

Open Joint Stock Company Promsvyazbank



APPROVED

By the Minutes No.39 of
the Board of Directors
OJSC Promsvyazbank
as of 25 September 2008.

REGULATIONS

on the Strategy Committee of
the Board of Directors
OJSC Promsvyazbank

(ver. 1.0)

MOSCOW, 2008

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1. TERMS AND DEFINITIONS

For the purposes of these Regulations on the Strategy Committee of the Board of Directors OJSC Promsvyazbank (the “Regulations”) the following terms and definitions have been set:

The Bank – Open Joint-Stock Company Promsvyazbank.

The Committee – the Strategy Committee of the Board of Directors of the Bank.

2. GENERAL PROVISIONS

- 2.1 The Committee is created by the resolution of the Board of Directors and in accordance with these Regulations.
- 2.2 These Regulations shall stipulate the Committee’s status, composition, and competence, as well as the authority, principles and working procedures of the Committee, including the process of interaction with the governing bodies and employees.
- 2.3 The goal of the Committee shall be to assist to the Board of Directors in defining of the priorities and development of the Bank’s strategy.
- 2.4 The Committee’s activities shall be in compliance with:
 - The legislation of the Russian Federation;
 - The Bank’s Charter;
 - The Bank’s Regulations on the Board of Directors;
 - Resolutions of the Board of Directors;
 - These Regulations;
 - Other the Bank’s internal documents approved by the General Meeting of Shareholders and the Board of Directors.
- 2.5 The Committee shall be headed by the Chairman and reports to the Board of Directors.
- 2.6 The Committee acts within the powers stipulated by these Regulations approved by the Board of Directors.
- 2.7 In the event of changes in the names of divisions and positions of Bank associates who perform within the framework of these Regulations, provided their functions defined herein are retained and if said functions are transferred to the other divisions and Bank associates, the work hereunder is to be performed by the relevant divisions and Bank associates until such time as these Regulations are amended.
- 2.8 The Committee’s members shall comply with the confidentiality requirements applicable to the received information on the Bank’s activities and with the internal rules set in accordance with legislation of the Russian Federation, the Bank’s Charter, Regulations on the Board of Directors, and other internal Bank’s documents.

3. GOALS AND COMPETENCE OF THE COMMITTEE

- 3.1. The primary goals of the Committee shall be the preliminary consideration and recommendations to the Board of Directors to resolve on the long-term strategic development issues, organization of the strategic management process, and setting the roles of the participants.
- 3.2. The major functions of the Committee as follows:
 - to analyze the concepts, programs, and strategic development plans, prepared by the executive bodies of the Bank;

- to monitor the implementation of the Bank's Strategy by key indicators, and to provide the corrections based on efficiency increase needs taking into account the capital markets tendencies, the Bank's results, and Russian banking system status, etc;
- to analyze the investment project to be provided to the Board of Directors;
- to consider any other strategic issues upon request of the Board members.

3.3. The Committee shall assist in ensuring that the members of the Board of Directors play an active role in its supervisory capacity and that each member is personally aware of the Bank's strategic development issues.

4. COMPOSITION OF THE COMMITTEE

4.1. The Committee composition shall be determined by the Board of Directors but in any case not less than three members.

4.2. The Committee may only consist of members of the Board of Directors and the Bank's employees. The Committee may engage experts (with no voting power) who are not members of the Committee and who have the required professional expertise to assist it in its work.

4.3. The Committee's Chairman shall be elected to supervise the work of the Committee and to coordinate with the Board of Directors. The Committee Chairman's primary objective shall be to ensure that the Committee's recommendations to the Board of Directors are based on objective criteria.

4.4. The Committee's Chairman may sit on other committees of the Board of Directors, but may not chair any other committee.

4.5. The Bank's President, members of the Board of Directors, the Audit Commission, and the Management Board, and other officers and employees of the Bank may be invited to attend Committee's meetings if required.

5. FORMATION OF THE COMMITTEE

5.1. The members of the Committee shall be elected by the Board of Directors from among the Board members and the Bank's employees on the nomination of any member of the Board of Directors at the first meeting following election of a new Board of Directors and shall remain in office until the appointment of a new Board of Directors.

5.2. In accordance with the resolution of the Board of Directors the Committee's membership may be ceased for all or some members as follows:

5.2.1. The cessation of the membership by own wish.

The member of the Committee may cease his/her membership by sending a written note to the Chairman of the Board of Directors and the Chairman of the Committee by registered mail or provide it to the Secretary of the Committee in one month to the proposed date of the cessation of the membership.

In such case the Board of Directors at the next meeting elect the new Committee member or reduce the composition of the Committee. Till that date the Committee member shall carry all his/her responsibilities in full.

5.2.2. The cessation of the membership by the resolution of the Board of Directors.

In such case the Board of Directors at the same meeting elect the new Committee member or reduce the composition of the Committee.

5.3. When electing the members of the Committee, education, professional skills, experience in matters relating to the activities of the Committee, ability to work with financial documentation, as well as other specialized knowledge required for Committee members to exercise their authority, should be taken into account.

- 5.4. The Chairman of the Committee shall be elected among Committee's members by the majority vote of the Committee's members at their first meeting. The Secretary of the Committee shall be elected among Bank's employees by the majority vote of the Committee's members at their first meeting.
- 5.5. The Committee's Chairman shall organize the Committee's work:
- to provide the overall governance over the Committee's activities;
 - to approve the agenda of the Committee's meetings;
 - to resolve to hold the Committee's meetings;
 - to convene and chair the Committee's meetings and to facilitate the discussion of the agenda issues;
 - to organize the drafting of the forthcoming Committee's meetings plan taking into the account the Board of Directors' meetings plan and the proposals from other Committee's members.
 - to present the Committee's results at the Board of Directors' meetings;
 - to provide other functions stipulated by these Regulations.

6. THE COMMITTEE'S MEETINGS

6.1. The Committee's meetings shall be held in accordance with the meetings' schedule and extraordinary. The meeting's schedule shall be adopted by the Committee. If the issue brought to the attention of the Committee is an important one and/or requires urgent decision the extraordinary Committee's meeting shall be held.

6.2. The agenda for the meeting shall be approved by the Committee's Chairman.

Agenda items may be proposed by any Committee's member before the approval. Amendments to the agenda is allowed upon the simultaneous agreement of the Committee's members.

Members of the Board of Directors who are not the Committee's members, the Bank's President, members of the Audit Commission and the Management Board, and experts engaged to assist the Committee may provide the proposals to the Committee's Chairman for consideration of any matter falling within the competence of the Committee. Such item may be considered either at the next scheduled Committee meeting or, if the matter is of particular importance and requires consideration without delay, at a specially convened Committee's meeting.

6.3. The final decision to convene the Committee's meeting shall be taken by the Committee's Chairman.

6.4. The notification of the Committee's members and invitees on the date and place of the meeting shall be made by the Committee's Secretary not later than in three calendar days before the meeting (the voting deadline date) by e-mail with the delivery reports.

6.5. The necessary materials on items included in the agenda shall be provided to the Committee's members not later than in one working day before the meeting (the voting deadline date).

6.6. Committee meetings shall be conducted either by way of meeting or by Committee members' absentee voting (by ballots).

A meeting may be held using telecommunications equipment (conference call, etc.). Persons invited to attend the meeting, including Committee members, if they are unable to attend, may provide their opinions on agenda items in writing.

The meetings shall be chaired by the Committee's Chairman.

6.7. A quorum for the Committee's meeting shall be considered constituted if more than half of the Committee members are present.

6.8. The quorum is determined by the Committee's Secretary at the beginning of the meeting and recorded in the minutes. If there is no quorum, the recurring Committee's meeting with the same agenda shall be held.

6.9. In the quorum determination the written opinions of the absent Committee's members shall be taken into consideration provided in accordance with the Clause 6.6. The written opinion is valid if:

- it's been provided in the written form;
- it's been delivered prior to the beginning of the voting on the agenda items;
- it's been signed by the Committee's member;
- it contains the obvious opinion of the Committee's member (FOR, AGAINST, or ABSTAIN).

The written opinion shall be attached to the minutes of the Committee's meeting.

6.10. The Committee's resolutions shall be taken by the open (or absentee) voting. Each of the Committee's members as well as the Chairman has one vote. The voting powers could not be delegated to any other Committee's member or the Chairman.

6.11. Apart from the Committee's members the invitees and the Committee's secretary may attend the Committee's meetings. These persons may participate in the discussions and make suggestions on the agenda items but have no voting powers.

6.12. The minutes of the Committee's meeting shall be in a written form and signed by the Committee's Chairman and Secretary.

6.13. The minutes shall contain the following information: place, date and time of the meeting, attendees, agenda items, voting results and adopted resolutions, written opinions of the absent members of the Committee. The personal opinion of the Committee's member voted AGAINST or ABSTAIN on the agenda item may be recorded in the minutes at this member's request.

6.14. The minutes of the Committee's meetings and the Committee's recommendations ("Recommendations") shall be made in one copy and kept by the Committee's Secretary.

6.15. At the Committee's meeting any information on the personal conflicts of interest of the Committee's member on agenda items shall be disclosed to the other Committee's members.

6.16. As a result of the meeting the Committee's Recommendations may be approved. Recommendations shall reflect the opinion of the Committee as a whole and shall be approved by the Committee. If the opinions of the Committee's members are not identical, dissenting opinions, if asked, may be recorded in the minutes.

Recommendations shall be signed by the Committee's Chairman and Secretary. Recommendations may include as appendices the materials considered at the Committee's meeting. The Committee's Chairman shall be responsible for members of the Board of Directors being timely and fully apprised of the Recommendations.

6.17. The Recommendations shall be presented by the Committee's Chairman to the Board of Directors. It may be considered by the Board of Directors' members at the discussion of the respective issues at the Board of Directors' meeting.

The Committee's members and other members of the Board of Directors shall have access to the minutes of the Committee's meetings, Recommendations, and materials provided to the Committee.

7. RIGHTS AND OBLIGATIONS OF THE COMMITTEE'S MEMBERS

7.1. The members of the Committee shall:

- participate fully and thoroughly in the work of the Committee;
- maintain good attendance at the Committee's meetings and be active in discussion on the agenda items;
- study all documents provided at or for the Committee's meeting;
- inform the Committee promptly of any conflict of interest in any decisions to be taken; and

- avoid any actions that might compromise the Committee in fulfilling its mandate or question its members' professional integrity.
- 7.2. Committee members shall have the right to request the information or documents falling within the competence of the Committee from the Board of Directors, President, Management Board, and Audit Commission.
 - 7.3. The Committee may authorize a member of the Committee to scrutinize any particular matter falling within the competence of the Committee in greater detail and report back on the results of such scrutiny.

8. APPROVAL AND AMENDMENTS TO THESE REGULATIONS

- 8.1. These Regulations shall be approved by the Board of Directors. Amendments to these Regulations shall be approved by the Board of Directors.
- 8.2. The Committee shall recommend to the Board of Directors amendments to these Regulations reflecting the changes of legislation, normative acts, and the Bank's needs.
- 8.3. If in the event of changes in the legislation of the Russian Federation, the Bank's Charter, Regulations on the Board of Directors some articles of these Regulations become to contradict them such articles shall not be deemed valid and applicable by the Committee's members until the necessary amendments will be introduced to the Regulations.