

APPROVED  
By Annual General Meeting of Shareholders  
ZENIT Bank (open joint stock company)

Minutes No. 1  
dated June 5, 2003  
Chairman of the Annual General Meeting of Shareholders,  
Chairman of the Board of Directors of the Bank

\_\_\_\_\_ R.R. Musin

**REGULATION**  
**On the Audit Commission of**  
**Bank ZENIT**  
**(open joint stock company)**

**1. GENERAL PROVISIONS.**

1.1 This Regulation on the Audit Commission of Bank ZENIT (open joint stock company) (hereinafter – the Regulation) was developed in accordance with the Civil Code of the RF, the federal law “On joint stock companies”, the current law, legal acts of the RF, the Charter of Bank ZENIT (open joint stock company) (hereinafter – the Bank).

1.2 The Audit Commission is a permanent elective body of the Bank elected by the General Meeting of shareholders for controlling its financial and business activity.

1.3 The competence and procedure of operation of the Audit Commission are determined by law, the Charter of the Bank and this Regulation.

1.4 A shareholder or any person proposed by a shareholder or the Board of Directors of the Bank may become a member of the Audit Commission. Members of the Audit Commission may not simultaneously be members of the Board of Directors of the Bank or hold other positions in the governance bodies of the Bank.

**2. PROCEDURE OF ELECTING THE AUDIT COMMISSION**

2.1. The Audit Commission is elected at the annual General Meeting of shareholders following the procedure provided by the federal law “On joint stock companies”, the Charter of the Bank and this Regulation for a term of 1 (one) year.

2.2. The General Meeting of shareholders of the Bank elects a number of members of the Audit Commission depending on the volume and number of financial operations performed by the Bank annually and depending on the number of shareholders of the Bank. The numerical composition of the Audit Commission may not be less than three (3) persons.

Shareholders (a shareholder) owning on aggregate at least 2 percent of voting shares of the Bank may propose candidates to the Audit Commission not later than thirty (30) days after the end of the financial year. The number of candidates proposed to be elected to the Audit Commission may not exceed its numerical composition.

In case of absence or insufficient number of candidates proposed by shareholders to form the Audit Commission, the Board of Directors of the Bank is entitled to include names to the list of candidates at its discretion.

2.3. Members of the Audit Commission of the Bank are elected and dismissed before expiration of their term by a majority of the votes of shareholders – owners of voting shares of the Bank participating in the General Meeting of shareholders. Members of the Audit Commission may be re-elected an unlimited number of times, unless restrictions established by law, the Charter of the Bank or this Regulation apply to them.

2.5. Shares owned by members of the Board of Directors of the Bank or persons holding positions in the governance bodies of the Bank may not participate in voting when members of the Audit Commission are elected.

2.6. If the agenda of the General Meeting of shareholders along with the matter of electing members of the Audit Commission contains matters of electing the Bank’s governance bodies, the matter of electing the Audit Commission should be considered after decisions related to formation of the Bank’s governance bodies are taken.

2.7. Members of the Audit Commission elect from among their number the Chairman of the Audit Commission by a majority of the votes of the total number of votes of members of the Audit Commission.

### **3. POWERS OF THE AUDIT COMMISSION**

3.1. In accordance with its competence the Audit Commission conducts audits (examinations) of the Bank's financial and business operations and:

- Verifies the validity of transactions consummated on behalf of the Bank and settlement of accounts with counteragents;
- Analyzes compliance of accounting and statistical records with the relevant regulatory documents;
- Analyzed the Bank's financial position and develops recommendations for the governance bodies of the Bank;
- Verifies timeliness and correctness of budget payments, accrual and payment of dividends, discharge of other obligations;
- Verifies correctness of the Bank's balance sheets, annual report, annual accounting reports, report on financial results, reporting documents for the tax inspectorate and state authorities;
- Carries out other types of work referred to the competence of the Audit Commission by the Charter of the Bank and this Regulation.

3.2 The Audit Commission conducts:

- Annual audits of results of the relevant financial year;
- Exception audits.

3.3 The Audit Commission conducts exception audits upon its own initiative, by decision of the General Meeting of shareholders, the Board of Directors of the Bank or upon demand of a shareholder (shareholders) owning on aggregate at least 10 percent of the Bank's voting shares.

3.4 Based on audit results of financial and business activity of the Bank the Audit Commission prepares an opinion, which should contain:

confirmation of the reliability of the data contained in the reports and other financial documents of the Bank;

information on violations of the accounting and reporting procedure established by legal acts of the Russian Federation and violation of legal acts of the Russian Federation in performing financial and business activity.

3.5 The Audit Commission presents its opinion for review to the General Meeting of shareholders or the initiator of the audit and confirms the reliability of the data contained in the Bank's annual report, annual accounting reports, including profit and loss statement.

3.6 The opinion of the Audit Commission should also contain information about identified violations of accounting and reporting rules and procedures. If facts of violation of rights and legitimate interests of shareholders are identified, the Audit Commission should reflect the identified violations in its opinion.

3.7 If discrepancies are identified in reports and other financial documents, the Audit Commission gives instructions to the relevant governance bodies of the Bank to eliminate such identified violations.

3.8 The Audit Commission is obligated to demand that the Board of Directors of the Bank convene an extraordinary General Meeting of shareholders, if a threat to the interests of the Bank's shareholders occurred or if corrupt practices of the Bank's officials were identified. If the Board of Directors of the Bank refuses to convene an extraordinary General Meeting of shareholders, the Audit Commission must do so itself in accordance with the current law. In this case expenses related to preparation and conduct of the extraordinary General Meeting of shareholders may be reimbursed by the Bank by decision of the General Meeting of shareholders.

### **4. SUPPORT OF ACTIVITY OF THE AUDIT COMMISSION**

4.1. Necessary premises, office equipment and stationery are allocated to support the activity of the Audit Commission during the period of its work.

4.2. By decision of the General Meeting of shareholders during the period of fulfilling their responsibilities members of the Audit Commission of the Bank may receive remuneration and (or) compensation of expenses related to their duties. The amount of such remuneration or compensation is determined by the General Meeting of the Bank.

### **5. PROCEDURE OF WORK OF THE AUDIT COMMISSION, RIGHTS, OBLIGATIONS, LIABILITY OF MEMBERS OF THE AUDIT COMMISSION**

5.1. When conducting their activity members of the Audit Commission exercise rights established by law, the

Charter of the Bank and this Regulation.

5.2. In case of identification of violations in the Bank's activity members of the Audit Commission must take all necessary measures for their elimination.

5.3. Documents of the Audit Commission (acts, opinions, instructions, etc.) are signed by all members of the Audit Commission.

5.4. A meeting of the Audit Commission is convened by the Chairman of the Audit Commission upon his own initiative. The procedure of convening and holding meetings of the Audit Commission, as well as determination of the date, place and time of the meeting are established by the Chairman of the Audit Commission who communicates such information to other members of the Audit Commission.

All decisions are taken at meetings of the Audit Commission by a majority of the votes of the total number of members of the Audit Commission.

Minutes are kept at meetings of the Audit Commission. To keep minutes the Audit Commission elects a secretary who is a secretary at each meeting of the Audit Commission.

In case of disagreement of members of the Audit Commission, the members of the Audit Commission who are in the minority are entitled to express their special opinion in writing, which is then attached to the minutes of the meeting of the Audit Commission.

5.5. The General Meeting of shareholders terminates the authority of a member of the Audit Commission before expiration of his term for the following reasons:

- Causing material losses to the Bank by guilty actions/omission of a member of the Audit Commission;
- Causing damages to the business reputation of the Bank;
- Commitment of an intentional crime;
- Acting in bad faith in relation to the Bank;
- Disclosure of commercial and banking secret of the Bank;
- Violation of the Charter of the Bank or this Regulation;
- For other reasons directly provided by federal laws.

5.6. Bad faith actions of a member of the Audit Commission may be expressed in:

- Destruction, damage or falsification of the Bank's documents and materials, including accounting documents and materials, in breach of the procedure established by internal documents of the Bank;
- Concealment of corrupt practices of the Bank's officials or employees or abatement in such corrupt practices;
- Intentional misleading of the Bank's officials, employees or shareholders in matters related to the Bank's activity;
- Disclosure of confidential information about the Bank's activity;
- Attempts to interfere with lawful actions of the Bank's employees fulfilling their official responsibilities, exerting pressure on the Bank's officials and employees in order to abet them to illegal actions (omission) causing intentional losses to the Bank;
- Destruction of or damage to any part of the Bank's property;
- Other actions causing damages to the Bank.