

**CHARTER**  
**of**  
**Joint Stock Company**  
**Deutsche Bank DBU**

(restated)

**Identification number: 36520434**

**APPROVED**  
by the Resolution of the sole Shareholder of  
Joint Stock Company Deutsche Bank DBU  
No. 42 dated 8 March 2024

Kyiv, Ukraine – 2024

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**Section 1.**  
**GENERAL PROVISIONS**

1.1. When used herein, the terms below should be defined as follows:

<b>Shareholders</b>	mean the Sole Shareholder and any other Shareholders of the Bank, if any.
<b>Bank</b>	means Joint Stock Company Deutsche Bank DBU.
<b>Designated Officer</b>	means the Bank's employee responsible for financial monitoring.
<b>Chairperson of the Supervisory Board</b>	means the Chairperson of the Supervisory Board.
<b>Chairperson of the Management Board</b>	means the Chairperson of the Management Board.
<b>Sole Shareholder</b>	means DEUTSCHE BANK AKTIENGESELLSCHAFT, a corporation duly incorporated and operating under the laws of the Federal Republic of Germany, registered in the Commercial Register of the Land Court of Frankfurt am Main under No. HRB 30 000, with its main office at 12 Taunusanlage, Frankfurt am Main, 60325, Federal Republic of Germany, which is the founder and shareholder of the Bank and has signed the Agreement on the Establishment of Deutsche Bank DBU (Memorandum of Association) dated 24 December 2008.
<b>General Meeting</b>	means the general meeting of the Bank's Shareholders.
<b>Law on Joint Stock Companies</b>	means the Law of Ukraine "On Joint Stock Companies".
<b>Law on Banks</b>	means the Law of Ukraine "On Banks and Banking Activities".
<b>Legislation</b>	means the legislation of Ukraine.
<b>Qualification Requirements</b>	mean the requirements for professional suitability and business reputation established by the Law on Banks and by the regulations of the NBU.
<b>Heads of the Bank</b>	mean the persons specified in part one of Article 42 of the Law on Banks.
<b>Heads of Control Departments</b>	mean the Chief Risk Manager of the Bank, the Chief Compliance Manager of the Bank and the Head of the Internal Audit Department of the Bank.
<b>Supervisory Board</b>	means the Supervisory Board of the Bank.
<b>NBU</b>	means the National Bank of Ukraine.
<b>Independent Directors</b>	mean the independent members of the Supervisory Board of the Bank.
<b>NSSMC</b>	means the National Securities and Stock Market Commission of Ukraine.

<b>Compliance Department</b>	means the compliance department of the Bank.
<b>Control Departments</b>	mean the Bank's Risk Management Department, the Compliance Department and the Internal Audit Department.
<b>Regulation on the Shareholders Meeting</b>	means the document titled "Regulation on the General Meeting of Shareholders of Joint Stock Company Deutsche Bank DBU," approved by the Resolution of the Sole Shareholder (as amended from time to time).
<b>Regulation on the Supervisory Board</b>	means the document titled "Regulation on the Supervisory Board of Joint Stock Company Deutsche Bank DBU", approved by the Resolution of the Sole Shareholder (as amended from time to time).
<b>Regulation on the Management Board</b>	means the document titled "Regulation on the Management Board of Joint Stock Company Deutsche Bank DBU," approved by the Resolution of the Supervisory Board (as amended from time to time).
<b>Management Board</b>	means the Management Board of the Bank.
<b>Charter</b>	means this Charter of the Bank.
<b>Authorised Capital</b>	means the authorised capital of the Bank.
<b>AML/FT</b>	means prevention and combating of money laundering, terrorist financing and financing of proliferation of weapons of mass destruction.
<b>Constituent Meeting</b>	means the constituent meeting of the sole founder of the Bank held on 14 March 2009 (Minutes No. 1 of the Constituent Meeting of Open Joint Stock Company Deutsche Bank DBU dated 14 March 2009).
<b>Deposit Guarantee Fund</b>	means the Deposit Guarantee Fund.

- 1.2. This Charter establishes the procedure for operations and dissolution of the Bank.
- 1.3. The Bank has been incorporated and exists based on the Law on Banks, the Law on Joint Stock Companies, the Law of Ukraine "On the Depository System of Ukraine", the Civil Code of Ukraine, the Economic Code of Ukraine, the regulations of the NBU, other laws and regulations and this Charter.
- 1.4. The Bank has a status of the bank with the foreign capital.
- 1.5. The Bank's sole founder and shareholder is the Sole Shareholder.
- 1.6. The Bank is a legal successor as to all the assets, rights and liabilities of Public Joint Stock Company Deutsche Bank DBU.

On 25 October 2018, the Sole Shareholder resolved to change the Bank's legal form from a public joint stock company to a private joint stock company and to change the Bank's name; in particular, the Bank was renamed as Joint Stock Company Deutsche Bank DBU (Resolution of the Sole Shareholder No. 25 dated 25 October 2018).

In its turn, Public Joint Stock Company Deutsche Bank DBU was a legal successor of all the assets, rights and liabilities of Open Joint Stock Company Deutsche Bank DBU incorporated by the Resolution of the Constituent Meeting (Minutes No. 1 of the Constituent Meeting of

Open Joint Stock Company Deutsche Bank DBU dated 14 March 2009) as an open joint stock company and registered by the NBU (date of registration with the State Register of Banks: 19 June 2009, registration number in the State Register of Banks: No. 332).

The Bank's name was changed from Open Joint Stock Company Deutsche Bank DBU to Public Joint Stock Company Deutsche Bank DBU pursuant to the respective Resolution of the Sole Shareholder (Minutes No. 2 of the Extraordinary General Meeting of Shareholders of Open Joint Stock Company Deutsche Bank DBU dated 7 December 2010).

- 1.7. Name of the Bank:
- Full name of the Bank in Ukrainian – **Акціонерне товариство "Дойче Банк ДБУ"**.
- Full name of the Bank in English – **Joint Stock Company Deutsche Bank DBU**.
- Full name of the Bank in German – **Aktiengesellschaft Deutsche Bank DBU**.
- Abbreviated name of the Bank in Ukrainian – **АТ "Дойче Банк ДБУ"**.
- Abbreviated name of the Bank in English – **JSC Deutsche Bank DBU**.
- Abbreviated name of the Bank in German – **AG Deutsche Bank DBU**.
- 1.8. The registered address of the Bank: 20 Lavrska Str., Kyiv, 01015, Ukraine.
- 1.9. Bank's identification number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations: 36520434.
- 1.10. The Bank's official language is Ukrainian. The Bank's working languages (including for correspondence between the Bank and the Shareholders, related parties, their employees, the Bank and the Bank's clients, members of the Bank's governing bodies and Control Departments, etc.) are Ukrainian, English and/or German. Such correspondence is the Bank's official correspondence in each of the languages.

## **Section 2. LEGAL STATUS AND RIGHTS OF THE BANK**

- 2.1. The Bank is a legal entity as a private joint stock company in accordance with the legislation.
- 2.2. The Bank operates as a multi-service bank.
- 2.3. The Bank acquires the bank's status and the banking right only after the banking licence is received, and data thereon are entered into the State Register of Banks maintained by the NBU.
- 2.4. The Bank should be established for an indefinite period.
- The Bank's operations can be suspended only on the grounds and in accordance with the procedure established by this Charter and the legislation.
- 2.5. The Bank owns movable property and real estate, has its own balance sheet, opens its correspondent accounts with the NBU and other banks, and uses its corporate letterhead (with the Bank's name and other details) and other details.
- 2.6. The Bank does not use a seal in its operations, save for the cases when affixing the Bank's seal on the documents of the Bank is mandatory in accordance with the law.
- 2.7. In order to reach its operating objectives hereunder, the Bank may take other actions on its own behalf: acquire (exercise) property and personal non-property rights, create (fulfil) obligations and act as a claimant, defendant and intervener in court of any level, economic court, administrative court, arbitration and mediation court, foreign court etc.

2.8. The Bank owns, uses and disposes of its property and funds pursuant to its operating objectives hereunder.

The Bank shall be liable for its liabilities with all of its assets in accordance with the legislation.

The Bank shall not be liable for the state's obligations, and the state shall not be liable for the Bank's obligations, unless otherwise provided by the legislation or agreement.

The NBU shall not be liable for the Bank's obligations, and the Bank shall not be liable for the NBU's obligations, unless otherwise provided by the legislation or agreement.

The Shareholders shall be liable for obligations of the Bank in accordance with the legislation and Charter.

A person that is the Bank's related party shall bear civil, administrative, and criminal liability for violating the requirements of legislation, including regulatory legal acts of the NBU, carrying out risky transactions that threaten the interests of depositors or other creditors of the Bank, or bringing the Bank to insolvency.

A person that is the Bank's related party, whose actions or inaction led to damage to the Bank due to that person's fault, shall be liable with that person's assets. If, as a result of the actions or inaction of a person that is the Bank's related party, the Bank has incurred damages, and another person that is the Bank's related party directly or indirectly received a financial benefit as a result of such actions or inaction, such persons shall be jointly and severally liable for the damage caused to the Bank.

2.9. In order to reach its operating objectives and conduct transactions hereunder, the Bank has without limitation the following rights:

- 1) to enter into agreements on its own behalf and effect other civil law agreements and transactions with any Ukrainian and foreign legal entities and individuals both in Ukraine and abroad, provided that they are consistent with the legislation, including sale and purchase of real estate;
- 2) to carry out foreign economic activity, including without limitation to conduct any foreign economic transactions necessary to reach the objectives hereunder, provided that such transactions are consistent with the legislation;
- 3) to grant guarantees and suretyship on its own behalf;
- 4) to establish interest rates for debit and credit operations and the commission fee for cash management and payment services and other services provided by the Bank on its own, in accordance with the requirements established by the legislation, in particular, the regulations of the NBU;
- 5) to obtain loans from other banks, including foreign banks, as prescribed by the legislation;
- 6) when a lending decision is made, to demand from the clients to provide the Bank with the documents necessary for the Bank to study the borrower's economic activity and paying capacity in advance;
- 7) to hire, transfer and dismiss the employees in accordance with the legislation;
- 8) to decide on the form and procedure for paying the salary to its staff on its own;
- 9) to perform professional operations at the capital market, including at the stock market (securities market), the market of derivative financial instruments, including without limitation professional operations for trade in financial instruments (securities) (dealership, broker's activity etc.);
- 10) to certify the power of attorney with the right to administer the funds on deposit accounts, to certify and keep instructions of the Bank's clients as to funds on deposit accounts in case of death (testamentary instructions);

- 11) to provide property appraisal services in accordance with the requirements of the Law of Ukraine “On Appraising the Property, Property Right and Professional Appraisal Activity in Ukraine” in order to conduct the banking transactions provided for by the Law on Banks;
  - 12) to conduct transactions at the capital markets provided that they are consistent with the legislation, including the regulations of the NBU;
  - 13) based on the resolution of the designated body of the Bank and respective authorisations of the NBU (if necessary), to found subsidiary enterprises and banks both in Ukraine and abroad, with such subsidiary enterprises and banks having the status of legal entities and acting on their own behalf based on the Charter approved by the resolutions of the Supervisory Board. Based on the resolution of the designated body of the Bank, the latter may open standalone units (branches, departments, representative offices etc.) in Ukraine, and provided that the NBU has permitted so – branches or representatives offices outside Ukraine;
  - 14) to join non-profit unions and associations pursuant to the resolutions of the designated body of the Bank in order to protect and represent the Shareholders’ interests, develop interregional and international connections, facilitate scientific and information exchange, satisfy professional interests and developing banking recommendations.
- 2.10. The Bank effects direct investment and transactions involving financial instruments in accordance with the legislation.
- The Bank may purchase the legal entity’s shares (interest, stock) that constitute or will constitute in aggregate ten or more percent of its authorised capital provided that such purchase is authorised by the NBU in advance in accordance with the established procedure.
- The Bank may purchase the legal entity’s shares (interest, stock) that constitute or will constitute in aggregate ten or more percent of its authorised capital without the written authorisation of the NBU as prescribed by the Law on Banks.
- The Bank may not acquire an interest in the legal entity if the legislation or Charter of the legal entity provides the member’s full liability for the legal entity’s obligations.
- 2.11. The Bank may not conduct risk activities that threaten interests of depositors or other creditors of the Bank.

### **Section 3. SCOPE AND PURPOSE (OBJECTIVES) OF THE BANK’S OPERATIONS**

- 3.1. The scope of the Bank’s operations is banking based on the banking licence granted by the NBU by way of provision of banking services, as well as other activities consistent with the legislation, as prescribed by the legislation.
- 3.2. The purpose (objectives) of the Bank’s activity should be business operations to gain profit for its own development and for the benefit of the Shareholders.

### **Section 4. AUTHORISED CAPITAL AND SHARES OF THE BANK**

- 4.1. The Authorised Capital should be formed in accordance with the Law on Banks, other legislation and Charter.
- 4.2. The Authorised Capital should be formed and increased with the monetary contributions except as otherwise provided for by the legislation. The monetary contributions for the

formation of, and increase in, the Authorised Capital are made in UAH by residents of Ukraine and in the foreign hard currency or UAH by non-residents. The Bank's losses should not prevent it from increasing its Authorised Capital.

The Authorised Capital should not be formed from unconfirmed sources or funds that may not be used to form the Authorised Capital in accordance with the legislation.

- 4.3. The Authorised Capital, the amount of which may be altered during the Bank's operations, has been formed for banking activities.
- 4.4. The Authorised Capital is UAH 301,839,254.64 (three hundred and one million eight hundred and thirty-nine thousand two hundred and fifty-four Ukrainian hryvnias and 64 kopecks) and is formed as a result of issue of the shares.
- 4.5. The Bank's Authorised Capital is divided into 228,666,102 (two hundred and twenty-eight million six hundred and sixty-six thousand one hundred and two) ordinary registered shares of the Bank with the nominal value of UAH 1.32 (one Ukrainian hryvnia and 32 kopecks each).
- 4.6. The Bank's shares are ordinary shares that exist in electronic form.

In order to facilitate issue and registration of shares and conduct transactions with them, the Bank enters into an agreement on servicing the issue of shares with the depository institution.

The title to the Bank's shares is certified with the securities account statement issued by the depository institution.

- 4.7. All the shares of the Bank (228,666,102 (two hundred and twenty-eight million six hundred and sixty-six thousand one hundred and two), which are ordinary registered shares of the Bank with the nominal value of UAH 1.00 (one Ukrainian hryvnia) and were issued during the first placement, were acquired by the Sole Shareholder within the first placement of the Bank's shares.

Before the Constituent Meeting was held, the Sole Shareholder had contributed 100% of the nominal value of the Bank's shares.

Resolution No. 18 of the Sole Shareholder dated 26 April 2017 increased the Authorised Capital by UAH 73,173,152.64 (seventy-three million one hundred and seventy-three thousand one hundred and fifty-two Ukrainian hryvnias and 64 kopecks), up to UAH 301,839,254.64 (three hundred and one million eight hundred and thirty-nine thousand two hundred and fifty-four Ukrainian hryvnias and 64 kopecks), by increasing the nominal value of the shares by UAH 0.32 (32 kopecks), up to UAH 1.32 (one Ukrainian hryvnia and 32 kopecks), by allocating a part of the Bank's profit for 2016 to the Authorised Capital.

- 4.8. Each issue of the Bank's shares is registered by the NSSMC as prescribed by the legislation. Circulation of the Bank's shares is permitted after the NSSMC registers the report on results of issue of the shares and grants a certificate of registration of issue of the shares.
- 4.9. The Shareholder is an entity that holds at least one share of the Bank.

The Shareholder withdraws from the Bank based on and as a result of alienation of its shares.

The Shareholder is admitted to the Bank based on and as a result of purchase of the Bank's shares. The Bank may buy its own shares in accordance with the procedure established by the legislation. The Bank is not permitted to buy its own shares if this may lead to a decrease of the regulatory capital below the minimum level.

- 4.10. One ordinary registered share should give the Shareholder one vote in resolving each matter at the General Meeting.

Ordinary shares should not be converted into preferred shares or other securities of the Bank. The Bank issues no preferred shares.



A share should not be split. If one share belongs to several entities, all such entities should be considered to be one Shareholder and may exercise their rights via one of them or their common proxy.

4.11. The Bank may change (increase and decrease) its Authorised Capital. A resolution to increase or decrease the Authorised Capital is adopted by the General Meeting.

4.12. The Authorised Capital is increased as prescribed by the legislation, by increasing the nominal value of the shares or additionally issuing the shares with the existing nominal value.

The Bank should have the right to resolve to increase the Authorised Capital following registration of reports on the results of issue of all previous issues of shares.

Additional shares are placed as prescribed by the legislation. Payment for the shares additionally placed by the Bank should be effected in accordance with the legislation.

4.13. The Authorised Capital should be decreased in accordance with the procedure established by the legislation through reduction of the nominal value of shares or by cancelling the shares already redeemed by the Bank and reducing their total quantity.

The Bank may decrease the Authorised Capital following notification of the creditors whose claims against the bank are not secured with the pledge, guarantee or surety as prescribed by the legislation.

4.14. The Bank may redeem its shares from its holders in accordance with the legislation.

4.15. As prescribed by the legislation, the Bank may annul the shares it has redeemed and decrease the Authorised Capital or increase the nominal value of the remaining shares while the Authorised Capital will remain the same.

The General Meeting may decide to repurchase the Bank's shares without further reduction of the Bank's share capital, provided that on the day of such repurchase the Bank shall form a reserve capital in the amount of the total nominal value of the shares to be repurchased. Such reserve capital may not be distributed and shall be used exclusively to increase the nominal value of shares.

4.16. As resolved by the respective designated body of the Bank, the Bank may issue shares, bonds, saving (deposit) certificates, bills and other securities, within the time frames and in accordance with the procedure established by the legislation.

## **Section 5. BANK'S PROPERTY**

5.1. The Bank owns:

- 1) monetary funds, any property and non-property rights transferred into the Bank's ownership by the Shareholders;
- 2) monetary funds obtained from selling the Bank's securities to legal entities and individuals;
- 3) income and property obtained by the Bank as a result of financial, economic and banking activities in Ukraine and abroad;
- 4) other property, property and non-property rights acquired in accordance with the legislation.

5.2. The Bank develops and introduces the actions necessary for legal protection of its interests, financial, economic and information security, protection of its property, property and non-property rights and funds.

**Section 6.**  
**TYPES AND AREAS OF THE BANK'S OPERATIONS**

- 6.1. The Bank may provide banking and other financial services (except for insurance services) and carry out other activities defined by the legislation, both in the national and foreign currency.
- 6.2. The Bank may conduct banking activities based on the banking licence by providing the following banking services:
- 1) employing funds and bank metals that are repayable from an unlimited number of persons;
  - 2) opening and maintaining current (payment, correspondent) accounts of clients, including accounts in bank metals and escrow accounts;
  - 3) provision of loans at the expense of funds and bank metals employed in deposits, including on current accounts, on its own behalf, under its own conditions and at its own risk.
- 6.3. The Bank performs its professional operations at the capital markets based on the licence issued by the NSSMC.
- 6.4. The Bank should have the right to provide specific financial services to its clients (except for banks) through agency agreements with legal entities (commercial agents). The list of financial services the Bank may render to its clients (except for banks) through agency agreements should be determined by the NBU. The Bank should inform the NBU of the agency agreements it has entered into. The Bank may enter into an agency agreements with the legal entity that meets the requirements set by the NBU.
- 6.5. The Bank renders individuals and legal entities the services of trade in currency valuables in cash and non-cash form, with the currency valuables concurrently credited to their accounts in accordance with the Law of Ukraine "On the Currency and Currency Transactions".
- 6.6. Apart from financial services, the Bank should have the right to carry out activities on:
- 1) investment;
  - 2) issuance of its own securities;
  - 3) storage of valuables (including as to record keeping and storage of securities and other valuables seized for the benefit of the state and/or declared to be derelict), or property rent (lease) of the personal bank safe box;
  - 4) cash collection and transportation of currency valuables;
  - 5) provision of consulting and information services regarding banking and other financial services;
  - 6) provision of services of the bond issue administrator pursuant to the Law of Ukraine "On the Capital Markets and Organised Commodity Markets".
- 6.7. The Bank may conduct the following credit transactions:
- 1) transactions specified in Sub-clause 3) of Clause 6.2 of the Charter;
  - 2) transactions at the capital markets on its own behalf;
  - 3) provision of guarantees, surety and other obligations on behalf of third parties that must be performed in monetary form;
  - 4) acquisition of the claim for the obligations in monetary form for the goods supplied or services provided, with the risk of meeting such requirements and acceptance of payments (factoring) assumed;

- 5) leasing.
- 6.8. The Bank provides property appraisal services in accordance with the requirements of the Law of Ukraine "On Appraising the Property, Property Right and Professional Appraisal Activity in Ukraine" in order to conduct the banking transactions provided for by the Law on Banks.
- 6.9. The Bank does not perform operations in material production, trade (except for the sale of commemorative, anniversary and investment coins) and insurance, other than the insurance agent's function.
- 6.10. The Bank is free to decide on the areas of its operations within the transactions permitted for the Bank.
- 6.11. The Bank should have the right to execute any juridical acts necessary for it to provide banking and other financial services and to carry out other activities.
- 6.12. The Bank may provide payment services in accordance with the Law of Ukraine "On Payment Services" with account of the requirements of the legislation and regulations of the NBU on the banks' operations.
- 6.13. The Bank may start a new type of business or provide a new type of financial services (other than banking ones) provided that the NBU's requirements for this type of activity or service are met.
- 6.14. At least one month before the start of the new type of business or provision of the new type of financial services (other than banking ones), the Bank should inform the NBU thereof in accordance with the requirements and procedure established by the legislation.
- 6.15. The Bank is free to establish interest rates for debit and credit operations and the commission fee for the services provided by the Bank, in accordance with the legislation and internal credit policy of the Bank.

**Section 7.**  
**RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS**

- 7.1. The Shareholders' obligation shall be established exclusively by the law.
- 7.2. The Shareholders may:
  - 1) participate in the management of the Bank, including without limitation by voting at the General Meeting in person or by proxy;
  - 2) receive dividends (unless otherwise provided for by the legislation);
  - 3) in case the Bank is dissolved, receive a part of its property remaining after the claims of the other creditors of the Bank are satisfied, in the amount proportional to the number of the Shareholder's shares or value of the share in the Bank's property;
  - 4) obtain information on the Bank's economic operations; upon the Shareholder's request, the Bank should provide annual financial reports of the Bank, economic reports, minutes of the General Meeting, other documents and information as prescribed by the legislation;
  - 5) duly cease to be a Shareholder;
  - 6) alienate their shares as prescribed by the legislation;
  - 7) enjoy the pre-emptive right to acquire the ordinary shares placed by the Bank upon additional issue (except when the General Meeting resolves not to use the right), in proportion to the number of their ordinary shares in the total number of the Bank's ordinary shares and in accordance with the legislation;

- 8) demand mandatory redemption of their shares by the Bank in the cases and in accordance with the procedure prescribed by the legislation;
- 9) enjoy other rights provided for by the legislation and this Charter.

### **Section 8.**

#### **BODIES OF GOVERNANCE AND CONTROL OF THE BANK. CONTROL DEPARTMENTS.**

- 8.1. The Bank has a two-tier governing structure. The governing bodies of the Bank are as follows:
  - General Meeting;
  - Supervisory Board;
  - Management Board.
- 8.2. The Bank should create the integral, adequate and efficient internal control system, which includes the risk management system and the internal audit in accordance with the requirements established by the NBU.
- 8.3. The Bank establishes permanent Control Departments and controls independent, objective and efficient performance of their duties by these units.
- 8.4. During the entire term of their office, the Heads of the Bank, the Heads of the Control Departments should meet the Qualification Requirements whereas Independent Directors should also meet the independence requirements established by the Law on Joint Stock Companies and regulations of the NBU.
- 8.5. The Bank organises interaction of the units that facilitate operation of the model of three defence lines with account the Bank's size, complexity, volume, type, and nature of the Bank's operations, organisational structure and risk profile of the Bank, considering the peculiarities of the Bank's activities as systemically important (where there is such a status) and/or the activities of the banking group, of which the Bank is (may be) a member.
- 8.6. The General Meeting establishes the amount of the remuneration of the Chairperson and members of the Supervisory Board.

The Supervisory Board establishes the amount of the remuneration of the Chairperson and members of the Management Board, the head and employees of the Internal Audit Department, the Chief Risk Manager and the Chief Compliance Manager.

The Chairperson of the Management Board establishes the amount of the remuneration of other employees of the Bank at his/her own discretion, unless otherwise prescribed by the legislation.

### **Section 9.**

#### **GENERAL MEETING**

- 9.1. The General Meeting is a supreme governing body of the Bank that resolves any operational matters, except for those that legally or under Charter pertain to the exclusive competence of the Supervisory Board or the Management Board.

In case the Supervisory Board is not established or not competent, the Management Board may resolve to have any matter that pertains to the exclusive competence of the Supervisory Board in accordance with the legislation or Charter considered by the General Meeting. The General Meeting may consider the matter and adopt a resolution thereon.
- 9.2. If the Bank has one Shareholder only, the powers of the General Meeting are exercised by the Shareholder individually.

- 9.3. The exclusive competence of the General Meeting includes adopting resolutions on:
- 1) determining main areas of activities of the Bank;
  - 2) amending the Charter, save for cases stipulated by the law;
  - 3) adopting decisions on annul the redeemed or otherwise acquired shares;
  - 4) adopting decisions on change the type of the company;
  - 5) adopting decisions on issue shares, save for cases stipulated by the law;
  - 6) adopting decisions on the sale by the Bank of its own shares that have been repurchased from shareholders or otherwise acquired;
  - 7) adopting decisions on issue securities that can be converted into shares, as well as on the issue of securities in the amount exceeding 25 percent of the value of the Bank's assets;
  - 8) adopting decisions on the increase of the amount of the Authorised Capital, save for cases stipulated by articles 119, 121 and 133 of the Law on Joint Stock Companies;
  - 9) adopting decisions on decrease of the amount of the Authorised Capital;
  - 10) adopting decisions on split or consolidate the shares;
  - 11) approving the internal regulations, particularly on the General Meeting and the Supervisory Board as well as amendments thereto;
  - 12) approving the regulations on the remuneration of members of the Supervisory Board requirements to which are established by the NBU;
  - 13) approving the report on the remuneration of members of the Supervisory Board requirements to which are established by the NBU;
  - 14) approving the annual report of the Bank;
  - 15) reviewing the report of the Supervisory Board , adopting decisions following its consideration;
  - 16) reviewing the external audit report and approving measures following its consideration;
  - 17) approval of the results of financial and economic activities for the relevant year and distributing profit or approval of the procedure for covering losses of the Bank;
  - 18) adopting decisions on redemption of the shares issued by the Bank, except for cases of mandatory redemption of the shares prescribed by the legislation;
  - 19) adopting decisions not to exercise the pre-emptive right of the Shareholders to purchase shares of additional issue;
  - 20) adopting decisions on the payment of dividends, approving the annual dividends with account of the requirements under the legislation, and the method of their repayment;
  - 21) adopting decisions on the procedure for holding the General Meeting, approving the rules of procedure of the General Meeting;
  - 22) electing the Chairperson and members of the Supervisory Board, approving the terms of the civil law or employment agreements (contracts) to be concluded with them, establishing the amount of their remuneration, electing the person authorised to sign agreements (contracts) with the Chairperson and Members of the Supervisory Board;
  - 23) adopting decisions on termination of powers of the Chairperson and members of the Supervisory Board, except as prescribed by the legislation;
  - 24) adopting decisions on spin-off, termination, except for the case stipulated in article 119(1)(2) of the Law on Joint Stock Companies, and liquidation of the Bank, electing

the liquidation committee (liquidator) of the Bank, approving the procedure and terms for liquidation, the procedure for distributing the property remaining following satisfaction of the claims of creditors among the Shareholders, and approving the liquidation balance sheet;

- 25) approving the principles (code) of corporate governance of the Bank;
- 26) electing the members of the Bank's termination committee;
- 27) addressing other issues within the exclusive competence of the General Meeting in accordance with the legislation.

9.4. The General Meeting may adopt resolutions on any other matters under the Charter or legislation, with account of the restrictions stipulated in Clause 9.1 hereof.

9.5. The powers of the General Meeting specified in Clause 9.3 of Section 9 of the Charter pertain to the exclusive competence of the General Meeting and cannot be delegated to other governing bodies of the Bank.

9.6. The General Meeting is attended by the Shareholder personally or by proxy.

If it is prescribed by the legislation, the list of the Shareholders may be made in accordance with the procedure established by the law on the depository system of Ukraine, in order to certify the Shareholder's right to participate in the General Meeting.

The General Meeting may also be attended by a representative of the Bank's independent audit firm and the Bank's official regardless of their shareholding with the Bank as well as other persons in accordance with the legislation, by the invitation of the Supervisory Board or the Shareholder(s) of the Bank.

9.7. The Shareholder may appoint its proxy at the General Meeting on a permanent basis or for a specific period. A proxy may be an individual or an authorised representative of the legal entity.

The Shareholder may withdraw or replace its proxy at any time.

The Management Board may be notified by the Shareholder of appointment, replacement or withdrawal of its proxy by electronic communication means in accordance with the legislation on the electronic records management.

In addition to the power of attorney for representation, which includes the right to participate in and vote at the General Meeting, the Shareholder may give its proxy instructions as to voting, that is, a list of matters on the agenda of the General Meeting with indication on how to vote (for or against the resolution). If the voting instructions are given by the Shareholder, the Shareholder's proxy should vote at the General Meeting as prescribed by the voting instructions.

9.8. The General Meeting may be annual and extraordinary.

- 1) The annual General Meeting should be held no later than on 30 April of the year following the reporting one.
- 2) All the other General Meetings, except for the Annual General Meeting, should be considered extraordinary.

9.9. If the Bank has one Shareholder, the General Meeting should be held by the Shareholder's decision at its own discretion.

In case a resolution that pertains to the competence of the General Meeting needs to be adopted, the General Meeting (at its own initiative or at the initiative of the governing bodies or Control Departments) may ask the Shareholder to adopt the resolution on the respective matters.

If the Bank has one Shareholder, the Shareholder's resolutions on the matters that pertain to the competence of the General Meeting should be made in writing (as a resolution). Such resolution of the Shareholder should have the status of minutes of the General Meeting.

- 9.10. In case the Bank has several Shareholders, the procedure for convening, holding and adopting resolutions at the General Meeting as well as the procedure for notifying of the General Meeting are prescribed by the legislation.
- 9.11. The General Meeting may be held at the location of the Bank or the Shareholder of the Bank (if the Bank has one Shareholder) being a foreign legal entity.

## **Section 10. SUPERVISORY BOARD**

- 10.1. The Supervisory Board is a collegial body of the Bank that protects the rights of depositors, other creditors and Shareholders, and controls and regulates the activities of the Management Board, Control Departments, and a corporate secretary.
- 10.2. In its operations, the Supervisory Board should be governed by the legislation, this Charter, resolutions of the General Meeting and the Regulation on the Supervisory Board.
- 10.3. The Supervisory Board is elected by the General Meeting from among the Shareholders, their proxies and Independent Directors and at least five (5) persons or another number of members if another number of members of the Supervisory Board is prescribed by the legislation.
- 10.4. The Supervisory Board consists of at least one third of Independent Directors, the number of whom is at least three (3). The minimum number of Independent Directors is established by the legislation.
- 10.5. Independent Directors should meet the requirements established by the legislation and the NBU regarding the independence of bank directors. The Bank should ensure control over the compliance of Independent Directors with the requirements for their independence, and should ensure the replacement of such Independent Directors in case of non-compliance.
- 10.6. The members of the Supervisory Board are elected for a term established by the relevant resolution of the General Meeting, or (if the relevant term was not set by the resolution of the General Meeting on their election) for the maximum term established by the legislation.

The members of the Supervisory Board perform their duties personally and may not delegate them to others.

The General Meeting may resolve on the early termination of the powers of the members of the Supervisory Board and the simultaneous election of new members.

The individuals elected as members of the Supervisory Board may be re-elected an unlimited number of times.

- 10.7. The members of the Supervisory Board may not be members of the Management Board or hold other positions in the Bank under an employment agreement (contract) or provide services to the Bank under a civil law agreement. A member of the Supervisory Board may not be a head, official and/or member of the supervisory board of another bank or other governing body of another bank registered in Ukraine, except as provided by the legislation.
- 10.8. A member of the Supervisory Board should exercise his/her powers on the basis of civil law agreement with the Bank. The agreement should be signed on behalf of the Bank by a person authorised by the General Meeting.

The agreement with a member of the Supervisory Board is automatically terminated in the event of termination of his/her powers.

10.9. The Supervisory Board is chaired by the Chairperson of the Supervisory Board, who is elected by the General Meeting.

10.10. A member of the Supervisory Board who was the Chairperson of the Management Board during the previous year may not be elected the Chairperson of the Supervisory Board.

The Chairperson of the Supervisory Board organises its operations, convenes meetings of the Supervisory Board, chairs them and performs other functions in accordance with the Charter and the Regulation on the Supervisory Board.

10.11. The exclusive competence of the Supervisory Board should include:

- 1) approving and controlling the implementation of the Bank's strategy, business plan, operational recovery plans, crisis funding and continuous operations of the Bank;
- 2) ensuring organisation of efficient corporate management in accordance with the corporate governance principles (code) approved by the General Meeting;
- 3) approving and controlling utilisation of the Bank's budget, including funding of the Control Departments;
- 4) approving and controlling the implementation of the strategy and operational plan for management of the Bank's distressed assets;
- 5) ensuring operation and control over performance of the complex and adequate system for internal control of the Bank, including the risk management system and internal audit;
- 6) approving and controlling adherence to the risk management strategies and policies, risk appetite declaration, list of limits (restrictions) as to the Bank's risks;
- 7) approving and controlling adherence to the code of conduct (ethics), the policy for preventing, detecting and managing conflict of interest in the Bank;
- 8) introducing and controlling operation of the whistleblowing policy of the Bank;
- 9) determining sources of capitalisation and other financing of the Bank;
- 10) determining the Bank's credit policy;
- 11) approving the Bank's organisational structure as well as structure of the Control Departments;
- 12) approving the internal Regulation on the Management Board, on the committees of the Supervisory Board, on the corporate secretary, on the Control Departments, on the other units directly subordinated to the Supervisory Board, which should without limitation include the procedure for reporting to the supervisory Board;
- 13) appointing and terminating the powers of the Chairperson and members of the Management Board, appointing and dismissing the Heads of the Control Departments, the corporate secretary, other employees as provided for by the legislation or regulations of the NBU;
- 14) monitoring the activities of the Management Board, the Control Departments, and making recommendations on improvement thereof;
- 15) effecting annual assessment of performance of the Management Board in general and each member of the Management Board, including without limitation assessment of conformity of members of the Management Board to the Qualification Requirements, assessment of conformity of the collective suitability of the Management Board for the Bank's size, complexity, volume, type, and nature of the Bank's operations, organisational structure and risk profile of the Bank, considering the peculiarities of the Bank's activities as systemically important (where there is such a status) and/or the activities of the banking group, of which the Bank is (may be) a member, and taking



actions to improve the operating mechanisms of the Management Board and Control Departments following such assessment;

- 16) establishing the operating procedure and plans for the Internal Audit Department;
- 17) selecting the audit firm for external audit, including for the annual audit of financial statements, approving terms of the agreement to be concluded with it, setting remuneration for the services;
- 18) considering the opinion of the Bank's external auditor and preparing recommendations to the General Meeting to make a decision in its respect;
- 19) controlling elimination of the defects identified by the NBU and other governmental authorities that supervise the Bank's activities within their competence, by the Internal Audit Department of the Bank and by the audit firm upon the results of the external audit;
- 20) adopting decisions on establishment, reorganisation and dissolution of legal entities, to open branches and representative offices of the Bank abroad, approving their Charter and regulations as well as regarding the Bank's interest in legal entities that is 10% of their authorised capital or more;
- 21) approving the terms and conditions of employment agreements (contracts) that are entered into with the members of the Management Board and employees of the Internal Audit Department, the Chief Risk Manager, the Chief Compliance Manager, the corporate secretary, and establishing their remuneration; approving a person who shall sign such agreements (contracts) on behalf of the Bank;
- 22) controlling timely submission (publication) of the Bank's reliable information on its operations in accordance with the legislation, including regulations of the NBU;
- 23) approving and controlling adherence to the procedure for conducting transactions with the Bank's related parties, which should without limitation contain requirements for detecting and controlling transactions with the Bank's related parties;
- 24) developing the Bank's remuneration policy in accordance with the requirements established by the NBU, and controlling the implementation thereof;
- 25) convening the General Meeting, preparing the agenda of the General Meeting, and deciding on the date thereof;
- 26) informing of the General Meeting in accordance with the legislation (by post or as otherwise permitted by the legislation) if necessary;
- 27) effecting annual assessment of performance of the Supervisory Board in general and each member of the Supervisory Board, including the committees of the Supervisory Board, assessment of conformity of the collective suitability of the Supervisory Board for the Bank's size, complexity, volume, type, and nature of the Bank's operations, organisational structure and risk profile of the Bank, considering the peculiarities of the Bank's activities as systemically important (where there is such a status) and/or the activities of the banking group, of which the Bank is (may be) a member, and taking actions to improve the operating mechanisms of the Supervisory Board and Control Departments following such assessment;
- 28) adopting a resolution on temporary suspension of the Chairperson and/or member of the Management Board from his/her office, and electing the person who temporarily exercises the powers of the Chairperson of the Management Board;
- 29) making a decision on placement by the Bank of securities other than shares, securities that may be converted into shares, as well as securities in the amount exceeding 25 percent of the value of the Bank's assets;
- 30) making decisions on redemption of securities other than shares placed by the Bank;
- 31) approving the market value of property as prescribed by the legislation;

- 32) determining the date of compilation of the list of persons entitled to receive dividends, the procedure and terms for payment of dividends within the time frames specified by the legislation;
  - 33) adopting decisions on the issues that fall within the competence of the Supervisory Board in accordance with the legislation in case of merger, acquisition, division, spin-off or transformation of the Bank;
  - 34) determining the probability of declaring the Bank insolvent as a result of assumption of obligations or fulfilment thereof, including as a result of payment of dividends or redemption of shares;
  - 35) deciding on election of the appraiser of the Bank's property and approval of the terms of the agreement to be concluded with it, determining the amount of fee for its services;
  - 36) making a decision to elect (replace) a depository institution that provides additional services to the joint-stock company, approving the terms of the agreement concluded with it, and setting the amount of payment for its services;
  - 37) sending an offer to the Shareholders regarding the purchase of their ordinary shares by the person (persons acting jointly) that has purchased the majority interest in accordance with the legislation;
  - 38) approving the report on the remuneration of the members of the Management Board, other material risk takers, requirements to which are established by the NBU;
  - 39) reviewing the Management Board's report and approving measures following its consideration;
  - 40) preliminary approval of the Bank's annual report prior to its submission to the General Meeting for approval;
  - 41) approving recommendations to the General Meeting on the results of consideration of the opinion of the audit firm, for the decision thereon to be made;
  - 42) adopting decisions on the issues regarding establishment and/or participation in any legal entities, their reorganisation and liquidation;
  - 43) exercising other powers belonging to the exclusive competence of the Supervisory Board in accordance with the legislation.
- 10.12. The powers of the Supervisory Board specified in Clause 10.11 of Section 10 hereof pertain to the exclusive competence of the Supervisory Board and may not be transferred for adopting a resolution (delegated to competence) to other governing bodies of the Bank, except as provided by the legislation.
- 10.13. The Supervisory Board should take measures to prevent conflicts of interest in the Bank and should facilitate their settlement.
- 10.14. The Supervisory Board should maintain effective relations with the NBU.
- 10.15. The Supervisory Board is responsible for ensuring the strategic management of the Bank. Therefore, the Supervisory Board is responsible for:
- 1) security and financial stability of the Bank;
  - 2) compliance of the Bank's activities with the legislation and the standards of professional associations that apply to the Bank;
  - 3) introducing the Bank's development strategy in accordance with the main activities determined by the General Meeting, and the Bank's business development plan;
  - 4) ensuring efficient organisation of corporate governance;

- 5) operation and control of performance of the internal control system, the risk management system and compliance with the standards of the Bank;
  - 6) appointing the Chairperson and members of the Management Board as well as Heads of the Control Departments.
- 10.16. The procedure for electing members of the Supervisory Board, their dismissal, the procedure of change of the Supervisory Board's composition, legal status of the Supervisory Board's members, their rights and obligations, the procedure for convening meetings of the Supervisory Board and exercising its powers (decision-making), the procedure for establishing the committees of the Supervisory Board (if any) should be established by the Regulation on the Supervisory Board, which are approved by the General Meeting in accordance with the legislation and Charter.
- At the discretion of the Chairperson of the Supervisory Board, resolutions may be adopted by the Supervisory Board (i) at meetings of the Supervisory Board, in presence of the members of the Supervisory Board at the venue of the meeting, (ii) by absent voting (poll) or (iii) without personal attendance of the member(s) of the Supervisory Board at the meeting via remote participation in the telephone or video conference.
- The remote form of participation in the meeting of the Supervisory Board (by telephone or video conference) and adoption of resolutions are allowed provided that none of the members of the Supervisory Board objects to this form of meeting and adoption of resolutions.
- 10.17. The Supervisory Board makes an annual report on its operations. The report of the Supervisory Board is a separate element of the Bank's annual report and should be published as prescribed by the legal requirements for the procedure and terms for publication of the Bank's annual report.
- The report assesses operations of the Supervisory Board and is made as prescribed by the legislation.
- 10.18. Meetings of the Supervisory Board are held as necessary, at least once a quarter.
- Meetings of the Supervisory Board may be held in Ukraine or abroad. A meeting of the Supervisory Board should be qualified if more than half of its members are present.
- The members of the Supervisory Board who participate in the meetings of the Supervisory Board by telephone or video conference are taken into account to determine the quorum as to the eligibility of meetings of the Supervisory Board and during voting by adopting resolutions.
- The Supervisory Board adopts resolutions at the meetings by a simple majority of votes of the members of the Supervisory Board from its total number who have the right to vote, unless otherwise provided by the Charter.
- Each member of the Supervisory Board should have one vote at the meeting. In case of equal distribution of votes of the members of the Supervisory Board, the Chairperson of the Supervisory Board should have a casting vote.
- 10.19. Resolutions of the Supervisory Board, including those adopted at a meeting attended by members of the Supervisory Board remotely (by telephone or video conference) and/or adopted by absent voting (poll) are recorded as minutes of the meetings of the Supervisory Board within five (5) business days after the meeting.
- The minutes of the Supervisory Board should contain the information required by the legislation.
- The Secretary of the Supervisory Board is the corporate secretary. In case of absence of the corporate secretary the function of the Secretary of the Supervisory Board shall be performed by the person entrusted by the Supervisory Board with the duties of the Secretary of the Supervisory Board. The Secretary of the Supervisory Board organises the keeping of minutes of the Supervisory Board and drafts the minutes of meetings of the Supervisory Board and resolutions adopted by absent voting (poll).

Minutes should be signed by the Chairperson (Chairperson of the Supervisory Board or another member of the Supervisory Board authorised by the Supervisory Board) and may be signed by the Secretary of the Supervisory Board.

Each member of the Supervisory Board may propose changes to the wording or content of the minutes within five (5) business days of their receipt. The minutes of the Supervisory Board should be deemed finally agreed if during the period specified in the first sentence of this Clause no member of the Supervisory Board proposes to amend the minutes and if the Chairperson of the Supervisory Board has no objections to the minutes. If a member of the Supervisory Board proposes changes or if the Chairperson of the Supervisory Board objects to certain provisions of the minutes, the updated version of the minutes should be sent by the Secretary of the Supervisory Board for consideration by members of the Supervisory Board within three (3) business days. The minutes of the Supervisory Board should be deemed finally approved if the members of the Supervisory Board have no further objections to the revised clauses of the minutes within three (3) business days upon receipt of the amended version of the minutes.

- 10.20. If a resolution of the Supervisory Board is adopted by absent voting (poll):
- 1) The Secretary of the Supervisory Board (or the person entrusted with the duties of the Secretary of the Supervisory Board) sends to the members of the Supervisory Board: (i) the minutes with the draft proposals for absent voting (poll), which should be signed only by the Secretary of the Supervisory Board; or (ii) information on the list of issues put to absent voting (poll), which includes the possibility of voting “for” or “against” the issues by sending an electronic confirmation message by e-mail (in the case of voting (poll) by e-mail).
  - 2) Each member of the Supervisory Board votes “for” or “against” each issue or all issues (if such an option is provided in the appropriate voting form) included in the minutes with draft proposals for absent voting (poll), sent to the members of the Supervisory Board or, in case of absent voting (poll) by e-mail, each member sends an electronic confirmation message by e-mail to the Secretary of the Supervisory Board (or a person entrusted with the duties of the Secretary of the Supervisory Board).
  - 3) The votes are counted jointly by the Chairperson of the Supervisory Board and the Secretary of the Supervisory Board (or a person entrusted with the duties of the Secretary of the Supervisory Board) and the resolution is considered adopted after receiving: (i) by the Chairperson of the Supervisory Board and/or the Secretary of the Supervisory Board (or the person entrusted with the duties of the Secretary of the Supervisory Board) of the original or scanned copy of the completed and signed minutes with draft proposals for absent voting (poll) from each member of the Supervisory Board or (ii) in the case of absent voting (poll) by e-mail, of an electronic confirmation message containing votes “for” or “against” from each of the members of the Supervisory Board.
  - 4) Each member of the Supervisory Board has one vote on any issue submitted to the vote by absent voting (poll).
  - 5) Unless otherwise provided by the Charter or the Regulation on the Supervisory Board, the resolution should be considered adopted by a simple majority of votes of the members who took part in the absent voting (poll).
- 10.21. If required by the legislation, every year, no later than on 30 April, and at the request of the NBU, the Bank should provide the NBU, within its powers to conduct banking supervision, information on issues considered at the meeting of the Supervisory Board, including regarding the status of implementation of the strategy, business plan, strategy and operational plan for managing distressed assets of the bank (if any), and resolutions adopted on them, as well as the list of members of the Supervisory Board present at the meeting of the Supervisory Board.
- 10.22. The Supervisory Board may establish permanent or temporary committees from among its members for preliminary examination and preparation for consideration of the issues that fall

within the competence of the Supervisory Board at the meeting. If required by law, the Bank shall establish an audit committee, a committee for the remuneration of the Bank's officers (hereinafter referred to as the remuneration committee) and the appointment committee. The remuneration committee and the appointment committee may be combined. The audit committee, the remuneration committee and the appointment committee are chaired by independent directors. Committees of the Supervisory Board should consist of at least three members of the board. The majority of the members of the audit committee, the remuneration committee and the appointment committee shall be independent directors.

- 10.23. The Supervisory Board shall appoint a corporate secretary in order to ensure effective current interaction with the Sole Shareholder and support effective work (activities) of the Supervisory Board. The corporate secretary is an officer of the Bank. The procedure for appointment and termination of powers, work, rights and duties, functions of the corporate secretary, as well as the procedure for his/ her remuneration, shall be determined by the law, regulation on the corporate secretary, and employment agreement (contract) entered into with the corporate secretary.

### **Section 11. MANAGEMENT BOARD**

- 11.1. The Management Board should act within its competence on behalf of the Bank, is accountable to the Supervisory Board, and organises implementation of resolutions of the General Meeting and the Supervisory Board.

The Management Board is an executive body of the Bank that manages the current activities, formation of funds necessary for the statutory activities of the Bank, and should be responsible for performance of the Bank's operations in accordance with the principles and procedure established by this Charter, resolutions of the General Meeting and the Supervisory Board.

- 11.2. The Management Board should establish the following permanent committees:

- 1) Credit Committee;
- 2) Asset and Liability Committee.

The Management Board may also establish other committees.

The same person may not simultaneously perform the functions of the Chairperson of the Credit Committee and the Chief Risk Manager or Chief Compliance Manager.

- 11.3. The Management Board should inform the Supervisory Board of any violation of the legislation, internal documents of the Bank in the Bank's operations (if such violations pertain to the legal competence of the Supervisory Board) and of the level of the risks occurring during the Bank's operations, late or improper fulfilment of their obligations to the Bank by the persons related to the Bank.

- 11.4. The competence of the Management Board should include resolution of all the issues connected with management of the Bank's current activities, except for the matters that fall within the exclusive competence of the General Meeting and the Supervisory Board, including without limitation:

- 1) ensuring preparation of the draft strategy and business development plan of the Bank for approval by the Supervisory Board;
- 2) implementing the strategy and the business development plan of the Bank;
- 3) determining the form and establishing the procedure for monitoring the activities of the Bank;

- 4) implementing the risk management strategy and policy approved by the Supervisory Board, ensuring implementation of the risk identification, assessment, control and monitoring procedures;
- 5) forming the organisational structure of the Bank determined by the Supervisory Board;
- 6) ensuring the security of information systems of the Bank and systems used for safekeeping of assets of customers;
- 7) informing the Supervisory Board of the Bank's performance indicators, identified breaches of legislation and Bank's internal documents, and any potential or actual deterioration of the Bank financial position, level of risks arising in the course of the Bank's activity;
- 8) approving the regulations, procedures and other internal documents of the Bank, except those whose approval is within the competence of the other governing bodies of the Bank;
- 9) organising the implementation of resolutions of the General Meeting and the Supervisory Board;
- 10) organising the establishment of the Bank's provisions for the banking purposes in accordance with the provisioning requirements prescribed by the legislation;
- 11) organising the Bank's accounting system, preparing quarterly and annual financial statements of the Bank;
- 12) drafting reports on the Bank's main areas of activity as often as may be required by the Supervisory Board, to be considered by the Supervisory Board;
- 13) providing the NBU with the information necessary for the latter to carry out supervision in accordance with the legislation;
- 14) adopting resolutions on writing off the accounts receivable that have been found uncollectible in accordance with the legislation, at the expense of special provisions pursuant to the Bank's internal documents;
- 15) approving the Bank's labour remuneration system, forms and procedure in advance;
- 16) approving the draft collective bargaining agreement in advance;
- 17) approving resolutions of the Chairperson of the Management Board in advance in connection with the staff's financial and disciplinary liability;
- 18) establishing committees of the Management Board;
- 19) approving results of any placement of bonds (including covered bonds) by the Bank;
- 20) considering and analysing reputation risks arising in connection with relations with clients, and resolving on further actions (including notification of the regional committee on the reputation risk);
- 21) approving standard banking services and bringing the approved tariffs to the notice of the bodies and units of the Bank;
- 22) resolving all the issues related to management of the Bank's current activities, except for the matters that fall within the exclusive competence of the General Meeting and the Supervisory Board.

11.5. The following actions and transactions may be effected by the resolution of the Management Board provided that it is approved by the Supervisory Board before the respective action or transaction:

- 1) appointing and dismissing directors and chief accountants of branches and representative offices of the Bank;

- 2) purchasing and selling real estate, except when such transactions are related to the real estate mortgaged to the Bank, as a result of foreclosure on the mortgaged property;
  - 3) mortgaging the Bank's real estate.
- 11.6. In order to limit the credit risk for the transactions with the parties related to the Bank, the Bank takes a decision on granting loans, guarantees and/or suretyship to the Chairperson of the Supervisory Board, the Deputy Chairperson or member of the Supervisory Board, the Chairperson of the Management Board, the Deputy Chairperson or member of the Management Board, the Chief Accountant or Deputy Chief Accountant or any associated persons of the above if the total amount of all the loans, guarantees and/or suretyship (including the ones being considered) granted to the respective person equals or exceeds the UAH amount equivalent to EUR 5,000 at the official exchange rate set by the NBU, pursuant to the requirements established by the regulations of the NBU, namely based on the joint written resolution of the Management Board and the Supervisory Board adopted by ballot voting by majority of two third of the votes, in present of at least half of the members of the Management Board and the Supervisory Board and without participation of the interested person.
- 11.7. Moreover, the Bank takes a decision on granting loans, guarantees and/or suretyship (a) to the Chairperson of the Supervisory Board, the Deputy Chairperson or member of the Supervisory Board, the Chairperson of the Management Board, the Deputy Chairperson or member of the Management Board, the Chief Accountant or Deputy Chief Accountant or any associated persons of the above if the total amount of all the loans, guarantees and/or suretyship (including the ones being considered) granted to the respective person is less than the UAH amount equivalent to EUR 5,000 at the official exchange rate set by the NBU, or (b) to the person who pertains to the Bank's management staff, pursuant to the requirements established by the regulations of the NBU, namely based on the written resolution of the Management Board adopted by ballot voting by majority of two third of the votes, in present of at least half of the members of the Management Board and without participation of the interested person.
- 11.8. The Management Board is made of at least three (3) members, including the Chairperson of the Management Board, the Deputy(-ies) Chairpersons of the Management Board, and other members of the Board.
- A member of the Management Board may be any individual who has full legal capacity and is not a member of the Supervisory Board concurrently.
- The Chairperson and members of the Management Board should meet the requirements established by the NBU for the Heads of the Bank.
- The members of the Management Board, including the Chairperson of the Management Board, are appointed for the period of five years unless a longer term is established by the Supervisory Board. In case powers of a member of the Management Board are terminated or expire, a member of the Management Board should be appointed to the vacancy by the resolution of the Supervisory Board.
- The rights and obligations of the members of the Management Board are prescribed by the legislation, this Charter and/or the Regulation on the Management Board as well as employment agreement (contract) entered into with each member of the Management Board. The employment agreement (contract) with the member of the Management Board is signed on behalf of the Bank by the Chairperson of the Supervisory Board or the person authorised by the Supervisory Board.
- 11.9. The procedure for convening and holding meetings of the Management Board is established by this Charter and the Regulation on the Management Board.
- The Chairperson of the Management Board convenes meetings of the Management Board on a regular basis and upon request of a member of the Management Board.

At the discretion of the Chairperson of the Management Board, resolutions may be adopted by the Management Board (i) at meetings of the Management Board, in presence of the members of the Management Board at the venue of the meeting, (ii) without personal attendance of the member(s) of the Management Board at the meeting via remote participation in the telephone or video conference.

The remote form of participation in the meeting of the Management Board (by telephone or video conference) and adoption of resolutions are allowed provided that none of the members of the Management Board objects to this form of meeting and adoption of resolutions.

The Secretary of the Management Board elected by the Management Board sends the agenda and all the documents necessary for the meeting of the Management Board on behalf of the Chairperson of the Management Board at least one (1) business day before the meeting. A resolution on the matter that is not included into the agenda should only be adopted by unanimous consent of all the members of the Management Board participating in the meeting to hearing of the matter.

The Members of the Management Board attend meetings personally or by participating in the meeting via telephone or video conference.

- 11.10. Meetings of the Management Board may be held in Ukraine or abroad. The Management Board is qualified to adopt resolutions on any matters within its competence provided that the meeting is attended by at least half of its members.

The Management Board adopts resolutions by simple majority of votes of its members participating in the meeting except when a resolution needs to be adopted by another number of the members' votes in accordance with the Charter or the Regulation on the Management Board.

Each member of the Board should have one vote. In case votes of the members of the Management Board are distributed equally, the Chairperson of the Management Board (in case of his/her absence, the member of the Management Board elected to be a chairperson by the Management Board) should have a casting vote.

- 11.11. Resolutions of the Management Board, including those adopted at a meeting attended by members of the Management Board remotely (by telephone or video conference) are recorded as minutes of the meetings of the Management Board within five (5) business days after the meeting.

The minutes of the Management Board should contain the information required by the legislation.

The Secretary of the Management Board (or the person entrusted with the duties of the Secretary of the Management Board) elected by the Management Board organises the keeping of minutes of the Management Board and drafts the minutes of meetings of the Management Board.

The minutes are signed by the Chairperson of the Management Board (in case of his/her absence, the member of the Management Board elected to be a chairperson by the Management Board) and may be signed by the Secretary of the Management Board.

Each member of the Management Board may propose changes to the wording or content of the minutes within five (5) business days of their receipt. The minutes of the Management Board should be deemed finally agreed if during the period specified in the first sentence of this Clause no member of the Management Board proposes to amend the minutes and if the Chairperson of the Management Board has no objections to the minutes. If a member of the Management Board proposes changes or if the Chairperson of the Management Board objects to certain provisions of the minutes, the updated version of the minutes should be sent by the Secretary of the Management Board for consideration by members of the Management Board within three (3) business days. The minutes of the Management Board should be deemed finally approved if the members of the Management Board have no further objections to the



revised clauses of the minutes within three (3) business days upon receipt of the amended version of the minutes.

- 11.12. The Chairperson of the Management Board manages activities of the Management Board and may act on behalf of the Bank with full authority (represent the Bank without a power of attorney).

Save for the case of granting of a power of attorney as prescribed by clause 11.2 below, the members of the Management Board may act on behalf of the Bank per power of attorney granted by the Chairperson of the Management Board.

Any power of attorney granted by the Chairperson of the Management Board to another member of the Management Board should contain the clauses on the powers given to such member and limits thereof.

Powers of attorney to the persons other than members of the Management Board who are authorised to act on their own or jointly with another duly authorised person are granted to the Chairperson of the Management Board together with another member of the Management Board, which act jointly based on the Charter.

The acting Chairperson of the Management Board has the same powers as the Chairperson of the Management Board, including acting with full authority and granting powers of attorney.

- 11.13. The agreements should be signed and the obligations are assumed on the Bank's behalf by the Chairperson of the Management Board (or acting Chairperson of the Management Board) together with another member of the Management Board (per power of attorney granted to the latter).

Entry into certain agreements and assumption of certain obligations powers to which are granted by the powers of attorney issued pursuant to this Charter may be effected on behalf of the Bank by two authorised persons (including members of the Management Board) who act based on such powers of attorney.

- 11.14. The Chairperson of the Management Board has the following powers:

- 1) to convene meetings of the Management Board, to determine their agenda, and to vote at the meetings;
- 2) to act on behalf of the Bank with full authority in relations with Ukrainian and foreign state and public institutions, organisations and enterprises, including in courts of any level and state enforcement service, private enforcement offices etc.;
- 3) to sign any agreements, including foreign economic contracts, to effect any transactions; to assume any other obligations within the authority under the Charter, the Regulation on the Management Board, resolutions of the General Meeting and the Supervisory Board, provided that any obligations in relations with Ukrainian and foreign governmental authorities, courts of any level, clients or any other third parties and any documents made without limitation as letters, contracts or agreements, other documents and designated for or executed with the Ukrainian and foreign governmental authorities, courts of any level, clients or third parties, have to be signed in accordance with this Charter;
- 4) to grant powers of attorney on the Bank's behalf provided that any power of attorney granted to the person (except for the power of attorney granted to a member of the Management Board) has to be signed by the Chairperson of the Management Board (or acting Chairperson of the Management Board) together with member of the Management Board and contain (where necessary) the reservation whether the attorney may act individually or together with the authorised person;
- 5) individually appointing and dismissing the Bank's employees (except for directors and chief accountants of branches and representative offices of the Bank provided that any

appointment or dismissal is effected by the Chairperson of the Management Board together with another duly authorised member of the Management Board;

- 6) following prior approval by the Management Board and the Supervisory board, to appoint and dismiss directors and chief accountants of branches and representative offices of the Bank appointment or dismissal of which is effected by the Chairperson of the Management Board together with another duly authorised member of the Management Board);
  - 7) within his/her authority, to issue orders and instructions that are binding for all the employees of the Bank, including employees of the Bank's branches and representative offices;
  - 8) to establish the Bank's labour remuneration forms, systems and procedure provided that they are approved by the Management Board in advance;
  - 9) to enter into the collective bargaining agreement provided that it is approved by the Management Board in advance and signed by the Chairperson of the Management Board together with another duly authorised member of the Management Board;
  - 10) taking into account the provisions of Clause 8.6 hereof, to decide on the labour remuneration conditions and other financial incentives for the staff at its own discretion. Where necessary, the Chairperson of the Management Board may adopt a resolution to impose financial or disciplinary liability provided that such penalties are approved by the Management Board in advance;
  - 11) to demand to convene extraordinary meetings of the Supervisory Board and to participate in such meetings with an advisory vote provided that such participation is requested by the Supervisory Board;
  - 12) to submit any matters connected with the Bank's operations to the Management Board and the Supervisory Board for consideration in accordance with the established procedure;
  - 13) to discharge other powers that may be necessary for current activities of the Bank.
- 11.15. In case the Chairperson of the Management Board is temporarily absent (in particular, due to sick leave, business trip, leave etc.) or unable to perform his/her duties, such duties should be performed by a member of the Management Board based on (i) the applicable order of the Chairperson of the Management Board or (ii) the applicable resolution of the Management Board.

The member of the Management Board who performs the duties of the Chairperson of the Management Board in accordance with the Charter should be transferred all the powers of the Chairperson of the Management Board under this Charter and the Regulation on the Management Board in accordance with the legislation, including the right to act on behalf of the Bank with full authority, to grant powers of attorney and to act on behalf of the Bank in relations with any enterprises, institutions and organisations.

- 11.16. The powers of the Chairperson and members of the Management Board should be terminated by the decision of the Supervisory Board, on the grounds prescribed by the legislation, Charter and agreements with them.

## **Section 12. INTERNAL AUDIT DEPARTMENT**

- 12.1. The Bank should establish the Internal Audit Department as an element of the internal control system.
- 12.2. The Internal Audit Department should:

- 1) assess performance of organisation of corporate governance in the Bank, the internal control systems, including the risk management systems, and their conformity to the Bank's size, complexity, volume, type, and nature of the Bank's operations, organisational structure and risk profile of the Bank, considering the peculiarities of the Bank's activities as systemically important (where there is such a status) and/or the activities of the banking group, of which the Bank is a member (if it is);
  - 2) check the Bank management processes, including as to the assessment of capital and liquidity adequacy;
  - 3) check compliance of directors and employees of the Bank with requirements of the legislation and internal documents of the Bank;
  - 4) assess information and technical support of management and operations;
  - 5) verify authenticity and accuracy of accounting and financial reporting;
  - 6) audit financial and economic activities of the Bank;
  - 7) verify compliance with Qualification Requirements and performance of their professional duties by employees of the Bank;
  - 8) reveal and monitor cases of abuse of powers by the Bank's officials and conflicts of interest in the Bank;
  - 9) verify accuracy and timeliness of submission of information to governmental and administrative authorities that supervise the Bank's activities within their competence;
  - 10) perform other functions connected with supervision of the Bank's activities.
- 12.3. The Internal Audit Department is managed by the Head of the Internal Audit Department. The Head of the Internal Audit Department is appointed and dismissed by the decision of the Supervisory Board. A candidate for the office of the Head of the Internal Audit Department should be approved by the NBU if it is prescribed by the legislation.
- The Head of the Internal Audit Department may not hold an office with other banks.
- The Bank should have the resolution to dismiss the Head of the Internal Audit Department approved by the NBU, except when such person resigns at his/her own discretion, by the parties' consent or due to expiration of the employment agreement (contract).
- 12.4. The Internal Audit Department is subordinated to the Supervisory Board and acts on the basis of the Regulation on the Internal Audit Department approved by the Supervisory Board in accordance with the legislation.
- The Internal Audit Department reports to the Supervisory Board on its operations at least once a year. Based on the results of its audits, the Internal Audit Service should prepare and submit reports and proposals on elimination of the identified violations to the Supervisory Board.
- 12.5. The Head of the Internal Audit Department may demand to convene an extraordinary meeting of the Supervisory Board.
- 12.6. The Internal Audit Department should assess the types of activities of the Bank performed by engaging legal entities and individuals on a contractual basis (outsourcing).
- 12.7. The Internal Audit Department should be responsible for the scope and accuracy of the reports submitted to the Supervisory Board regarding the matters within the competence of the Internal Audit Department in accordance with the Law on Banks.
- 12.8. The Bank should submit a report on operations of the Internal Audit Department and other documents following the internal audit to the National Bank of Ukraine in accordance with the procedure prescribed by the regulations of the National Bank of Ukraine.
- 12.9. When performing their duties, the employees of the Internal Audit Department should have the right to examine documents, information, written explanations on the activities of the Bank,

including all of the Bank's units regardless of country of their location, and the Bank's affiliates; the right to have access to the system of automation of bank operations and obtain written explanations from directors and employees of the Bank on the issues arising during the audit and based upon its results.

- 12.10. The Internal Audit Department should not be liable for and does not have authority over the operations it audits.

When they are appointed to the office, the employees of the Internal Audit Department assume a written obligation not to disclose information on the Bank's operations and to keep the banking secrecy in accordance with the legislation.

### **Section 13. INTERNAL AUDITOR**

- 13.1. The Bank should facilitate the annual audit of financial statements, consolidated financial statements and other information on financial and economic operations by the audit firm in accordance with the legislation, including regulations of the NBU.
- 13.2. The right to conduct an audit of the Bank is given to an audit firm on the Register of Auditors and Auditing Entities maintained in accordance with the legislation, to the extent of the auditing entities who may conduct a mandatory audit of financial statements of the enterprises of public interest.
- 13.3. The Bank may enter into agreements on the annual audit of financial statements, consolidated financial statements and other information on financial and economic operations with one audit firm for up to seven (7) years running unless a longer period is permitted by the legislation.
- 13.4. In accordance with the procedure and requirements established by the regulations of the NBU, the Bank should provide the NBU with the auditor's report and other documents following the audit.
- 13.5. The Heads of the Bank should create conditions for the external audit of the Bank in accordance with the legislation and, upon request of the audit firm, provide reports on the audits of the Bank by the NBU and reports on the external and internal audit of the Bank.
- 13.6. The auditor's report and opinion following the Bank's audit should meet the requirements of the legislation and regulations of the NBU.

### **Section 14. REGULATORY CAPITAL, FUNDS AND PROVISIONS OF THE BANK. PROCEDURE FOR DISTRIBUTING PROFIT AND COVERING LOSSES**

- 14.1. The Bank's regulatory capital includes:
- 1) fixed capital;
  - 2) additional capital,
- elements of which are prescribed by the Law on Banks and regulations of the NBU.
- 14.2. The Bank's fixed capital includes:
- 1) Authorised Capital;
  - 2) disclosed provisions that are established or increased with the retained earnings, share premium and additional contributions made by the Shareholders into the Authorised Capital;

- 3) general risk coverage fund established for an unspecified risk during banking transactions,

except for losses for the current year and intangible assets.

The disclosed provisions include other funds of the same quality that have to meet the criteria established by the legislation.

14.3. Provided that it is approved by the NBU, the additional capital may include:

- 1) undisclosed provisions;
- 2) revaluation reserves;
- 3) hybrid (debt/capital) instruments that have to meet the criteria established by the legislation;
- 4) subordinated debt;
- 5) other elements of the regulatory capital in accordance with the legislation.

The additional capital may not exceed 100% of the fixed capital.

14.4. The Bank should form a reserve fund to cover unexpected losses on all assets and off-balance liabilities. The number of deductions to the reserve fund should be at least 5% of the Bank's profit until it reaches 25% of the Bank's regulatory capital.

The Bank forms other funds in accordance with the legislation, including the regulations of the NBU.

14.5. The Bank's profit is made of proceeds from economic activity after all operational and other costs are covered. After the legal taxes and other mandatory taxes are paid to the budget, mandatory provisions for unexpected losses for all assets and off-balance liabilities are formed out of the Bank's balance-sheet profit for the financial year in the amount prescribed by the legislation as well as provisions to cover other losses, in particular, losses in lending transactions, accounts receivable and securities transactions. The funds deducted to the reserve funds are used as prescribed by the legislation.

14.6. The Bank's profit gained after the provisions are formed remains at the Bank's disposal and may be used without limitation to replenish the Bank's fixed assets, including the dividend fund, the development fund and/or other funds in accordance with the Bank's internal documents, and/or for other purposes.

14.7. The losses incurred by the Bank should be covered by the Bank in accordance with the loss coverage procedure established by the General Meeting, at the expense of the Bank's reserve fund; if the Bank's reserve fund is insufficient to cover the losses, other funds of the Bank and funds obtained from selling the Bank's property may be used for these purposes by the decision of the Supervisory Board.

## **Section 15. DIVIDEND POLICY OF THE BANK**

- 15.1. Dividends are a part of the Bank's net profit that is paid to each Shareholder by the Bank per each share held.
- 15.2. Dividends should be paid from the net profit of the reporting year and/or retained earnings on the basis of resolution of the General Meeting during six (6) months upon the date of resolution on payment of dividends adopted by the General Meeting.
- 15.3. A resolution on payment of dividends and amount thereof for the Bank's shares should be adopted by the General Meeting.

- 15.4. The Supervisory Board should set the date of compilation of the list of persons entitled to receive dividends, the procedure and the period for payment thereof for each payment of dividends. The date of compilation of the list of persons entitled to receive dividends should be determined by the resolution of the Supervisory Board provided for by the first sentence of this Clause, but not earlier than ten (10) business days after the date when the resolution was adopted by the Supervisory Board.
- 15.5. The list of persons entitled to receive dividends should be compiled in accordance with the procedure established by the legislation on the depository system of Ukraine.
- 15.6. The Bank should inform the persons entitled to receive dividends of the date, amount, procedure and term of their payment in accordance with the procedure established by the Supervisory Board.
- 15.7. The Bank should pay dividends via the depository system of Ukraine in accordance with the procedure established by the NSSMC and requirements and provisions of the legislation.
- 15.8. The Bank may not pay dividends, distribute profit in any form if such payment or distribution will result in non-adherence to the capital level necessary to meet the requirements set by the Law on Banks.

## **Section 16. ACCOUNTING AND REPORTING**

- 16.1. The Bank should keep accounts and make financial reports in accordance with the Law of Ukraine "On the Accounting and Financial Reporting in Ukraine" and international financial reporting standards.  
  
The Bank submits financial and statistical reports and other information to the NBU within the established time frames and in the established scope and forms, and to other entities as prescribed by the legislation.
- 16.2. The Bank should, on its own or upon request of the NBU, within a month after the fact of misleading financial statements is made public and/or detected, refute the published misleading financial statements, annual consolidated financial statements, interim financial statements, consolidated interim financial statements in the manner in which it was disseminated.
- 16.3. A financial year of the Bank should be deemed a calendar year commencing on 1 January.
- 16.4. Financial results of the Bank should be presented in its quarter and annual financial statements made in accordance with the international financial reporting standards.
- 16.5. The annual financial statement of the Bank should be approved by the General Meeting in accordance with the procedure established by this Charter and internal documents of the Bank.  
  
The annual financial statements should be checked by the external auditor in accordance with the legislation.  
  
The Bank should publish its annual and quarterly financial statements in accordance with the legislation.
- 16.6. The Bank's annual report is approved by the General Meeting in accordance with the procedure established by the Charter. The Supervisory Board shall pre-approve the Bank's annual report and shall submit it for approval to the General Meeting before 31 March of the year following the reporting year.

## **Section 17. FINANCIAL MONITORING**

- 17.1. The Bank should take the actions prescribed by the AML/FT legislation and applicable regulations of the NBU. In particular, the Bank should, with account of the legislative requirements, develop, introduce and regularly updated its internal documents on financial monitoring.

The internal documents on financial monitoring (except for the document “Bank’s Policy for Anti-Money Laundering/Terrorist Financing”), as well as amendments thereto, should be approved by the resolution of the Management Board while the document “Policy for Anti-Money Laundering/Terrorist Financing” and amendments thereto should be approved by the Supervisory Board by the recommendation of the Designated Officer.

- 17.2. The Bank should carry out due diligence of the new and existing clients in accordance with the AML/FT legislation and “know your customer” procedure, including identification and verification of the client (client’s representative) before the client’s account is opened, agreements are entered into, or financial transactions are conducted as prescribed by the legislation.
- 17.3. The Bank should facilitate identification of the financial transactions subject to financial monitoring before, during, on the date of suspicion, after they are made or attempted to be made, or after the client refuses to conduct them, in particular, by automation means, with information on such financial transactions submitted to the central executive authority in charge of implementation of the national AML/FT policy.
- 17.4. The Bank may request, while the client or client’s representative should provide the information (official documents) necessary for the due diligence as well as compliance with the other requirements of the AML/FT legislation.
- 17.5. When it refuses to establish (maintain) business relations (including by terminating business relations), to conduct the financial transactions, freeze assets and suspend financial transactions, the Bank should meet the requirements established by the Law of Ukraine “On the Prevention and Combating of Money Laundering, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction”.
- 17.6. The Bank may demand information connected with the client’s due diligence from the governmental authorities and state registrars.
- 17.7. The Bank should ensure proper organisation of the corporate AML/FT system and primary financial monitoring, including adequate organisation of the Designated Officer’s work.

The Chairperson of the Management Board and the Designated Officer should be responsible for the improper organisation of the corporate AML/FT system of the Bank.

The corporate AML/FT system is headed by the Designated Officer, who is independent in his/her activity and is directly subordinated and accountable to the Supervisory Board.

The Designated Officer is a member of the Management Board whose appointment and dismissal are approved by the resolution of the Supervisory Board. The Designated Officer should be appointed in consultation with the NBU. After the candidate is approved by the NBU, the Designated Officer is appointed by the order of the Chairperson of the Management Board.

The Designated Officer is concurrently the Head of the Compliance Department (the Chief Compliance Manager).

In case the Designated Officer is absent (due to the temporary inability to work, leave, business trip, suspension from the office by the decision of the NBU, suspension from the office as prescribed by the legislation) for the period of up to six (6) months (or another period prescribed by the legislation or regulations of the NBU), the Chairperson of the Management Board should appoint the employee who will be an acting Designated Officer instead of the absent (suspended) one (by issuing the respective order).

- 17.8. The Designated Officer may audit operations of any unit of the Bank and its employees as to their adherence to the internal documents on financial monitoring and engage any employees of the Bank into the AML/FT activities and checks.

The Management Board should consider the AML/FT matters at least once a quarter.

The Designated Officer should report to the Supervisory Board on the following at least once a year:

- 1) findings of assessment of the Bank's risk profile;
- 2) issues of concern in connection with proper organisation of the corporate AML/FT system and primary financial monitoring;
- 3) issues of concern in connection with proper AML/FT risk management system.

### **Section 18. BANKING SECRECY**

- 18.1. The information on operations and financial standing of the Bank's client that is disclosed to the Bank when the client is serviced, and the Bank has relations with the client or third parties during the Bank's services or functions prescribed by the legislation as well as the information on the Bank specified in Article 60 of the Law on Banks should be banking secrecy.

- 18.2. Banking secrecy includes without limitation:

- 1) data on bank accounts of clients, including correspondent accounts of banks with the NBU;
- 2) information on the transactions conducted for the benefit or by the order of the client, its juridical acts;
- 3) financial and economic standing of clients;
- 4) information on organisation and process of security of the Bank and persons at the Bank's premises;
- 5) information on the organisational and legal structure of the client's legal entity, its senior executives and areas of activity;
- 6) data on commercial operations of clients or trade secret, any project, inventions, product samples, and other commercial information;
- 7) information on the Bank's reports, except for the one to be published;
- 8) codes used by the Bank to protect information;
- 9) information on the individual who intends to enter into a consumer loan agreement, which is obtained during assessment of the paying capacity;
- 10) Information on organisation and process of cash collection and/or carriage of currency valuables;
- 11) information on banks or their clients that is obtained from banks during banking supervision, currency supervision, payment and settlement system supervision (oversight) as well as AML/FT supervision;
- 12) information on banks or their clients obtained by the NBU in accordance with the international treaty or based on the reciprocity principle from the banking supervisory authority of another state;



- 13) resolutions of the NBU on corrective actions, except for resolutions on penalties, on including the Bank into the insolvent category, on revoking the banking licence and liquidation of the Bank.
- 18.3. Clause 18.2 hereof as to the banking secrecy does not apply to:
- 1) information that is to be published. The list of the information that is to be published is made by the NBU;
  - 2) data on the debtors that are the Bank's related parties with obligations (for the principal amount and interest) to the Bank past due for more than 180 days as well as the Bank's claims against such debtors, and as to the Bank whose liquidation proceedings have been instituted in accordance with the Law of Ukraine "On the Deposit Guarantee System", data on all the debtors that, according to the Bank's accounting records, have past-due obligations (for the principal amount and interest) to the Bank regardless of the period of delay.
- 18.4. The Heads of the Bank and employees of the Bank should sign a commitment to observe banking secrecy when taking office. The Heads of the Bank and employees of the Bank should neither disclose nor use for their own benefit or for the benefit of third parties the information that constitutes the banking secrecy and is communicated to them during performance of their official duties.
- 18.5. The Bank may and should provide any information on legal entities and/or individuals that contains banking secrecy on the grounds and in accordance with the procedure established by the legislation.
- 18.6. The Bank may provide the information that constitutes banking secrecy to legal entities and individuals to facilitate the performance of their functions or provision of services to the Bank pursuant to the agreements entered into between such entities (organisations) and the Bank, including on assignment of claim against the client, provided that the functions and/or services under the agreement are related to the Bank's operations performed pursuant to Article 47 of the Law on Banks. The Bank may disclose the information that constitutes banking secrecy to court, mediation court, international commercial arbitration court, notaries, offices of local self-governance authorities and foreign consular missions authorised to take notarial actions, in order to defend its rights and legal interests in the cases a litigant in which it is in Ukraine or abroad.
- 18.7. The Bank may provide the information that constitutes banking secrecy to other banks and the NBU in the scope required for loans, bank guarantees, as well as in the course of currency supervision, including in the case of the NBU introducing protection measures in accordance with the Law of Ukraine "On the Currency and Currency Transactions".
- 18.8. The Bank may disclose the information that constitutes banking secrecy to the person (including the one authorised to act on behalf of the state) for the benefit of which the Bank's assets and liabilities are alienated in pursuance of the actions prescribed by the programme for the Bank's financial rehabilitation or during the liquidation proceedings.

## **Section 19.**

### **PROCEDURE FOR REORGANISATION AND LIQUIDATION OF THE BANK**

- 19.1. Reorganisation of the Bank:
- 1) Reorganisation of the Bank means merger, accession, spin-off, division of the Bank, change of its legal form (transformation), which results in transfer of its property, funds, rights and obligations to its legal successors, acceptance of its property by the legal successor.
  - 2) The Bank can be reorganised by the resolution of the General Meeting.

- 3) Reorganisation can be carried out through merger, acquisition, division, spin-off, transformation.
- 4) In case of reorganisation of the Bank through transformation, such legal relations should not be subject to the legislation concerning winding-up of a legal entity. During reorganisation of the Bank through transformation, the creditors should not have the right to request the Bank to terminate or perform its obligation early.
- 5) Reorganisation by the resolution of the General Meeting should be carried out in accordance with the legislation, subject to prior permission for reorganisation of the Bank by the NBU and approval of the plan for reorganisation of the Bank by the NBU.
- 6) In case the Bank is reorganised by the resolution of the General Meeting through transformation, the plan for reorganisation of the Bank is not made.

19.2. Liquidation of the Bank:

- 1) The Bank may be liquidated:
  - a) by the resolution of General Meeting;
  - b) in case the NBU revokes the banking license on its own initiative or at the proposal of the Deposit Guarantee Fund.
- 2) Liquidation of the Bank by the resolution of General Meeting should be carried out in accordance with the procedure provided for by the law on liquidation of legal entities, if the NBU, upon receipt of resolution of the General Meeting on liquidation of the Bank, did not find any signs on the basis of which the Bank may be classified as a problem or insolvent one.  
  
The Shareholders should have the right to initiate the liquidation procedure of the Bank by the resolution of the General Meeting only following the permission of the NBU and provided that the banking license is revoked.
- 3) Liquidation of the Bank in case of revocation of the banking license by the NBU on its own initiative or at the proposal of the Deposit Guarantee Fund should be effected in accordance with the legislation.
- 4) After the Bank is liquidated, the banking documents should be transferred to the archive to be stored as prescribed by the legislation.
- 5) The announcement of termination of the Bank's operations should be published in the respective printed mass media.
- 6) Liquidation of the Bank should be considered complete, and the Bank as a legal entity should be deemed liquidated from the date when the record thereon is made in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations.

**Section 20.**

**PROCEDURE FOR AMENDING AND SUPPLEMENTING THE CHARTER**

- 20.1. Any amendments and/or supplements to the Charter should be made by the General Meeting restating the Charter.
- 20.2. Any amendments and/or supplements to the Charter should be approved by the General Meeting.
- 20.3. The Bank submits documents for state registration of amendments to the Charter after they are approved by the NBU.

- 20.4. Amendments and supplements to the Charter are subject to state registration as prescribed by the legislation and enter into force following their state registration in accordance with the legislation.

**Section 21.**  
**MISCELLANEOUS**

- 21.1. If, for any reason and at any time, any provision of this Charter becomes invalid or inconsistent with or contradictory to the legislation, this should not affect the validity or binding nature of any and all other provisions of this Charter.
- 21.2. Any notice that should or may be sent under this Charter is made in writing (including without limitation in soft copy). Such notices are delivered in person, sent by mail, delivery service and/or e-mail and/or fax at the respective address.
- 21.3. The headings of the sections herein are for convenience only and do not affect the interpretation or content of any of the provisions hereof.