the form of absentee voting shall be deemed to have been attended by the shareholders whose voting ballots have been received prior to the relevant deadline.

Where no quorum is present at an annual General Meeting, the General Meeting shall be adjourned, and the adjourned General Meeting shall have the same agenda. Where no quorum is present at an extraordinary General Meeting, the General Meeting may be adjourned, and in this case the adjourned General Meeting shall have the same agenda.

The adjourned General Meeting shall be competent to transact business (shall be deemed to have the quorum), if attended by the shareholders holding in aggregate at least 30 percent of the Company's outstanding voting shares.

Where the adjourned General Meeting is held less than 40 days after the original General Meeting, the persons entitled to attend the adjourned General Meeting shall be determined by reference to the list of persons who were entitled to attend the original General Meeting.

11.7. The following matters shall be reserved to the General Meeting of Shareholders:

11.7.1. Making amendments to the Articles of Association or approval of a new version thereof;

11.7.2. Approval of the Company's reorganization;

11.7.3. Determining the number of Supervisory Board members, their election and removal, and approval of their remuneration;

11.7.4. Determining the number, par value, and category (type) of authorized shares, and the rights attached thereto;

11.7.5. Approval of the increase in the Company's share capital by increasing the par value of the shares or by issuing additional shares;

11.7.6. Approval of the decrease in the Company's share capital by decreasing the par value of the shares, or by the Company buying back some of the shares for the purpose of decreasing their total number, or by canceling the shares purchased or bought back by the Company;

11.7.7. Election and removal of Internal Audit Commission members, and approval of their remuneration;

11.7.8. Appointment of the Company's external auditor;

11.7.9. Approval of the Company's annual reports and annual financial statements, including statements of financial results, and distribution of Company's profits and losses (including payment (declaration) of dividend, if any) for a financial year;

11.7.10. Approval of General Meeting proceedings;

11.7.11. Election and removal of Vote Counting Commission members;

11.7.12. Approval of stock split or reverse split;

11.7.13. Approval of transactions in the cases provided for by article 83 of the Federal Law "On Joint-Stock Companies";

11.7.14. Approval of major transactions in the cases provided for by article 79 of the Federal Law "On Joint-Stock Companies";

11.7.15. Approval of the Company's membership in any associations of business entities;

11.7.16. Approval of payment (declaration) of dividend for the first three months, first six months, or first nine months of a financial year;

11.7.17. Approval of internal regulations governing the activities of Company's bodies;

11.7.18. Approval of the buyback of Company's shares in the cases stipulated by the Federal Law "On Joint-Stock Companies"; and

11.7.19. Resolving on any other matters provided for by the Federal Law "On Joint-Stock Companies" or hereby.

11.8. The matters reserved to the General Meeting may not be resolved by the Supervisory Board or the executive body.

The General Meeting may not consider and resolve on any matters not reserved to the General Meeting in accordance with these Articles of Association and the Federal Law "On Joint-Stock Companies".

11.9. Votes at General Meetings shall be cast in accordance with the 'one voting share – one vote' principle, other than in the case of cumulative voting when electing Supervisory Board members.

11.10. The General Meeting may only resolve on the matters set out in clauses 11.7.2, 11.7.5, 11.7.6 (in respect of the share capital decrease by decreasing the par value of the shares), and 11.7.12 to 11.7.18 above upon proposal by the Supervisory Board.

A resolution put to the vote of a General Meeting shall be decided by the majority vote of the shareholders attending the General Meeting, unless otherwise required by the Federal Law "On Joint-Stock Companies" or hereby.

11.11. A resolution put to the vote of a General Meeting on the matters set out in clauses 11.7.1, 11.7.2, 11.7.4, 11.7.18, 11.7.5 (in respect to the share capital increase by issuing additional shares), 11.7.6 (in respect to the share capital decrease by decreasing the par value of the shares), and 11.7.14 (in respect to the approval of a major transaction that involves any assets the value of which exceeds 50 percent of the book value of the Company's total assets) shall be decided by a three-fourths majority vote of the shareholders attending the General Meeting, unless a greater number of votes is required in accordance with the Federal Law "On Joint-Stock Companies".

11.12. A General Meeting may not resolve on any matters not covered by the General Meeting agenda, or make any changes to the agenda, unless all of the Company's shareholders are present when resolving on any matter not covered by the agenda or making changes to the agenda.

A separate resolution shall be adopted on each agenda item put to the vote.

11.13. Votes on the General Meeting agenda items may be cast using voting ballots that must be delivered, or served against signature, to each person registered in the Company's share register and entitled to attend the General Meeting (or to such person's representative), no later than 20 days prior to the General Meeting date.

A voting ballot may be delivered:

- by registered mail (return receipt requested);
- by e-mail at the e-mail address shown in the Company's share register.

11.14. Where a General Meeting is to be held as an in-person meeting, the persons whose names are on the list of persons entitled to attend the General Meeting (or their representatives) may either personally attend the General Meeting or submit their voting ballots completed by them to the Company.

Completed voting ballots may be submitted to the Company:

- at the Company's mailing address;
- at the designated e-mail address;
- by completing an electronic voting ballot on the designated web site.

The voting ballot submission method, as well as the Company's e-mail address and/or the Company's web site address shall be determined by the Supervisory Board in the course of making arrangements for holding the General Meeting.

11.15. The minutes of the General Meeting shall be prepared at least in two originals within 3 business days following the closing of the General Meeting or after the deadline for submission of voting ballots (in the event of the General Meeting held in the form of absentee

voting). Both originals shall be signed by the person presiding over the General Meeting and the General Meeting secretary.

## ARTICLE 12. SUPERVISORY BOARD

12.1. The Supervisory Board shall be responsible for the overall management of the Company's activities, but shall not be authorized to resolve on any matters reserved to the General Meeting of Shareholders in accordance with these Articles of Association.

12.2. The number of Supervisory Board members shall be determined by the General Meeting of Shareholders, but may not be less than fifteen, provided, however, that the total number of Supervisory Board members shall always be an odd number.

The procedure for convocation and holding of Supervisory Board meetings shall be set forth by the Regulations on the Supervisory Board approved by the General Meeting.

12.3. The following matters shall be reserved to the Supervisory Board:

12.3.1. Approval of the Company's development strategy as part of the strategy of the Moscow Exchange PJSC banking group comprising Moscow Exchange PJSC and its subsidiaries (the "Moscow Exchange Group"), and monitoring of compliance with the Company's development strategy;

12.3.2. Approval of the Company's business priorities;

12.3.3. Convening annual and extraordinary General Meetings, save for the cases stipulated by clause 8, article 55 of the Federal Law "On Joint-Stock Companies";

12.3.4. Approval of General Meeting agendas;

12.3.5. Establishing the date as at which a list of persons entitled to attend a General Meeting is to be drawn up, and resolving on any other matters reserved to the Supervisory Board in accordance with the provisions of Chapter VII of the Federal Law "On Joint-Stock Companies" in connection with the preparation and holding of General Meetings;

12.3.6. Determining the price (value) of assets, or the offering price (or a method of its determination), or the buyback price of shares in the cases stipulated by the Federal Law "On Joint-Stock Companies";

12.3.7. Purchase by the Company of its outstanding shares in the cases stipulated by the Federal Law "On Joint-Stock Companies";

12.3.8. Appointment and removal of the Chairperson of the Company's Executive Board, and approval of his/her remuneration and benefits package;

12.3.9. Approval of the number of the Executive Board members, appointment of Executive Board members upon the proposal by the Chairperson of the Executive Board and recommendation given by the Nomination and Remuneration Committee of the Supervisory Board, approval of a remuneration and benefits package of Executive Board members, removal of Executive Board members;

12.3.10. Appointment and removal of the head of the internal audit division. An agreement with the head of the internal audit division shall be signed on behalf of the Company by the Chairperson of the Executive Board;

12.3.11. Making recommendations as to a remuneration and benefits package of Internal Audit Commission members;

12.3.12. Making recommendations as to the dividend payable on the shares, and the method of dividend payment;

12.3.13. Approval of the use of the Company's reserve or other funds;

12.3.14. Establishment and closure of Company's branches or representative offices;

12.3.15. Approval of major transactions in the cases stipulated by Chapter X of the Federal Law "On Joint-Stock Companies";

12.3.16. Approval of transactions described in Chapter XI of the Federal Law "On Joint-Stock Companies";

12.3.17. Preliminary approval of annual reports and submission thereof to the General Meeting of Shareholders;

12.3.18. Approval of the buyback of Company's shares in the cases stipulated by the Federal Law "On Joint-Stock Companies";

12.3.19. Approval of the Company's membership (and cessation of such membership) in any organizations, other than those referred to in clause 11.7.15 above;

12.3.20. Approval and adjustment of Company's fee schedules;

12.3.21. Approval and adjustment of Company's financial plans (budgets);

12.3.22. Approval of remuneration payable to the Company's external auditor;

12.3.23. Approval of corporate key performance indicators (KPIs) for Company's employees, subject to the recommendations made by the Nomination and Remuneration Committee of the Company's Supervisory Board;

12.3.24. Approval of individual KPIs for members of the Company's executive bodies, other employees taking risks (starting from the level of the heads of departments), heads of departments in charge of internal control, and heads of departments in charge of risk management, subject to the recommendations made by the Nomination and Remuneration Committee of the Company's Supervisory Board;

12.3.25. Assessment of the achievement of corporate KPIs and individual KPIs by the individuals referred to in clause 12.3.24 above, and making decisions upon such assessment, including decisions on bonus payment, subject to the recommendations made by the Nomination and Remuneration Committee of the Company's Supervisory Board;

12.3.26. Establishment and improvement of a Company's corporate management system, including:

12.3.26.1. Approval of the Company's remuneration policy and monitoring of its implementation; approval of the Company's HR policy (setting out the procedure for determination of salaries of Company's executives, the procedure for determination of the amount, forms, and methods of accrual of compensations and incentive benefits to Company's executives, the head of the risk management division, the head of the internal audit division, the head of the internal control division, and other officers (employees) taking decisions on Company's operations or transactions the results of which might affect maintenance by the Company of statutory ratios or cause any other circumstances posing a threat to creditors' interests, including grounds on which steps can be taken to prevent Company's bankruptcy (insolvency), qualification requirements to the said individuals, and the amount of Company's total payroll);

12.3.26.2. Approval of Company's other policies and internal regulations governing the key principles of the Company's activities;

12.3.26.3. Approval of the criteria to be applied when proposing nominees to the Company's collegial executive body;

12.3.26.4. Approval of internal regulations (policies, concepts, etc.) governing the key risk management principles, Company's aggregate maximum allowable level of risk (risk appetite), and procedure for reviewing such level of risk;

12.3.26.5. Approval of the Company's risk and capital management policy, including the policy ensuring adequacy of the Company's capital and liquidity to cover risks, and the procedure for managing Company's most significant risks, and monitoring of compliance with such procedure;

12.3.26.6. Approval of the procedure for application of risk management methodologies and quantitative risk assessment models (in cases stipulated by Article 72.1 of the Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)"), including assessment of Company's assets and liabilities, off-balance-sheet claims and liabilities, and stress test scenarios and results;

12.3.26.7. Approval of the conflict of interest policy, financial recovery plan to be followed in the event of significant deterioration of the Company's financial condition, and

business continuity and disaster recovery plan;

12.3.26.8. Monitoring of Company's risk management efforts;

12.3.26.9. Assessment, at least on an annual basis, of the state of corporate governance, and monitoring of remedial actions being carried out to address the deficiencies discovered in the course of the assessment of the state of corporate governance;

12.3.26.10. Resolving on Supervisory Board members' responsibilities, including on the establishment of Supervisory Board Committees, and assessment of the Supervisory Board performance and provision of such assessment results to the General Meeting of Shareholders; and

12.3.26.11. Approval of the write-off of bad and/or uncollectible debts the value of which exceeds 0.5 percent of the Company's equity capital and bad debt reserves;

12.3.27. Matters relating to the Company's internal control system:

12.3.27.1. Approval of the Internal Audit Division Regulations;

12.3.27.2. Assessment, at least on an annual basis, of the Company's internal control system;

12.3.27.3. Ensuring that the Company's internal control system is adequate to the nature, scope, and conditions of the Company's activities in the event of any changes therein;

12.3.27.4. Analysis of recommendations given, and violations discovered, by Company's divisions or employees responsible for internal control within the Company (provided that such analysis is reserved to the Supervisory Board in accordance with the federal laws and/or Bank of Russia's regulations), or by the Company's external auditor, or regulatory authorities, as related to the deficiencies in the internal control system;

12.3.27.5. Improvement of the Company's organizational structure subject to the internal control principles and the requirements to an effective internal control system;

12.3.27.6. Monitoring of the measures taken by the Company's executive bodies with a view of implementation of, and compliance with, the internal control principles and the requirements to an effective internal control system;

12.3.27.7. Approval of work plans of the internal audit division;

12.3.27.8. Review of reports prepared by divisions or employees responsible for internal control within the Company (provided that such review is reserved to the Supervisory Board in accordance with the federal laws and/or Bank of Russia's regulations); and

12.3.27.9. Monitoring of compliance by the Executive Board Chairperson and by the Executive Board with any strategies or procedures approved by the Supervisory Board, on the basis of internal audit service's reports;

12.3.28. Preliminary approval of Company's agreements with companies (organizations) outside the Moscow Exchange Group, if there are proposals available that are more beneficial than proposals made by a Moscow Exchange Group company, in terms of the time limits for the provision of services, price and quality of services, provided that the price of such services exceeds 15,000,000 (fifteen million) Russian rubles a year;

12.3.29. Review of Company's quarterly performance reports prepared by the Executive Board;

12.3.30. Making recommendations to shareholders to sell their shares to a new shareholder of the Company;

12.3.31. Appointment of the Company's registrar, approval of the terms and conditions of an agreement with the registrar, and termination of such agreement;

12.3.32. Making decisions related to the establishment of a Company's payment system, and approval of a business plan for the development of the Company's payment system;

12.3.33. Election and removal of members of the Supervisory Board Committees and members of the Company's Customer Committees;

12.3.34. Approval of Company's internal regulations the approval of which is reserved to the Supervisory Board by the Federal Laws "On the Central Securities Depository", "On Clearing, Clearing Activities, and Central Counterparty", and "On Banks and Banking

Activities”, or Bank of Russia’s regulations, as well as approval of Company’s other internal regulations, save for those the approval of which is reserved to the General Meeting of Shareholders or Executive Board by the Federal Law “On Joint-Stock Companies” or these Articles of Association; and

12.3.35. Resolving on any other matters provided for by the Federal Law “On Joint-Stock Companies”, other federal laws, Bank of Russia’s regulations, and these Articles of Association.

12.4. The quorum at a Supervisory Board meeting shall be at least half of the elected Supervisory Board members. Where the number of the Supervisory Board members falls below the number that constitutes the said quorum, the Supervisory Board shall convene an extraordinary General Meeting of Shareholders at which new Supervisory Board members shall be elected. The remaining Supervisory Board members shall only be entitled to make a decision for convening such extraordinary General Meeting of Shareholders.

12.5. Resolutions put to the vote at a Supervisory Board meeting shall be decided by the majority vote of the Supervisory Board members attending the meeting, other than:

12.5.1. Resolutions on the approval of a major transaction in the cases stipulated by Chapter X of the Federal Law “On Joint-Stock Companies”, which require the unanimous vote of the Supervisory Board members;

12.5.2. Resolutions on the approval of a transaction provided for by Chapter XI of the Federal Law “On Joint-Stock Companies”, which require the majority vote of the Supervisory Board members not interested in the transaction;

12.5.3. Resolutions on the matters set out in clause 12.8 of these Articles of Association; and

12.5.4. In any other cases stipulated by the applicable federal laws and regulations issued by the federal executive authorities.

12.6. At a Supervisory Board meeting, each Supervisory Board member shall have one vote.

Supervisory Board members may not delegate their votes to other individuals, including other Supervisory Board members.

In the event of a tie vote of Supervisory Board members, the Chairperson of the Supervisory Board shall have a casting vote.

12.7. The matters reserved to the Supervisory Board may not be resolved by the Chairperson of the Executive Board and/or by the Executive Board.

12.8. The Chairperson of the Supervisory Board and a Deputy Chairperson(s) shall be elected by, and from among, the Supervisory Board members by the majority vote of the Supervisory Board members.

The Chairperson of the Supervisory Board or, in his/her absence, a Deputy Chairperson shall be responsible for arranging the work of the Supervisory Board, convening and presiding over Supervisory Board meetings, ensuring that minutes of meetings are kept, and shall preside over General Meetings of Shareholders.

Where a General Meeting is not attended by the Chairperson of the Supervisory Board, the General Meeting shall be presided over by a Deputy Chairperson of the Supervisory Board or an individual elected by the shareholders attending the General Meeting.

12.9. The Supervisory Board shall establish Supervisory Board Committees, including, but not limited to:

- Nomination and Remuneration Committee;
- Audit Committee;
- Budget Committee; and
- Technological Policy and Development Committee.

The Supervisory Board Committees shall exercise their functions in accordance with their respective regulations approved by the Supervisory Board.

12.10. The Supervisory Board shall establish standing Customer Committees, including,



but not limited to:

- National Settlement Depository Customer Committee;
- Customer Committee for Settlement and Depository Services and Tariffs;
- Customer Committee for Quality Control and Risk Management; and
- Customer Committee for Registrar and Depository Relations.

The Customer Committees shall exercise their functions in accordance with their respective regulations approved by the Supervisory Board.

12.11. The Supervisory Board members shall be obliged to refrain from doing anything that will or may likely result in a conflict of interests between them and the Company, and, should such conflict of interest arise, disclose it to the Supervisory Board.

12.12. Any Supervisory Board member may request and be granted access to any information on Company's activities, other than information access to which is restricted in accordance with the Russian laws. A Supervisory Board member who is granted access to information on Company's activities shall be obliged to comply with the requirements to access to, and use of, confidential or insider information, as set forth by the Russian laws or regulations or by Company's internal regulations.

### ARTICLE 13. EXECUTIVE BODIES: CHAIRPERSON OF THE EXECUTIVE BOARD. EXECUTIVE BOARD

13.1. The Company's day-to-day operations shall be managed by the Chairperson of the Executive Board (the chief executive officer) and the Executive Board (the collegial executive body). The executive bodies shall report to the Supervisory Board and the General Meeting of Shareholders.

Other than the matters reserved to the General Meeting of Shareholders or the Supervisory Board, all matters related to the Company's day-to-day operations shall be reserved to the Chairperson of the Executive Board and the Executive Board.

The Chairperson of the Executive Board and the Executive Board shall be responsible for ensuring the implementation of decisions made by the General Meeting of Shareholders and the Supervisory Board.

The Chairperson of the Executive Board shall be responsible for the overall management of the Company and shall act on behalf of the Company without a power of attorney.

The powers vested in the Chairperson of the Executive Board (the chief executive officer) may be delegated neither to a business entity (a management company) or an individual entrepreneur (an individual manager).

To be appointed to the office of the Chairperson of the Executive Board (the chief executive officer), the relevant individual shall be employed by the Company.

13.2. The following matters shall be reserved to the Chairperson of the Executive Board:

13.2.1. Representing the Company both in the Russian Federation and abroad;

13.2.2. Making deals on behalf of the Company;

13.2.3. Approval of staff lists and standard employment agreement forms, execution of employment agreements with Company's employees, approval of their salaries, authorization of incentives or disciplinary measures in respect to Company's employees, and approval of their job descriptions;

13.2.4. Approval of Company's internal regulations (guidelines, rules, instructions, and other documents) setting out Company's operating procedures, including procedures to be followed when providing services to Company's clients, and procedures for making, recording, and monitoring Company's operations in financial markets, including payment system rules and a list of payment infrastructure service providers, unless the Russian laws or these Articles of Association set forth a different procedure for approval of such internal regulations;

13.2.5. Approval of any other internal regulations the approval of which is reserved to chief executive officers in accordance with the Russian laws;

13.2.6. Approval of standard forms of agreements to be entered into with Company's clients or other counterparties, and approval of standard document templates related to Company's banking or other transactions, or settlement or other services provided to Company's clients, unless the Russian laws or these Articles of Association set forth a different procedure for approval of the same;

13.2.7. Issuing orders and instructions binding on all of the Company's employees;

13.2.8. Issuing powers of attorney authorizing their holders to act on behalf of the Company;

13.2.9. Approval of foreign currency exchange rates;

13.2.10. Ensuring compliance with the Company's corporate management principles, including:

13.2.10.1. Making decisions to establish Company's divisions and approval of their respective regulations (functions);

13.2.10.2. Submitting to the Supervisory Board a list of nominees to the position of Executive Board members, or to the position of head of the internal audit division;

13.2.10.3. Allocating responsibilities between Executive Board members, and appointment of an Executive Board secretary; and

13.2.10.4. Making proposals to Company's executive bodies for clarification or allocation of their respective powers, including for the updating of the Articles of Association or other internal regulations governing corporate management issues;

13.2.11. Any matters relating to the Company's internal control system:

13.2.11.1. Establishment and monitoring of the Company's internal control system when making banking or any other transactions, with due regard to the nature and scope of Company's operations, including in the field of anti-money laundering and countering terrorist financing;

13.2.11.2. Review of reports prepared by divisions or employees responsible for internal control within the Company;

13.2.11.3. Ensuring compliance with these Articles of Association, General Meeting's, Supervisory Board's, and Executive Board's decisions, other internal regulations, and requirements of the Russian laws related to internal controls;

13.2.11.4. Appointment and removal of Company's controller(s), AML/CFT officer, and CIT/MM officer, and assisting them in discharging their responsibilities;

13.2.11.5. Ensuring that Company's internal control reports are complete, true, and accurate and filed with the competent regulatory authorities in a timely fashion;

13.2.11.6. Ensuring that any discovered violations of any Russian laws, or Bank of Russia's regulations, or Company's internal regulations are remedied, and ensuring that measures are taken to address the circumstances conducive to such violations; and taking timely and adequate measures to address any deficiencies discovered in the internal control system;

13.2.11.7. Taking disciplinary measures against Company's employees who failed to comply with the internal control principles and procedures;

13.2.11.8. Ensuring that Company's employees comply with the Company's internal regulations and the requirements of the Russian laws related to the protection of rights and legitimate interests of investors in the securities market, advertising laws, etc.;

13.2.11.9. Reporting any discovered deficiencies in the internal control system to the relevant Company's management bodies;

13.2.11.10. Reporting Company's violations of the Russian laws to the Bank of Russia in accordance with the procedure, in details, and within the time limits required by the Bank of Russia's regulations;

13.2.11.11. Determining liability for failure to comply with Supervisory Board's decisions or with the Company's development strategy related to the establishment and implementation of internal controls;

13.2.11.12. Delegation of the authority to elaborate internal control rules and procedures

to the heads of the relevant divisions and monitoring how the said persons exercise the authority so delegated;

13.2.11.13. Establishment of efficient data transmission and interchange systems designed to provide necessary information (including documents governing the Company's operational policies and procedures) to users who need to know such information;

13.2.12. Allocation of risk management-related powers and responsibilities between Company's employees, and allocation of risk management functions between Company's divisions;

13.2.13. Appointment of a head, deputy head(s), chief accountant, and deputy chief accountant(s) of a Company's branch; and relocation or dismissal (removal) of such employees in accordance with the labor laws of the Russian Federation;

13.2.14. Making decisions to set aside loss provisions and loan loss provisions or bad debt reserves;

13.2.15. Requesting the convocation of meetings of management bodies of organizations in which the Company has an interest (or requesting that absentee voting instead is arranged), and making proposals to include items in the agenda of such management body meetings; and

13.2.16. Resolving on any other matters, other than matters reserved to the General Meeting of Shareholders, the Supervisory Board, or the Executive Board in accordance with the Federal Law "On Joint-Stock Companies" or these Articles of Association.

The Chairperson of the Executive Board may authorize his/her Deputies, or business line directors, or any other employees to make decisions on certain matters reserved to the Chairperson of the Executive Board.

The Chairperson of the Executive Board may, when absent from the office (e.g. due to sickness, vacation, business trip, etc.), order one of his/her Deputies to exercise the functions of the Chairperson of the Executive Board. The individual temporarily acting in the capacity of Executive Board Chairperson shall manage Company's day-to-day operations subject to the scope of authority of the Executive Board Chairperson, as provided for hereby, and, in particular, shall issue powers of attorney on behalf of the Company.

13.3. The Chairperson of the Executive Board shall be appointed by the Supervisory Board upon the agreement with the Moscow Exchange PJSC Supervisory Board for a term of three years. A remuneration and benefits package of the Chairperson of the Executive Board shall be approved by the Supervisory Board upon proposal by the Nomination and Remuneration Committee.

No individual may be appointed to the position of the Chairperson of the Executive Board more than three times. The Supervisory Board may at any time remove the Chairperson of the Executive Board, including on the basis of a resignation notice given by the Chairperson of the Executive Board, or upon proposal by the Nomination and Remuneration Committee of the Supervisory Board.

13.4. The Executive Board shall exercise its functions in accordance with these Articles of Association and the Executive Board Regulations approved by the General Meeting of Shareholders and setting out the procedure for convening Executive Board meetings, time limits within which they are to be convened, as well as decision-making procedures.

Executive Board meetings shall be arranged by the Chairperson of the Executive Board who shall sign any and all documents on behalf of the Company, as well as minutes of

Executive Board meetings, and act on behalf of the Company without a power of attorney, in accordance with decisions made by the Executive Board on any matters reserved to the Executive Board.

Executive Board members, other than the Chairperson of the Executive Board, shall be appointed by the Supervisory Board for a term of two years and may be re-appointed an unlimited number of times. Executive Board members shall be nominated by the Chairperson of the Executive Board and shall be pre-approved by the Nomination and Remuneration Committee

of the Supervisory Board.

The Supervisory Board may remove any member of the Executive Board either on the basis of a resignation notice given by the member, or upon proposal by the Chairperson of the Executive Board, or upon recommendation by the Nomination and Remuneration Committee.

13.5. The following matters shall be reserved to the Executive Board:

13.5.1. Ensuring implementation of any decisions made by the General Meeting of Shareholders or the Supervisory Board;

13.5.2. Analysis and assessment of Company's performance results, including results of the implementation of Company's approved financial plans (budgets), and preparation and submission to the Supervisory Board of Company's quarterly performance reports;

13.5.3. Approval of transactions that involve the purchase, disposal, or potential disposal by the Company, either directly or indirectly, of any assets the value of which is equivalent to 2 to 25 percent of the book value of the Company's total assets, as determined in accordance with the Company's financial statements as at the last reporting date, other than transactions made in the ordinary course of business, or transactions involving the issuance of Company's ordinary shares by way of subscription (sale);

13.5.4. Approval of regulations of Company's branches and representative offices;

13.5.5. Approval of internal regulations that:

13.5.5.1. set out social security and other benefits provided to Company's employees;

13.5.5.2. describe the procedure for arranging business trips for Company's employees, procedure for classification (re-classification) of financial assets and off-balance-sheet instruments for the purpose of setting aside loss provisions, and rules and procedures for managing banking risks and risks pertaining to operations in the securities market;

13.5.5.3. relate to trade secrets and restricted information, as are aimed at preventing corruption;

13.5.5.4. are submitted to the Executive Board by the Chairperson of the Executive Board; and

13.5.5.5. the approval of which is reserved to collegial executive bodies in accordance with the Russian laws;

13.5.6. Ensuring the drafting of amendments to Company's internal regulations before such amendments are submitted to the Supervisory Boards for consideration;

13.5.7. Ensuring the preparation of Company's annual reports;

13.5.8. Ensuring the drafting of resolutions and other necessary documents required for the purpose of convening and holding General Meetings of Shareholders or Supervisory Board meetings;

13.5.9. Making proposals related to Company's prospective business lines and development strategy;

13.5.10. Approval of Company's financial plans (budgets) and adjustments thereto;

13.5.11. Summarizing personnel performance evaluation results;

13.5.12. Establishment of standing or ad-hoc commissions and committees of the Executive Board and approval of their respective regulations;

13.5.13. Making proposals to the Supervisory Board for the use of the Company's reserve or other funds, and purchase or buyout of Company's shares;

13.5.14. Assessment of individuals nominated to the positions of the head, deputy head(s), chief accountant, or deputy chief accountant(s) of a Company's branch;

13.5.15. Making decisions to establish and terminate Company's (including its branches') correspondent relationships with banks (including non-resident banks);

13.5.16. Establishment and improvement of the Company's corporate governance system, including:

13.5.16.1. Authorization of Company's transactions the value of which is equivalent to 5 percent or more of the Company's equity capital as at the last reporting date;

13.5.16.2. Authorization of transactions the procedures for which are not covered by

Company's internal regulations, or making a proposal to the Supervisory Board to consider whether such transactions are desirable;

13.5.16.3. Authorization of Company's transactions the procedures for which are inconsistent with the procedures set forth by Company's internal regulations (other than transactions that require approval by the General Meeting of Shareholder or the Supervisory Board); and

13.5.16.4. Approval of the write-off of bad and/or uncollectible debts the value of which does not exceed 0.5 percent of the Company's equity capital and bad debt reserves;

13.5.17. Matters relating to the Company's internal control system, including:

13.5.17.1. Review of materials and results of periodic assessments of internal controls, as conducted by the internal control division;

13.5.17.2. Monitoring of Company's operations to make sure they are consistent with the Company's internal regulations setting out internal control procedures, and evaluation of such regulations to make sure they are adequate to the nature and scope of Company's operations;

13.5.17.3. Allocation of responsibilities between Company's divisions and employees responsible for specific areas (forms, methods) of internal control; and

13.5.17.4. Establishment of a monitoring system to monitor measures taken to remedy violations and address deficiencies discovered in the internal control system;

13.5.18. Establishment of a risk management system for the purpose of complying with the key risk management principles approved by the Supervisory Board;

13.5.19. Preparation of Company's fee schedules (and proposals to make changes thereto) and submission of the same to the Supervisory Board for consideration and approval;

13.5.20. Approval of a time period during which the Company's approved fees for Company's services will not be charged or will be reduced;

13.5.21. Making instructions as to how Company's representatives being members of management bodies of any organization in which the Company has an interest shall vote at meetings of such management bodies (including by way of absentee voting);

13.5.22. Proposing nominees to the positions of a chief executive officer, or members of any other management or controlling bodies, or to the position of an external auditor of any organization in which the Company has an interest;

13.5.23. Approval of the value of any services to be provided by the Company under an agreement with a client or any other counterparty, if such agreement differs from a standard form agreement approved by the Company, unless otherwise provided for by the federal laws;

13.5.24. Resolving on any other matters related to the Company's day-to-day operations, as may be submitted to the Executive Board by the Chairperson of the Executive Board, other than matters reserved to any other management body of the Company in accordance with the Russian laws or these Articles of Association.

13.6. The quorum at an Executive Board meeting shall be at least half of the appointed Executive Board members.

13.7. A resolution at an Executive Board meeting shall be decided by a simple majority vote of the Executive Board members attending the meeting. In the event of a tie vote, the Chairperson of the Executive Board shall have a decisive vote.

Neither member of the Executive Board may transfer his/her vote, including to any other Executive Board member.

## ARTICLE 14. LIABILITY OF MEMBERS OF THE MANAGEMENT BODIES

14.1. The Supervisory Board members, the Chairperson of the Executive Board (an acting Chairperson of the Executive Board), and the Executive Board members shall exercise their rights and perform their responsibilities in the best interests of the Company, in good faith, and reasonably. The Supervisory Board members, the Chairperson of the Executive Board (an acting Chairperson of the Executive Board), and the Executive Board members shall be liable to

the Company for any damages caused by their wrongful actions (omissions), unless different grounds or scope of liability are stipulated by the federal laws.

However, those Supervisory Board members or Executive Board members (as the case may be) who either voted against the resolution that resulted in Company's losses or did not vote thereon shall not be held liable.

Where more than one member is liable to the Company, their liability shall be joint and several.

When determining the ground and the scope of liability of Supervisory Board members, or the Chairperson of the Executive Board (an acting Chairperson of the Executive Board), or Executive Board members, it shall be required to take account of the normal business practices and any other relevant circumstances.

14.2. The Company or a shareholder(s) holding in aggregate at least 1 percent of the Company's outstanding ordinary shares may take legal action against a Supervisory Board member, the Chairperson of the Executive Board (an acting Chairperson of the Executive Board), or an Executive Board member to claim damages caused to the Company in the event referred to in clause 14.1 above.

## ARTICLE 15. CONTROL OVER COMPANY'S FINANCIAL AND BUSINESS OPERATIONS

15.1. For the purpose of exercising control over Company's financial and business operations, an annual General Meeting of Shareholders shall elect the Internal Audit Commission that shall exercise its functions until the date of the next annual General Meeting of Shareholders.

15.2. The Internal Audit Commission shall audit Company's compliance with the applicable laws or other regulations and internal banking procedures; in particular, the Internal Audit Commission shall audit all or some of the transactions made by the Company over the past year, as well as the Company's cash positions and assets.

15.3. Upon completion of the audit of the Company's financial and business operations, the Internal Audit Commission shall issue an opinion that shall contain:

- a confirmation that the information disclosed in Company's reports or other financial documents is accurate; and
- information on any violations of the accounting and reporting procedures, as well as any violations of Russian laws and regulations in the course of the Company's financial and business operations.

15.4. The Internal Audit Commission shall be responsible for:

15.4.1. Auditing Company's financial documents;

15.4.2. Analyzing whether the Company's bookkeeping and statistical accounting procedures, as well as Company's financial statements meet the requirements of the Russian laws;

15.4.3. Analyzing the Company's financial position, solvency, and prudential ratios, the procedure for setting aside and application of the reserve or other funds, and the Company's debt-equity ratio, identifying possibilities for improvement of the Company's financial position, and making recommendations to the Company's management bodies;

15.4.4. Auditing the procedure for recording income and expenses, and the procedure for profit distribution;

15.4.5. Auditing tax and other statutory payments, and auditing the accrual and payment of dividend;

15.4.6. Preparing a report upon completion of the inventory-taking process and comparing the results of such process with the data recorded in the Company's books and records; and

15.4.7. Auditing Company's annual reports and financial statements before their approval by the General Meeting of Shareholders.

15.5. Meetings of the Internal Audit Commission shall be convened and held in accordance with the Internal Audit Commission Regulations approved by the General Meeting of Shareholders.

15.6. For the purpose of annual audit of Company's financial statements, the Company shall hire an external auditor not having common interests with the Company or its shareholders.

#### ARTICLE 16. BOOKKEEPING AND FINANCIAL STATEMENTS. COMPANY'S DOCUMENTS AND INFORMATION DISCLOSURE

16.1. The Company shall keep books and records and produce financial statements in accordance with the Russian laws, Bank of Russia's regulations, Company's internal regulations, and best international banking practices.

16.2. Annual reports comprising annual financial statements shall be approved by the General Meeting of Shareholders and posted on the Company's web site at <http://www.nsd.ru>.

An annual report shall be pre-approved by the Supervisory Board no later than 30 days prior to the date of the General Meeting of Shareholders.

An annual report and annual financial statements shall be audited for the accuracy by the Internal Audit Commission.

16.3. The Chairperson of the Executive Board and the chief accountant shall be responsible for arrangement of the bookkeeping processes, accuracy of financial statements, filing annual reports and financial statements with the relevant state authorities in a timely fashion, as well as for the timely disclosure of information regarding Company's activities to Company's shareholders, lenders, clients, and to mass media.

16.4. A Company's reporting year shall start on the 1st day of January and end on the 31st day of December.

16.5. Information regarding the Company shall be disclosed in accordance with the requirements of the applicable Russian laws and other regulations.

16.6. The Company shall grant its shareholders access to the documents the list of which is set forth by the applicable federal law.

16.7. Access to accounting records and minutes of Executive Board meetings shall be granted to a shareholder(s) holding in aggregate at least 25 percent of the Company's voting shares.

16.8. Documents referred to in clauses 16.6 and 16.7 above shall be provided to a shareholder(s) for review in the Company's office within 7 days following the relevant request.

16.9. The Company shall store documents the list of which is set forth by the Federal Law "On Joint-Stock Companies" at the location of its executive bodies in the manner and within the retention period prescribed by the Bank of Russia.

16.10. The Company shall maintain a list of its affiliates and disclose the same in accordance with the requirements of the applicable Russian laws.

16.11. In pursuance of the state social, economic and tax policies, the Company shall ensure the security, proper arrangement, prolonged storage, and use of personnel-related documents, including personal data of Company's employees (including for the purpose of providing the same upon requests made by organizations or individuals).

Company's personnel-related documents shall be handed over for public safekeeping in accordance with the procedure prescribed by the federal public records agency.

The list of documents and their retention periods shall be determined by the Company.

Documents may only be destructed upon the expiry of the applicable retention periods, with such destruction to be properly recorded and approved.

## ARTICLE 17. REORGANIZATION AND LIQUIDATION OF THE COMPANY

17.1. The Company shall cease its operations on any ground provided for by the Russian laws.

17.2. The Company may be reorganized voluntarily in accordance with the procedure prescribed by the federal laws, including the Federal Law “On the Central Securities Depository”. subject to the specific requirements set forth by the Bank of Russia for credit organizations.

17.3. The Company may be reorganized through merger, consolidation, split-up, spin-off, or transformation.

17.4. The Company’s reorganization (other than reorganization through consolidation) shall be deemed completed upon the state registration of the newly established legal entities.

In the event of Company’s reorganization through consolidation whereby another legal entity consolidates with the Company, the Company’s reorganization shall be deemed completed as soon as the entry on the liquidation of such other legal entity is made in the Unified State Register of Legal Entities.

17.5. The Company’s reorganization shall result in the assignment of its rights and obligations to its legal successor(s).

17.6. Within 30 days of the date when the decision is made to reorganize the Company through merger, consolidation, or transformation, the Company shall disclose such information on the Company’s web site and give notice thereof to its creditors:

- either by sending a written notice to each creditor (by mail, return receipt requested) and publishing the relevant notification in the printed media that is used to publish information on the state registration of legal entities; or

- by publishing the relevant notification in the printed media that is used to publish information on the state registration of legal entities, and in a printed media that is used to publish laws or other regulations passed/issued by state authorities in a Russian Federation region in which a Company’s branch(es) is/are located.

Within 30 days of the receipt of the said notice, or within 30 days of the publication of the said notice in the printed media that is used to publish information on the state registration of legal entities, the Company’s creditors may request in writing that the relevant liabilities are discharged early or terminated and losses are compensated in the manner provided for by the Federal Law “On Banks and Banking Operations”.

Upon the Company’s reorganization, any and all documents subject to retention shall be handed over to the Company’s legal successor(s).

17.7. The Company shall be liquidated in accordance with the procedure provided for by the applicable Russian laws.

17.8. The liquidation procedure shall be deemed completed, and the Company shall be deemed liquidated as soon as the relevant entry is made by the competent registration authority in the Unified State Register of Legal Entities.

## ARTICLE 18. MISCELLANEOUS

18.1. Any amendments to these Articles of Association or a new version of these Articles of Association shall be registered with the competent registration authority in accordance with the procedure provided for by the applicable Russian laws.

18.2. Any amendments to these Articles of Association or a new version of these Articles of Association shall take effect for third parties upon the state registration of the same.

Chairman, NSD’s Executive Board

Eddie Astanin