

**MINSK MUNICIPAL EXECUTIVE COMMITTEE**  
**CHIEF DEPARTMENT OF JUSTICE**  
**STATE REGISTRATION**

Registration number **191683861**

**07.07.2020** \_\_(*Signed*)\_\_ **Rodan O.M.**  
(Date) (Signature)

**APPROVED BY**

Resolution of the General Meeting of Shareholders dd 02.07.2020, Minutes No. 6 (subject to Amendment 1 to the Articles of Association approved by the Resolution of the General Meeting of Shareholders dd 22.02.2021 Minutes No. 1, Amendments 2 to the Articles of Association approved by the Resolution of the General Meeting of Shareholders dd 23.07.2021 Minutes No. 5)

## **УСТАВ**

**ОТКРЫТОГО АКЦИОНЕРНОГО ОБЩЕСТВА**  
**«БАНК РАЗВИТИЯ РЕСПУБЛИКИ БЕЛАРУСЬ»**

(новая редакция)

## **СТАТУТ**

**АДКРЫТАГА АКЦЫЯНЕРНАГО ТАВАРЫСТВА**  
**«БАНК РАЗВІЦЦЯ РЭСПУБЛІКІ БЕЛАРУСЬ»**

(новая рэдакцыя)

## **ARTICLES OF ASSOCIATION**

**OF**  
**JOINT - STOCK COMPANY**  
**«DEVELOPMENT BANK OF THE REPUBLIC OF BELARUS»**

(restated version)

City of Minsk

2021

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## **ARTICLE 1. GENERAL PROVISIONS**

1.1. These Articles of Association are the restated version of the Articles of Association of Joint - Stock Company “Development Bank of the Republic of Belarus” (hereinafter referred to as the Development Bank), established according to Edict No. 261 of the President of the Republic of Belarus of June 21, 2011 “On establishment of Joint-Stock Company “Development Bank of the Republic of Belarus” on the ground of Resolution of Foundation Meeting of Shareholders No. 1 dated July 28, 2011, registered on August 1, 2011 in the Unified State Register of Legal Entities and Individual Entrepreneurs under Registration number 191683861.

The previous versions of the Development Bank Articles of Association are the following versions approved by the Resolutions of the General Meetings of Shareholders (Foundation meeting of Shareholders) of the Development Bank:

- dd 28.07.2011, minutes No1 (as amended on 22.12.2012, 15.02.2013, 11.03.2013);
- dd 21.03.2013, minutes No5 (as amended on 15.07.2013, 04.11.2013, 03.12.2013, 11.12.2013, 20.03.2014, 31.03.2014, 02.02.2015, 10.04.2015, 17.04.2015, 04.05.2015, 20.07.2015);
- dd 17.08.2015, minutes No7 (as amended on 11.09.2015);
- dd 16.09.2016, minutes No3 (as amended on 28.10.2016);
- dd 18.11.2016, minutes No5 (as amended on 06.03.2018, 30.03.2018, 13.08.2018, 08.10.2018, 30.10.2018, 25.03.2019, 08.07.2019, 14.02.2020, 06.05.2020, 29.05.2020).

1.2. Name of the Development Bank shall be as follows:

Full name

In the Belarusian language - адкрытае акцыянернае таварыства «Банк развіцця Рэспублікі Беларусь»;

in the Russian language - открытое акционерное общество «Банк развития Республики Беларусь»;

in the English language - Joint-Stock Company “Development Bank of the Republic of Belarus”.

Abbreviated name:

in the Belarusian language- ААТ «Банк развіцця Рэспублікі Беларусь»;

in the Russian language - ОАО «Банк развития Республики Беларусь»;

in the English language – JSC “Development Bank of the Republic of Belarus”.

1.3. Location of the Development Bank shall be as follows: 35 Masherov Avenue, Minsk, 220002.

1.4. The Development Bank has its seal, blank forms representing an image of the State Coat of Arms of the Republic of Belarus and (or) trademark of the Development Bank with its name (including among others seals and blank forms of the affiliated branches and representative offices of the Development Bank, which are seals and blank forms of the Development Bank).

## **ARTICLE 2. STATUS OF THE DEVELOPMENT BANK**

2.1. The Development Bank shall be deemed as a legal entity established by Council of Ministers of the Republic of Belarus and National Bank and shall carry out its activities according to the Constitution of the Republic of Belarus, Edict No. 261 of the President of the Republic of Belarus of June 21, 2011 “On establishment of Joint-Stock Company “Development Bank of the Republic of Belarus” (hereinafter – Edict No. 261), other applicable laws and these Articles of Association.

2.2. The Development Bank shall own separate property, bear individual responsibility upon its obligations, may on its own behalf conduct transactions and other legally binding arrangements, acquire and exercise property and personal non-property rights and fulfill obligations, act as a claimant and respondent before a court, has independent balance sheet, correspondent and other accounts with National Bank and other banks.

The Development Bank is not a bank, non-bank credit and finance organization in the meaning defined by Articles 8 and 9 of the Bank Code of the Republic of Belarus.

When the Development Bank is established, reorganized and liquidated no legal requirements specified for banks, non-bank credit and finance organizations shall apply.

The Development Bank's activities are governed by the bank legislation unless specified otherwise by the Edict No. 261. The legal requirements specified for banks, non-bank credit and finance organizations in the banking supervision area shall apply to the Development Bank subject to peculiarities specified by the National Bank.

2.3. The Development Bank shall be liable for its obligations with its whole property. In case of the property insufficiency the Republic of Belarus shall bear secondary liability under obligations of the Development Bank arisen from or in relation to issue, circulation and redemption of the Development Bank bonds.

The Development Bank shall not be liable for obligations of the Republic of Belarus. The Republic of Belarus shall not be liable for obligations of the Development Bank except where the Republic of Belarus has directly assumed such obligations or except as otherwise provided by applicable laws of the Republic of Belarus.

The Development Bank shall not bear responsibility upon obligations of shareholders, and shareholders shall not bear responsibility upon obligations of the Development Bank except as otherwise provided by applicable laws of the Republic of Belarus.

2.4. According to the procedure established by applicable laws the Development Bank may establish affiliated branches and open representative offices on the territory of the Republic of Belarus and abroad in compliance with the law of a foreign state by the place of an affiliated branch or representative office location and also international treaties of the Republic of Belarus.

2.5. The Development Bank shall have a right to be a founder (member) of commercial and noncommercial organizations on the territory of the Republic of Belarus and abroad in compliance with the laws of the Republic of Belarus, of a foreign state by the place of such organization location and also international treaties of the Republic of Belarus.

The Development Bank can create associations of legal entities which are not legal entities and participate in such associations.

2.6. The Development Bank's bodies are its corporate bodies and control body. The corporate bodies of the Development Bank are General Meeting of Shareholders of the Development Bank, Supervisory Board of the Development Bank, Management Board of the Development Bank.

The control body of the Development Bank is the Auditing Commission of the Development Bank conducting its activities in accordance with Article 12 hereof.

2.7 Members of the Development Bank's bodies when exercising their rights and performing their obligations shall act on the grounds of transparency (bring information to the notice of the Development Bank's bodies in accordance with requirements of legislation, these Articles of Association and (or) other local legal acts of the Development Bank (hereinafter LLA), as well as other information which may impact the authorities of the members of the Development Bank's bodies) for the benefit of the Development Bank acting reasonably and in good faith.

Members of the Development Bank's bodies shall not deviate from performance of their duties, specified by legislation, these Articles of Association and other LLA.

Members of the Development Bank's bodies must not disclose bank secrecy, commercially sensitive information and other information which is classified and (or) restricted pursuant to legislation and LLA, received when acting in the capacity of the members of the Development Bank's bodies.

Members of the Development Bank's bodies within their jurisdiction shall be responsible to the Development Bank for any losses incurred by the Development Bank as a result of their

misconduct (omission of actions) as per procedure specified by legislation and these Articles of Association.

Unless specified otherwise by legislation members of the Development Bank's bodies who voted against the resolution which caused losses to the Development Bank, or did not participate in voting on such resolution or in other cases specified by legislation, shall bear no responsibility to the Development Bank for such losses.

In case several members of the Development Bank's bodies are responsible to the Development Bank, their responsibility shall be joint and several. If members of the Development Bank's bodies refuse to pay damages voluntarily, such damages can be recoverable for the benefit of the Development Bank at the suit of the Development Bank itself, members of the Supervisory Board of the Development Bank authorized to do so by the resolution taken by the majority of at least two third of votes of all members of the Supervisory Board of the Development Bank as well as shareholders authorized to do so by the resolution of the General Meeting of Shareholders of the Development Bank taken by the majority of at least three fourth of the number of votes of such meeting participants.

2.8 The Development Bank has separate subdivisions (affiliated branches and a representative office) listed in the Schedule hereto.

Branches and representative office of the Development Bank are not legal entities. Branches shall operate on the ground of standard regulations on a branch office approved by the Management Board of the Development Bank. Representative offices shall operate on the ground of Regulation on representative office approved by the Management Board of the Development Bank. Managers of the Development Bank branches and representative office shall be employed by the Chairman of the Management Board of the Development Bank and shall act by virtue of powers of attorney issued to them according to the established procedure.

2.9 For banking supervision purposes the Development Bank is deemed a parent organization of a bank holding (hereinafter – bank holding of the Development Bank).

### **ARTICLE 3. MAIN OBJECTIVE, GOALS, SUBJECT MATTER AND TYPES OF ACTIVITY OF THE DEVELOPMENT BANK**

3.1. Main objectives of the Development Bank shall be improvement of the financing of government programs and socially significant investment projects as well as other objectives specified by the resolutions of the President of the Republic of Belarus.

3.2. Primary goals of the Development Bank shall be the goals specified by the Edict No. 261 and other goals set up by the President of the Republic of Belarus, including as follows:

granting loans within the frames of state financial support in accordance with legislation;

granting loans for realization of investment projects within the frames of government programs, financing measures providing for acquisition of goods for their transfer into financial lease (leasing), investment projects by executive decision of the President of the Republic of Belarus and independently selected by the Development Bank investment projects in accordance with the procedures established by the Council of Ministers of the Republic of Belarus in coordination with the President of the Republic of Belarus;

supporting small and medium sized entrepreneurship by means of allocating resources to banks and leasing organizations for the purposes of their financing of small and medium-sized enterprises, as well as by means of Development Bank's financing of such enterprises within the frames of its mandate;

facilitating the development of export of goods (works, services) including among others by means of granting export loans as per procedure specified by legislation;

managing family funds received;

granting loans for financing of public-private partnership actions;

securing its own financial stability, sustainable, secure and liquid functioning when performing the tasks within the Development Bank's mandate.

3.3. In order to achieve the main objective and goals determined by Edict No. 261 and other legal acts of the President of the Republic of Belarus according to legal requirements for banks, non-bank credit and finance organizations, without obtaining a special permission (license) to carry out banking activities the Development Bank shall carry out the following operations:

granting loans when fulfilling tasks within the frames of the Development Bank's mandate;  
raising monetary funds of the budget, banks and non-bank credit and finance organizations of the Republic of Belarus, foreign banks and other non-residents to deposits;

opening and maintenance of correspondent accounts, other accounts the opening of which is directly related to fulfilling of tasks within the frames of the Development Bank's mandate and banking transactions carried out by the Development Bank. The Development Bank shall not open current (settlement) bank accounts ;

making settlements in non-cash form through correspondent and other accounts opened by the Development Bank in the National Bank and other banks;

currency and foreign exchange transactions directly related to fulfilling of tasks within the frames of the Development Bank's mandate and other transactions carried out by the Development Bank;

factoring financing of residents (creditors) when realizing export contracts within the frames of the Development Bank's mandate in the area of facilitating export of goods (works, services);

granting bank guarantees when fulfilling tasks within the frames of the Development Bank's mandate and as security for performance of obligations by legal entities for which the Development Bank is a founder (member).

At the same time the Development Bank may not conduct bank operations with physical persons and cash.

3.4 The Development Bank also conducts the following operations:

allocation, placement and utilization of temporarily available monetary funds as per procedure specified by legislation, including granting loans to banks, allocation of such funds on accounts, in deposits with the National Bank and other banks, in government securities of the Republic of Belarus, securities of local executive and regulatory authorities, securities of the National Bank and bank bonds and also use of the temporarily available funds in foreign exchange transactions;

raising, servicing and redemption of external government loans;

raising, servicing and redemption of external loans raised against guarantees of the Government of the Republic of Belarus, provided for financing of government programs and actions and also for other purposes prescribed by executive decisions of the President of the Republic of Belarus;

management (servicing) of assets acquired from banks in accordance with legislation basing on agreements of claim assignment on loans granted by banks to legal entities and individual entrepreneurs.

3.5 When performing its activities the Development Bank shall be entitled to:

collect indebtedness without legal proceedings from debtors' accounts under credits, transferred to the Development Bank management, and accrued interest, arisen upon violation of the terms of repayment (return) of credits, payments of interests for using of these credits on the ground of the Development Bank decision, taken in respect of each specific debtor;

raise credits and loans;

according to procedure specified by the law issue and allocate securities, as well as acquire government securities of the Republic of Belarus, local executive and regulatory authorities, National Bank, banks and perform other transactions with such securities;

levy execution upon mortgaged property of a debtor and sell the collected property according to the procedure provided for banks by applicable laws;

request according to established procedure and gratuitously receive information required to carry out its activity from agencies of state administration, other organizations and physical persons;

get international technical assistance according to procedure established by applicable laws, including those provided by means of transfer of experience and technologies, monetary funds to pay financial and other consultants and render gratuitous aid (sponsor support) to fulfil tasks within the frames of the Development Bank's mandate;

act as a pledge holder for privately owned land plots, a right for a land plot leasehold being a subject of a mortgage, pledge ;

carry out dealer and broker activity at securities market subject to special permission (license) to carry out professional and exchange activities related to securities, issued by the Ministry of Finance without compliance with separate legal requirements in the area of securities markets and licensing as determined by Edict No. 261;

accept guarantees and suretyships as security for discharge of obligations without taking into consideration the legal requirements for government organizations and business companies with share of the State in the authorized capital as determined by Edict No.261;

elaborate and bring on its own behalf to the approval of the Council of Ministers of the Republic of Belarus drafts of legal acts pertaining to the Development Bank activities in accordance with the established procedure, including among others in regard to issues pertaining to the activities of its subsidiaries;

render consulting and information services when fulfilling the tasks within the frames of the Development Bank's mandate, as well as other non-finance support to small and medium-sized enterprises;

grant loans to legal entities for which the Development Bank is a founder (member) without taking into consideration of separate legal requirements for government organizations and business companies with share of the State in the authorized capital and Edict No.261

3.6 The Development Bank performs monitoring of currency operations conducted by the clients to the extent and as per procedure stipulated for banks and in doing so reports to the National Bank.

3.7 The Development Bank conducts management of the woodworking enterprises assets which were transferred to the Development Bank for management in accordance with the Edict No. 257 of the President of the Republic of Belarus of June 24, 2015 "On some issues of acquisition of the banks' assets formed when crediting the enterprises of the woodworking industry and of specifying the limits of internal public debt".

#### **ARTICLE 4. AUTHORIZED CAPITAL OF THE DEVELOPMENT BANK**

4.1. The authorized capital of the Development Bank shall amount to 2 015 755 270.00 Belarusian rubles (Two billion fifteen million seven hundred fifty five thousand two hundred and seventy Belarusian rubles 00 kopeks), divided into 201 575 527 ( Two hundred one million five hundred seventy five thousand five hundred twenty seven ) simple (ordinary) shares of 10.00 Belarusian rubles (Ten Belarusian rubles 00 kopeks) par value..

The amount of non-monetary contribution to the authorized capital makes 133 727 014,00 Belarusian rubles (One hundred thirty three million seven hundred twenty seven thousand fourteen Belarusian rubles 00 kopeks).

4.2. The Development Bank shall be entitled to change the authorized capital, including its increasing or reducing according to the procedures specified by applicable laws.

4.3. Increase of the authorized capital shall be made by issue of additional shares or increase of shares par value.

Own funds of the Development Bank shareholders, of other persons and (or) the Development Bank itself may be used to increase the Development Bank authorized capital.

Raised monetary funds and (or) proceeds of crime cannot be used to increase the authorized capital of the Development Bank. Increase of the authorized capital in order to cover losses incurred by the Development Bank shall not be allowed.

4.4. Reduction of the Development Bank authorized capital shall be made upon notification to all Development Bank's creditors by reduction of shares par value or by acquisition of a part of the shares by the Development Bank for the purposes of reduction of their total number.

## **ARTICLE 5. SHARES OF THE DEVELOPMENT BANK**

5.1. Shares of the Development Bank shall be issued in the form of dematerialized securities.

5.2. Controlling block of the Development Bank shares shall be deemed as the property of the Republic of Belarus. The State Property Committee of the Republic of Belarus shall exercise functions of a shareholder, in respect of shares of the Council of Ministers of the Republic of Belarus.

5.3. Transactions with shares of the Development Bank shall be made in accordance with applicable laws.

5.4. Resolution on acquisition (disposal) by the Development Bank of the shares allotted by it shall belong to exclusive jurisdiction of the General Meeting of Shareholders of the Development Bank. Moreover, this resolution may be passed for the following purposes:

- subsequent proportional distribution of shares among shareholders;
- cancellation of shares;
- further gratuitous transfer of shares to the state.

5.5. The Development Bank shall repurchase the shares issued by it under the shareholders' demand in cases specified by legislation.

Development Bank's repurchase price of its shares to be repurchased under the shareholders' demand shall be defined in accordance with legislation and approved by the same General Meeting of Shareholders of the Development Bank which takes a resolution in the result of which the shareholders can demand for the Development Bank's shares to be repurchased.

The shareholders are notified upon their right to demand for the shares repurchase not later than ten days after the date when the respective resolution is approved by the General Meeting of Shareholders of the Development Bank as per procedure specified by cl.8.8 of Article 8 of these Articles of Association for notification on holding a General Meeting of Shareholders of the Development Bank.

The application with the demand to repurchase the shares shall be filed by a shareholder in writing specifying the place of location and number of shares demanded to be repurchased, as well as banking details for crediting money funds as payment for the shares.

The shareholders' demands to the Development Bank for their shares repurchase shall be submitted not later than 30 (thirty) days from the date when the General Meeting of Shareholders of the Development Bank has taken a resolution which has led to the shareholders' right to demand for the shares to be repurchased. The Development Bank shall be obliged within 30 (thirty) days after the expiry of the stated term to satisfy the demand for shares repurchase or to notify the shareholders upon its refusal to do so. Within the same period of time the demands submitted by the shareholders can be revoked by them.

Payment of shares when they are repurchased under the shareholders' demand is effected with monetary fund in non-cash form by their transfer to a bank account specified by the shareholder.

The shareholders are notified on the refusal to repurchase their shares in writing.



5.6 The Development Bank's shares transferred to its ownership shall not grant voting rights, they are not accounted for at votes counting during the General Meeting of Shareholders of the Development Bank and no dividends are paid on them. Such shares can be in the Development Bank's ownership for the period longer than one year.

5.7 Formation of the register of shareholders shall be made by a depository according to an agreement entered into by the Development Bank.

## **ARTICLE 6. PROPERTY OF THE DEVELOPMENT BANK**

6.1. Property of the Development Bank shall be formed by:

contributions to the authorized capital of the Development Bank;

funds of the republican budget;

payments made to repay debts under the assets acquired from banks;

income gained as a result of the Development Bank's activity;

gratuitous aid (sponsor support) as well as other sources in accordance with legislation.

## **ARTICLE 7. RIGHTS AND OBLIGATIONS OF THE DEVELOPMENT BANK SHAREHOLDERS**

7.1. Every simple (ordinary) share of the Development Bank shall ascertain identical scope of rights of a shareholder - its owner.

Shareholders-owners of simple (ordinary) shares of the Development Bank shall have the right to:

get a part of the Development Bank's profit in the form of dividends;

get a part of property or its cost in case of the Development Bank's liquidation, which has remained after settlements with creditors;

participate in General Meeting of Shareholders of the Development Bank with a right to vote upon issues, which belong to the jurisdiction of General Meeting of Shareholders of the Development Bank.

7.2. Shareholders shall be entitled to participate in General Meeting of Shareholders of the Development Bank personally or issue powers of attorney to other persons for participation in General Meeting of Shareholders of the Development Bank in accordance with the procedures established by the legal acts, except as otherwise established by applicable legal acts.

7.3. The shareholders shall be entitled to obtain information on Development Bank's activities and to get acquainted with its documents in the cases and as per procedure specified by legislation and these Articles of Association.

The Development Bank shall disclose to the shareholders the information on its activities, other data as per legislation by means of placing in the official web-site of the Development Bank in the global computer network Internet, through print media, as well as by other means, including communication means.

The shareholders also obtain information on the results of the external independent assessment of the corporate governance efficiency, including assessment of the efficiency of the activities of the Supervisory Board of the Development Bank, on results of self-assessment of the efficiency of the activities of the Supervisory Board of the Development Bank, its members and internal assessment of the efficiency of the activities of the Management Board of the Development Bank.

The Supervisory Board of the Development Bank and the Management Board of the Development Bank shall provide for informing the shareholders at least once every three years during the General Meeting of Shareholders of the Development Bank upon the results of external

independent assessment of the corporate governance efficiency, including assessment of the efficiency of the activities of the Supervisory Board of the Development Bank.

7.4. Shareholders of the Development Bank shall be obliged to:

make contributions to the authorized capital of the Development Bank according to procedure, in amounts, by means of and within the terms specified by these Articles of Association and applicable laws;

not to disclose confidential information regarding activities of the Development Bank, its clients, partners, including data, which form commercial, official, and banking secrets, received in connection with their membership in the Development Bank.

7.5. Shareholders of the Development Bank shall also have other rights and obligations provided for by applicable legislation and these Articles of Association.

## **ARTICLE 8. GENERAL MEETING OF SHAREHOLDERS OF THE DEVELOPMENT BANK**

8.1. The General Meeting of Shareholders of the Development Bank shall be deemed as the supreme corporate body of the Development Bank.

8.2. The jurisdiction of the General Meeting of Shareholders of the Development Bank shall cover as follows:

- 1) introduction of amendments to the Articles of Association of the Development Bank;
- 2) change of the amount of the Development Bank authorized capital;
- 2<sup>1</sup>) formation of the Development Bank's bodies;
- 3) election of members of the Supervisory Board of the Development Bank and the Auditing Commission of the Development Bank and early termination of their powers and authorities except for cases specified by legislation;
- 4) approval of annual reports, annual accounting (financial) statements of the Development Bank and allocation of profits and losses of the Development Bank upon availability and taking into consideration a conclusion made by the Auditing Commission of the Development Bank and the auditors' report, taking into account also the reports on realization of strategic development plan of the Development Bank;
- 5) resolution on the Development Bank's reorganization and approval of delivery and acceptance report or separation balance sheet;
- 6) resolution on the Development Bank liquidation, formation of the liquidation commission, appointment of the liquidation commission chairman or liquidating agent and approval of intermediate liquidation and liquidation balance-sheets, except in cases where executive decision on the Development Bank's liquidation is taken by the President of the Republic of Belarus or by the appropriate court according to applicable laws;
- 7) determination of an amount of remuneration and reimbursement of expenses to members of the Supervisory Board, the Auditing Commission of the Development Bank for discharge of their official duties and obligations;
- 8) granting right to other corporate bodies of the Development Bank to resolve on a one-off basis certain issues, which do not belong to the exclusive jurisdiction of the General Meeting of Shareholders of the Development Bank (resolutions on issues specified in sub-clauses 17-20 of the first part of this clause);
- 9) determination of a procedure to hold the General Meeting of Shareholders of the Development Bank as related to a part, which has not been settled by applicable laws, these Articles of Association and other LLA;

10) approval of LLA in cases specified by legislation and these Articles of Association; approval of LLA regulating the procedure of forming and using the funds of the Development Bank (except for a special fund for accumulation of part of income received from family funds management (hereinafter – special fund), which is to be formed according to procedure approved by the Supervisory Board of the Development Bank);

11) resolution and approval of a resolution to issue shares, approval of the prospectus in cases specified by legislation;

12) making a decision on acquisition (disposal) of the shares allotted by the Development Bank for the purposes and in cases specified by legislation, approval of the repurchase price for Development Bank's shares to be repurchased under the shareholders' demand in cases specified by legislation;

13) making a decision on dividends announcement and payment, including their size and procedure of payment, including period of income calculation for dividends payment, transfer to the budget of its part;

14) making a decision on a major transaction unless the Supervisory Board of the Development Bank has taken unanimous decision to carry out such transaction;

15) making a decision on a major transaction, decision on delegating the authorities to the Management Board of the Development Bank in respect of amending the terms of major transactions subject to legal requirements as well as decision on a transaction whereby there is an interest of affiliated persons if value of the property, being a subject matter of the transaction or several interrelated transactions, is equal or exceeds fifty per cent of the balance cost of the Development Bank's assets, determined basing on data of accounting (financial) statements for the latest report period, or if a number of independent directors as a part of the Supervisory Board of the Development Bank is less than the quorum established by these Articles of Association eligible to hold a meeting of the Supervisory Board of the Development Bank. Resolution on a major transaction and transaction, whereby there is an interest of affiliated persons, may not be required in cases established by applicable legislative acts.

The following transactions shall be deemed interrelated transactions:

transactions with homogeneous obligations conducted by the same persons during recent 30 (thirty) days preceding the date of the conducted transaction calculated from the effective date of contracts, agreements or other documents underlying such transactions;

several transactions with property which can be used as an integral whole of general purposes (a single property complex, complex items etc.);

16) determination of an amount of the funds of the Development Bank, including among others contributions to the funds of the Development Bank, except for cases specified by legislation;

17) making a decision on establishment, reorganization and liquidation by the Development Bank of unitary enterprises and establishments; on transactions which result in disposal and (or) possible disposal of the Development Bank's unitary enterprises as property complexes;

18) making a decision on establishment of other legal entities by the Development Bank as well as participation and termination of participation (except in the form of membership) in the said legal entities including resolutions on the following:

Contributions to the authorized capital of another legal entity;

Participation in the authorized capital (acquisition of shares) of another legal entity;

Conducting a transaction which result in disposal of the share in authorized capital (disposal of shares) of another legal entity;

19) making a decision on creating associations of legal entities which are not legal entities and participation (termination of participation) of the Development Bank in such associations (except in the form of membership) ;

20) making a decision on debt restructuring under loan agreements by means of transfer of the shares ( stakes in authorized capital) to the Development Bank's ownership in cases specified by regulatory legal acts of the President of the Republic of Belarus

21) making decisions on payment to the members of the Management Board of the Development Bank of benefits for the report year or annual bonuses in accordance with legislation.

22) making decisions on other issues in cases stipulated by legislation.

Issues specified in sub-clauses 1-16, 21, 22 hereof are within the exclusive jurisdiction of the General Meeting of Shareholders of the Development Bank and cannot be transferred for resolution by other corporate bodies of the Development Bank.

8.3. General Meetings of Shareholders of the Development Bank may be annual (ordinary) and extraordinary.

8.4. The Development Bank annually not later than 3 (three) months after termination of the report year shall hold the annual General Meeting of Shareholders of the Development Bank, whereby issues of the results of the Development Bank's performance during the report year are reviewed, including reports on the process of development strategy (strategic development plan) realization, issues on election of members of the Supervisory Board of the Development Bank, the Auditing Commission of the Development Bank are resolved, annual reports, annual accounting (financial) statements of the Development Bank and allocation of profits and losses of the Development Bank are approved upon availability and taking into consideration a conclusion made by the Auditing Commission of the Development Bank and the auditors' report, the results of self-assessment of the efficiency of activities of the Supervisory Board of the Development Bank, its members, results of the internal assessment of the efficiency of activities of the Management Board of the Development Bank are reviewed .

8.5 General Meeting of Shareholders of the Development Bank shall be convoked by the Supervisory Board of the Development Bank, which shall also resolve issues associated with preparation and holding of the General Meeting of Shareholders of the Development Bank. In cases and as per procedure specified by legislation General Meeting of Shareholders of the Development Bank can be convoked by other bodies or shareholders of the Development Bank.

8.6. Extraordinary General Meeting of Shareholders of the Development Bank shall be convoked and held by the decision of the Supervisory Board of the Development Bank upon:

own initiative;

requests of shareholders of the Development Bank;

requests of the Management Board of the Development Bank;

requests of the Auditing Commission of the Development Bank;

requests of an audit organization (auditor acting as an individual entrepreneur), hereinafter – audit organization.

The request for convocation of the extraordinary General Meeting of Shareholders of the Development Bank shall contain the issues, which are subject to inclusion into the agenda of the meeting. The request for convocation of the extraordinary General Meeting of Shareholders of the Development Bank can contain draft resolutions for each of these issues, substantiation of raising such issues as well as suggestions as to the form of the meeting holding. The Supervisory Board of the Development Bank is not entitled to amend the wording of the issues on the agenda and draft resolutions for such issues.

The Supervisory Board of the Development Bank shall be obliged to consider this request and make a decision on convocation and holding of this meeting or motivated decision on refusal of its convocation and holding within 15 (fifteen) days from the date of receipt of the request for convocation of the extraordinary General Meeting of Shareholders of the Development Bank.

Decision of the Supervisory Board of the Development Bank on convocation and holding of the Extraordinary General Meeting of Shareholders of the Development Bank or motivated decision on refusal of its convocation and holding shall be sent by facsimile or other types of communication,

by mail or courier to persons, who require its convocation, not later than 5 (five) days from the date of the decision making.

8.7 The list of persons entitled to attend the General Meeting of Shareholders of the Development Bank is composed in line with the legal requirements on the basis of the register of shareholders of the Development Bank formed as of the date fixed by the Supervisory Board of the Development Bank in its resolution regarding holding of this meeting.

8.8. Persons, who have the right to take part in the General Meeting of Shareholders of the Development Bank, shall be informed on holding of the General Meeting of Shareholders of the Development Bank by sending information by registered mail or by hand-delivery to each of the specified persons:

not less than 30 (thirty) days prior to convocation of the annual General Meeting of Shareholders of the Development Bank;

not less than 5 (five) days prior to convocation of the extraordinary General Meeting of Shareholders of the Development Bank, particularly when agenda thereof includes an item on election of members of the Supervisory Board of the Development Bank.

Such notification can be made at shorter notice provided that all shareholders have agreed to hold the extraordinary General Meeting of Shareholders of the Development Bank on the specified dates.

In case of absence of a quorum, notification on adjourned General Meeting of Shareholders shall be made to persons having the right to take part in the General Meeting of Shareholders of the Development Bank not less than 5 (five) days prior to the date of its holding.

In addition to the means of receiving information on holding a General Meeting of Shareholders of the Development Bank specified in the first part of this clause, persons who have the right to take part in the General Meeting of Shareholders of the Development Bank at their discretion are enabled to get acquainted with the specified information by means of a notification containing the procedure of getting acquainted with such information sent to the e-mail address specified by such persons.

8.9. Shareholders (shareholder), who are collectively considered to be holders of one and more per cent of the Development Bank shares, shall have the right to make proposals to the agenda of the General Meeting of Shareholders of the Development Bank, as well as upon nominees to the Supervisory Board of the Development Bank and the Auditing Commission of the Development Bank.

Proposal to the agenda of the General Meeting of Shareholders of the Development Bank should contain formulation of every item put into the agenda, draft resolution of the General Meeting of Shareholders of the Development Bank and their substantiation. Proposal to the agenda on nomination of candidates to electable bodies of the Development Bank should also contain a name of every nominee, name of the Development Bank's body, for election wherein it has been nominated. The proposal should be signed by persons who have made it.

Proposals to the agenda of the annual General Meeting of Shareholders of the Development Bank should be accepted not later than 30 ( thirty) days upon termination of the report year.

The General Meeting of Shareholders of the Development Bank shall not be entitled to resolve issues, which are not included into the agenda of this meeting, as well as change its agenda, except for unanimous resolution of the General Meeting of Shareholders of the Development Bank, wherein all the persons having the right to participate in this meeting take part.

8.10. The General Meeting of Shareholders of the Development Bank may be held in person, in absentia or in the mixed form.

In case the General Meeting of Shareholders of the Development Bank is held in person the discussion of issues on the agenda, voting and making resolutions can be conducted remotely using the electronic servicing systems, including among others videoconferencing systems, telephone and

other communication means (hereinafter - telecommunication means) without physical presence of shareholders in the place where the General Meeting of Shareholders of the Development Bank is to be held.

If the General Meeting of Shareholders is held remotely with usage of telecommunication means the minutes of the meeting shall contain the respective remark.

In case during the meeting held remotely in person technical problems occur in the work of the telecommunication means which prevent holding of the meeting, the shareholders shall be sent voting bulletins and the meeting shall be deemed held in absentia or in the mixed form.

Resolutions of the General Meeting of Shareholders of the Development Bank can be taken during a meeting held in absentia. The opinion of persons who have the right to participate in such general meeting on the issues on the agenda shall be determined by means of written poll and (or) poll using the telecommunication means (absentee voting).

If the General Meeting of Shareholders of the Development Bank is held in the mixed form the persons who have the right to participate in such general meeting shall be entitled to vote on the issues on the agenda either during joint attendance of the meeting (held in person), including among others meetings held remotely using the telecommunication means, or by means of a written poll and (or) poll using the telecommunication means (absentee voting).

8.11. Persons registered for participation in the meeting and (or) persons, completed voting bulletins of which have been received in accordance with the procedures established by these Articles of Association and (or) respective resolution of the Supervisory Board of the Development Bank in regard to convoking and holding of the General Meeting of Shareholders of the Development Bank shall be deemed to have taken part in the General Meeting of Shareholders of the Development Bank. If a voting bulletin is sent using the telecommunication means, such method of bulletin delivery must provide for the possibility to reliably ascertain that the respective voting bulletin was sent by the person who has the right to participate in the General Meeting of Shareholders of the Development Bank.

The General Meeting of Shareholders of the Development Bank shall be recognized as eligible (presence of quorum) if its participants in aggregate possess one hundred per cent of votes from the total number of votes belonging to shareholders of the Development Bank. In case of absence of the established quorum, the annual General Meeting of Shareholders of the Development Bank should be held and the extraordinary General Meeting of Shareholders of the Development Bank may be held repeatedly as adjourned meetings thereof and having the same agenda within 30 (thirty) days.

If the General Meeting of Shareholders of the Development Bank is held in person, including remotely by telecommunication means, registration of persons having the right to take part in the General Meeting of Shareholders of the Development Bank, shall be made upon presentation of documents which confirm their authorities (including by telecommunication means); upon this registration the eligibility (presence of quorum) of this meeting shall be determined. Persons, who have failed to pass registration, shall not be entitled to take part in voting.

While establishing a quorum of the General Meeting of Shareholders of Development Bank, which is held in absentia or in the mixed form, votes presented by voting bulletins shall be taken into consideration.

8.12. Voting at the General Meeting of Shareholders of the Development Bank shall be made by voting bulletins except for voting on procedural issues which can be performed by open voting.

Voting at the General Meeting of Shareholders of the Development Bank shall be made according to a principle "one voting share - one vote".

While holding the absentee voting, bulletins for absentee voting should be hand-delivered to persons, having the right to take part in the General Meeting of Shareholders of the Development Bank, against signature or forwarded to them by registered mail, or using the telecommunication means, not later than 5 (five) days prior to the date of holding of the General Meeting of Shareholders of the Development Bank. Absentee voting bulletin of a legal entity, having the right to take part in

the General Meeting of Shareholders of the Development Bank, may be affixed with the seal of such legal entity.

Expiration date for receipt of completed voting bulletins for absentee voting cannot be specified later than 2 (two) days prior to the date of respective General Meeting of Shareholders of the Development Bank.

8.13. The Chairman of the General Meeting of Shareholders of the Development Bank, presiding over such General Meeting of Shareholders of the Development Bank shall be elected at the General Meeting of Shareholders of the Development Bank, held in person or in the mixed form. The Chairman of the Management Board or the Chairman of the Supervisory Board of the Development Bank, or other person nominated by the General Meeting of Shareholders of the Development Bank may preside over the General Meeting of Shareholders of the Development Bank, held in person or in the mixed form.

The Chairman of the Management Board of the Development Bank shall preside at the General Meeting of Shareholders of the Development Bank, held in absentia, unless determined otherwise by the General Meeting of Shareholders of the Development Bank.

Secretary of the General Meeting of Shareholders of the Development Bank nominated by the said General Meeting of Shareholders of the Development Bank shall keep minutes thereof, as well as confirm the presence of quorum and calculate the votes when the General Meeting of Shareholders of the Development Bank takes resolutions on the items on the agenda .

8.14. Resolutions of the General Meeting of Shareholders of the Development Bank shall be passed by a simple majority of votes of persons who have taken part in this meeting, except as specified by these Articles of Association and applicable legislation.

Resolutions of the General Meeting of Shareholders of the Development Bank with regard to introduction of amendments to the Articles of Association of the Development Bank, increase or reduction of its authorized capital, reorganization and liquidation of the Development Bank, acquisition by the Development Bank of the shares allotted by it, shall be passed unanimously by all shareholders of the Development Bank.

The General Meeting of Shareholders of the Development Bank shall pass resolutions on a major transaction authorization, unless the Supervisory Board of the Development Bank has taken unanimous decision on authorization of such transaction, subject matter of which is the property having the value which makes from twenty to fifty per cent of the balance sheet value of the Development Bank's assets as defined on the basis of the data of the accounting (financial) statements for the latest report period of the Development Bank - unanimously by all shareholders of the Development Bank.

8.15. Resolutions passed by the General Meeting of Shareholders of the Development Bank shall be announced at this meeting and brought to the notice of its members not later than 10 (ten) days after the date of closing of the General Meeting of Shareholders of the Development Bank as per procedure specified by clause 8.8. of Article 8 of these Articles of Association for notification on holding the General Meeting of Shareholders of the Development Bank.

8.16 In case if the General Meeting of Shareholders of the Development Bank is convoked by the Development Bank's body or shareholder (shareholders) entitled to require for the extraordinary General Meeting of Shareholders of the Development Bank to be held, then they shall have the respective authorities of the Supervisory Board of the Development Bank and shall take the necessary actions on preparation, convocation and holding of the General Meeting of Shareholders of the Development Bank as specified by legislation, these Articles of Association and LLA.

8.17. The procedure of holding the General Meeting of Shareholders of the Development Bank to the extent not covered by legislation and these Articles of Association shall be defined by the General Meeting of Shareholders of the Development Bank.

## ARTICLE 9. SUPERVISORY BOARD OF THE DEVELOPMENT BANK

9.1. The Supervisory Board of the Development Bank shall exercise general management of the Development Bank's activity and report to the General Meeting of Shareholders of the Development Bank.

9.2. The jurisdiction of the Supervisory Board of the Development Bank shall cover as follows:

1) determination of primary areas of the Development Bank's activities, approval of the development strategy (strategic development plan), key performance indicators of the Development Bank for the next calendar (financial) year, annual income and expenditure estimate, annual capital investments of the Development Bank and monitoring of their fulfillment;

2) convocation of the General Meeting of Shareholders of the Development Bank and resolution of issues with regard to its preparation and holding;

3) making decisions on securities issue by the Development Bank except for decisions with regard to the issue of shares

4) approval of the decision with regard to the issue-grade securities, except for approval of decision with regard to the issue of shares; approval of the prospectus (when the resolution on bonds issue is taken);

5) making decisions regarding acquisition of securities (own issued securities) by the Development Bank, except for resolution on shares acquisition ;

6) approval of value of the Development Bank's property in cases of a major transaction authorization and authorization of a transaction, whereby there is an interest of affiliated persons, issue (distribution) of securities as well as in other cases, when according to applicable laws and these Articles of Association determination of the value of the Development Bank's property is necessary for transactions with the Development Bank's property which require the resolution of the General Meeting of Shareholders or Supervisory Board of the Development Bank;

7) making a decision on major transactions, decision on delegating the authorities to the Management Board of the Development Bank in respect of amending the terms of major transactions subject to legal requirements, decision on transactions, whereby there is an interest of affiliated persons if the value of the property, being a subject matter of the transaction or several interrelated transactions, makes less than fifty per cent of the balance value of the Development Bank's assets, determined basing on data of accounting (financial) statements of the Development Bank for the latest report period of the Development Bank;

8) selection and approval of the audit organization, determination of the essential terms of audit services agreement with the audit organization except for cases specified by legislation;

8-1) making a decision on engaging a third party to perform internal audit in the Development Bank (internal audit outsourcing) on separate operations or areas of activities (lines of business, business processes) of the Development Bank;

9) approval of the terms and conditions of agreement with evaluation performer

10) approval of a depository and terms of a depository agreement with the Development Bank (issuer) subject to legal requirements;

11) determination of the recommended amount of dividends and time of their payment;

12) determination of a recommended amount of remuneration and reimbursement of expenses to members of the Auditing Commission of the Development Bank for discharge of their functional responsibilities;

13) determination under the agreement with the Ministry of Finance of the procedure and size of the special fund formation;

14) use of reserve and other funds of the Development Bank;

15) making decisions on advance contributions to funds of the Development Bank from current year proceeds according to LLA adopted by the General Meeting of Shareholders of the Development Bank;



16) making a decision on establishment and liquidation of representative offices and affiliated branches of the Development Bank;

17) making a decision on changing of the amount of the authorized capital of the unitary enterprise of the Development Bank;

18) making a decision on Development Bank's participation in other legal entities in the form of membership;

19) making a decision on Development Bank's participation in legal entities associations, which are not legal entities in the form of membership;

20) approval of the independent estimation of the cost of non-monetary contributions to the authorized capital of the Development Bank based upon the evaluation opinion or expert report opinion on the reliability of the internal estimation of the cost of non-monetary contributions;

21) making a decision on gratuitous aid (sponsor support) according to applicable legislative acts;

22) making a decision on gratuitous disposal of the Development Bank's property to the state ownership;

23) approval of procedure for formation and usage by the Development Bank of special reserves to cover possible losses on off-balance assets and transaction;

24) approval of the procedure of family funds management, areas of funds investments and financial instruments of funds investments within the frames of family funds management;

25) determination of volumes of loans to be granted to legal entities, for which the Development Bank is a founder (member);

26) organization of the system of corporate governance by the Development Bank;

27) determination of corporate values and rules, including among others principles of corporate ethics of the Development Bank's employees;

28) appointment (dismissal) of the Chairman of the Management Board of the Development Bank, election of the members of the Management Board of the Development Bank and early termination of their powers except for cases specified by legislation; determination of payment conditions to the members of the Development Bank's Management Board;

29) monitoring of the Management Board performance, including by means of reviewing its reports on accomplishment of goals and strategic development plan of the Development Bank, fulfillment of resolutions of the Supervisory Board of the Development Board, compliance with legislation, these Articles of Association, other LLA, annual internal assessment of the efficiency of the activities of the Management Board of the Development Bank

30) organization of the efficient functioning of risk management system, internal control system and remuneration and compensations system in the Development Bank and bank holding of the Development Bank on a consolidated basis;

31) determining of the personnel policy including policy of personnel appointment and succession, policy of labour stimulation, including salaries and remunerations payment corresponding to the goals and development strategy of the Development Bank, its financial standing and risk profile, relating to the key performance indicators of the Development Bank's operations and its staff work, their influence upon the risk profile of the Development Bank;

32) determining of the Development Bank's policy in regard to conflict of interest, taking measures for ensuring the transparency of the Development Bank's corporate governance;

33) organization of transparent formalized by LLA procedures for selecting candidates for the members of the Supervisory Board of the Development Bank, including assessment of the necessary experience, skills and time for performing the duties in the fullest extent, analysis of potential conflict of interests, presenting information to the shareholders on the recommended candidate, as well as procedures of installing the newly elected member of the Supervisory Board of the Development Bank in an office and removal of the member of the Supervisory Board of the Development Bank from its composition (re-election of the member of the Supervisory Board of the Development Bank) in cases when such member does not any longer correspond to the requirements (including requirements to the business reputation) or its activities are deemed inefficient;

34) annual self-assessment of the efficiency of the activities of the Supervisory Board of the Development Bank, its members;

35) establishing of qualification requirements and requirements to business reputation for the heads of affiliated branches, head of the Internal Audit Service (hereinafter – Internal Audit Service), officer responsible for risk management in the Development Bank and officer responsible for internal control in the Development Bank as well as monitoring their compliance with the above said requirements;

36) monitoring of the bank operations with insiders and interrelated persons to be conducted without any beneficial terms, including by means of determining the policy and procedures of banking operations with insiders and interrelated persons;

37) making a decision on establishment of the audit committee, risk committee, committee on budget, remunerations and appointments and other committees of the Supervisory Board of the Development Bank for preliminary consideration of the most important and significant issues belonging to the jurisdiction of the Supervisory Board of the Development Bank, determination of their respective rights and obligations, number of members and personal composition, approval of regulation(s) thereon;

38) approval of LLA in cases specified by applicable legislation, these Articles of Association, other LLA approved by the General Meeting of Shareholders of the Development Bank;

39) approval of Credit Policy and other policies of the Development Bank which according to legislation are to be approved within the frames of the jurisdiction of the Supervisory Board of the Development Bank;

40) determination of limits for transactions and other operations, resolutions upon which are taken by the Management Board and (or) Chairman of the Management Board of the Development Bank;

41) regular review of the results of assessing the internal control performance, its correspondence to the nature, extent and conditions of the Development Bank's operations, delivery of assignments to the Management Board of the Development Bank regarding issues of internal control organization, taking measures to enhance the internal control efficiency, as well as strategic decisions in the area of internal control improving;

42) regular review of management statements covering the efficiency of the system of internal control functioning;

43) review of information presented by the audit committee of the Supervisory Board of the Development Bank upon results of inspection of Internal Audit Service;

44) taking measures providing for timely elimination by the Management Board of the Development Bank of breaching of legislation, abusive practices and shortcomings, found during inspections (revisions) conducted by the Internal Audit Service, audit organization, Auditing Commission of the Development Bank, National Bank and other regulatory (supervising) authorities, as well as performance of the recommendations received;

44-1) review of issues related to realization of the Policy of Informing, including among others with the right to instruct the Management Board of the Development Bank on elimination of the detected violations;

45) approval of the expenditure estimate, plan of work and reporting of the Internal Audit Service;

46) approval of the regulation on Internal Audit Service and other LLA regulating the functioning of Internal Audit Service;

47) review of the report on functioning of risk management system in the Development Bank, bank holding of the Development Bank on a consolidated basis at least once a year (including among others information on the status of risk management system and risk level);

48) review (at least once a year) of the reports on the issues of capital adequacy internal assessment as well as issues of required amendments to LLA regulating the procedure of capital adequacy internal assessment;

49) determination of tolerance for risks attributable to the Development Bank, bank holding

of the Development Bank;

50) organization of the system of remunerations and compensations in the Development Bank, determination of forms and conditions of labour payment to the employees of the Development Bank, determination of the amount of annual bonus or performance-based compensation for the report year to the members of the Management Board of the Development Bank;

51) determination of the conditions of remunerations and (or) compensations payment to the Chairman of the Management Board, Deputy Chairpersons, members of the Management Board of the Development Bank, Chief Accountant, other employees of the Development Bank included into the list of employees taking the risks, as well as to an officer responsible for risk management in the Development Bank, officer responsible for the internal control in the Development Bank, head of the Internal Audit Service, head of the Internal Control Service

52) regular review of management statements covering the efficiency of the system of remuneration and compensations;

53) approval of appointment for and dismissal from the office of an officer responsible for the internal control in the Development Bank, officer responsible for risk management in the Development Bank, head of the Internal Audit Service; determination of the conditions of labour payment to the stated persons as well as specialists of Internal Audit Service;

54) making a decision on debt restructuring on loan agreements by means of partial relief of liabilities on debt repayment and on the issues of debt release on loan agreements in cases specified by regulatory legal acts of the President of the Republic of Belarus;

55) making a decision on writing-off of all types of accounts receivable if the amount of the debtor's (counterparty's) debt exceeds 10 (ten) thousand base values as of the date of decision making, as well as on writing-off of decayed fixed assets and intangible assets if the residual value of each unit of such fixed assets and intangible assets exceeds 10 (ten) thousand base values as of the date of decision making;

56) making a decision on writing-off from balance (off-balance) sheet accounts of uncollectible debt on transactions (operations) exposed to credit risk if the amount of the debtor's (counterparty's) debt exceeds 10 (ten) thousand base values as of the date of decision making;

57) making a decision on transactions with regard to disposal of real estate facilities to the ownership of other persons for a consideration (permanent structures (buildings, constructions), isolated premises, incomplete temporarily laid-up and incomplete not laid-up permanent structures), when the value of each of them exceeds 10 (ten) thousand base values as of the date of decision making;

58) resolution of issues, which belong to the jurisdiction of the General Meeting of Shareholders of the Development Bank, except for issues, which belong to the exclusive jurisdiction of the General Meeting of Shareholders of the Development Bank, upon instructions of the General Meeting of Shareholders of the Development Bank;

59) solving of other issues in cases specified by legislation.

Issues within the jurisdiction of the Supervisory Board of the Development Bank, cannot be transferred for resolution by the Management Board of the Development Bank, except for issues on granting gratuitous aid (sponsor support) in accordance with legal acts, provided that the Management Board of the Development Bank shall be obliged to report to the Supervisory Board of the Development Bank on such gratuitous aid (sponsor support) granting on a quarterly basis.

The Supervisory Board of the Development Bank is not allowed to review the issues of the Development Bank's effecting separate active operations, current management of the Development Bank's activities except in cases specified by legislation, these Articles of Association, nor is allowed any other interference into current management of the Development Bank's operations by the Supervisory Board or its separate members.

9.3. The Supervisory Board of the Development Bank shall consist of 8 ( eight) members to be elected.

In case if the number of members of the Supervisory Board of the Development Bank is less than half of the number of elected members or less than the number specified by these Articles of Association for the Supervisory Board's meeting to be eligible, or less than the number specified by legal acts, then the Supervisory Board of the Development Bank shall be obliged within 15 (fifteen) days to make a decision on holding an extraordinary General Meeting of Shareholders of the Development Bank for the purpose of additional election or re-election of the new composition of the Supervisory Board of the Development Bank. The remaining members of the Supervisory Board of the Development Bank are entitled to make a decision only on convocation of the said extraordinary General Meeting of Shareholders of the Development Bank.

9.4. Physical persons only may act as the members of the Supervisory Board of the Development Bank according to the applicable laws. The Chairman of the Management Board may not be a member of the Supervisory Board of the Development Bank.

The members of the Supervisory Board of the Development Bank as well as candidates for the members of the Supervisory Board of the Development Bank are to meet the qualification requirements and requirements to business reputation, specified by legislation as well as additional requirements specified by LLA.

There must be at least three independent directors in the composition of the Supervisory Board of the Development Bank.

The core function of an independent director is to participate in the work of the Supervisory Board of the Development Bank when making decisions on issues of elaborating the Development Bank's development strategy (strategic development plan), assessing the correspondence of the Management Board activities to the approved strategy, self-assessing of the efficiency of the activities of the Supervisory Board, its members as well as internal assessing of the efficiency of the activities of the Management Board, defining policy in the area of conflict of interests and settlement of the conflict of interests involving the Development Bank's shareholders, protecting interests of minority shareholders of the Development Bank as well as on other issues affecting the interests of the Development Bank's shareholders.

9.5. Members of the Supervisory Board of the Development Bank shall be elected by the General Meeting of Shareholders of the Development Bank.

9.6. Chairman of the Supervisory Board of the Development Bank shall not be elected. Prime Minister of the Republic of Belarus shall be the Chairman of the Supervisory Board of the Development Bank. The Supervisory Board of the Development Bank may elect Deputy Chairman of the Supervisory Board of the Development Bank from the members of the Supervisory Board of the Development Bank; the functions of such Deputy Chairman are determined by LLA regulating the work procedure of the Supervisory Board of the Development Bank.

The Chairman of the Supervisory Board of the Development Bank shall:

organize the work of the Supervisory Board of the Development Bank, and in particular approve of the agenda of the meeting of the Supervisory Board of the Development Bank, convoke and hold meetings of the Supervisory Board of the Development Bank, preside over meetings of the Supervisory Board of the Development Bank, sign minutes of the meeting of the Supervisory Board of the Development Bank;

enter into and sign employment agreements (contracts) with the Chairman of the Management Board of the Development Bank and members of the Management Board of the Development Bank on behalf of the Development Bank, sign on behalf of the Development Bank other documents related to Chairman of the Management Board of the Development Bank where the Development Bank acts as an employer, unless provided otherwise by the Supervisory Board of the Development Bank and (or) applicable laws, take decisions as to sending the Chairman of the Management Board of the Development Bank to a business trip abroad, including approval of the assignment for a business trip abroad of the Chairman of the Management Board and report on its results;

sign letters and other documents on issues related to the jurisdiction of the Supervisory Board of the Development Bank .

If the Chairman of the Supervisory Board of the Development Bank is absent meetings of the Supervisory Board of the Development Bank shall be presided by Deputy Chairman of the Supervisory Board.

9.7. Meetings of the Supervisory Board of the Development Bank shall be held with frequency which allows to assure the timely making of management decisions but at least once every quarter.

Meetings of the Supervisory Board of the Development Bank shall be convoked by the Chairman of the Supervisory Board of the Development Bank upon its own initiative as well as at the request of the Auditing Commission, audit organization, the Chairman of the Management Board, the Management Board and a member of the Supervisory Board of the Development Bank.

The request to convoke the meeting of the Supervisory Board of the Development Bank containing the issues to be considered shall be sent in writing to the Chairman of the Supervisory Board of the Development Bank.

The members of the Supervisory Board of the Development Bank are notified on holding a meeting of the Supervisory Board of the Development Bank not later than 5 (five) days prior to the date of its holding unless other dates are specified by these Articles of Association or by the Chairman of the Supervisory Board of the Development Bank.

9.8. Meeting of the Supervisory Board of the Development Bank shall be recognized eligible if it is attended by at least half of the total number of its elected members.

The Supervisory Board of the Development Bank shall make decisions by a simple majority of votes from the total number of its members, who have taken part in voting, except as otherwise specified in these Articles of Association.

Decision on a major transaction shall be taken by all members of the Supervisory Board of the Development Bank unanimously.

When the Supervisory Board of the Development Bank makes a decision, each member of the Supervisory Board shall hold one vote. In case of tied vote when the Supervisory Board is making a decision the Chairman of the Supervisory Board of the Development Bank (or a person acting as a substitute) shall have the casting vote.

Transfer of authorities, including the voting right by a member of the Supervisory Board of the Development Bank to another person, including another member of the Supervisory Board of the Development Bank, shall not be allowed.

9.9. The Supervisory Board of the Development Bank shall hold at least two in-present meetings per year. The meeting of the Supervisory Board of the Development Bank shall be deemed an in-present meeting if the members of the Supervisory Board of the Development Bank are jointly present physically as well as participate in the meeting remotely using the telecommunication means or if some of the members of the Supervisory Board are absent, but have presented their written opinions on the agenda items before the meeting began.

If the meeting of the Supervisory Board of the Development Bank is held with usage of telecommunication means the minutes of the meeting shall contain the respective remark.

In case during the meeting held remotely in person technical problems occur in the work of the telecommunication means which prevent holding of the meeting, the members of the Supervisory Board of the Development Bank shall be sent approval sheets for voting and the meeting shall be deemed held in absentia.

In case the meeting of the Supervisory Board of the Development Bank is held in absentia (by poll method), all members of the Supervisory Board of the Development Bank shall be sent not later than 5 (five) days prior to the date of respective in absentia meeting of the Supervisory Board of the Development Bank, unless specified otherwise by the Chairman of the Supervisory Board of

the Development Bank by post or by means of facsimile communication or otherwise, a set of documents per each item on the agenda for voting. A member of the Supervisory Board of the Development Bank shall be obliged to inform about its decision under the issues raised in writing not later than the date of holding the meeting of the Supervisory Board of the Development Bank in absentia. It shall be considered that a member of the Supervisory Board of the Development Bank, which has failed to present written decision within the specified terms, has not taken part in voting.

Poll shall be considered accomplished if it has been taken by a simple majority of members of the Supervisory Board of the Development Bank.

The Supervisory Board of the Development Bank shall make decisions by poll method by a simple majority of votes from the total number of its members, which have taken part in voting, unless specified otherwise in these Articles of Association.

9.10. Members of the Supervisory Board of the Development Bank shall be entitled to enquire for and receive from the Chairman of the Management Board, the Management Board, the Auditing Commission, structural subdivisions, and officers of the Development Bank information, data and documents containing such information and data in order to exercise functions and authorities of the Supervisory Board of the Development Bank, examine documents of the Development Bank, in order to fulfill their obligations use the property of the Development Bank, receive transport services, undergo corporate training organized by the Development Bank and (or) other organizations in accordance with LLA. The members of the Supervisory Board also exercise other rights, specified by the legislation of the Republic of Belarus, these Articles of Association and (or) other LLA.

Any member of the Supervisory Board of the Development Bank is obliged:

to know the structure of corporate governance of the Development Bank, functions of the Supervisory Board of the Development Bank, organizational chart of the Development Bank and to be aware of the risks attributed to its activities;

to execute decisions made by the General Meeting of Shareholders of the Development Bank in the proper manner;

to participate personally in meetings of the Supervisory Board of the Development Bank, including those held by a poll method;

when making decisions to be guided by principles of due care and loyalty according to which every member of the Supervisory Board is obliged to perform its duties reasonably and in good faith for the benefit of the Development Bank and its shareholders, not using its powers and authorities to the personal advantage or for the benefits of a separate person ( a group of persons);

to refrain from actions which could cause the conflict of interests and to inform the Supervisory Board of the Development Bank immediately upon occurrence of the conflict of interests and to take respective measures to eliminate it;

to keep confidential the information containing commercial, banking or other secrets protected by law, which became known to the member of the Supervisory Board pursuant to its participation in the work of the Supervisory Board of the Development Bank;

to fulfil other duties in accordance with legislation, these Articles of Association and (or) other LLA.

The member of the Supervisory Board of the Development Bank who is an independent director is obliged in due time to inform the Supervisory Board of the Development Bank upon changes of its status or upon circumstances by virtue of which such member ceases to be independent.

9.11. Unless provided otherwise by applicable legislative acts, members of the Supervisory Board of the Development Bank when performing their obligations as such shall be paid a remuneration and a compensation of expenses according to procedure and in amount established by the General Meeting of Shareholders of the Development Bank.

9.12 The proceedings of the Supervisory Board of the Development Bank including preparation, convocation and holding of its meetings, making decisions by the Supervisory Board,

other authorities of the Chairman of the Supervisory Board of the Development Bank as well as requirements to qualification, professional and other qualities of candidates to the members of the Supervisory Board of the Development Bank not covered by these Articles of Association shall be governed by legislation, LLA approved by General Meeting of Shareholders of the Development Bank.

## **ARTICLE 10. CHAIRMAN OF THE MANAGEMENT BOARD OF THE DEVELOPMENT BANK**

10.1. The Chairman of the Management Board of the Development Bank shall be appointed by the Supervisory Board of the Development Bank.

The Chairman of the Management Board of the Development Bank shall exercise current management over the Development Bank's activity and bear responsibility for its activity.

10.2. The Chairman of the Management Board of the Development Bank shall:

1) be at the head of the Management Board of the Development Bank and control its functioning, raise issues which belong to the jurisdiction of the Management Board of the Development Bank for review;

2) sign amendments to the Articles of Association of the Development Bank, register of shareholders of the Development Bank, other documents required for state registration of amendments to be made to the Articles of Association of the Development Bank, unless another procedure to sign document is established by applicable laws;

3) act on behalf of the Development Bank within the limits of its jurisdiction without a power of attorney as well as represent interests of the Development Bank, issue powers of attorney and make other transactions on its behalf;

4) approve personnel list of the Development Bank, hire and discharge employees of the Development Bank, take incentive measures with respect to them, bring employees of the Development Bank to disciplinary and material responsibility;

5) make proposals to the Supervisory Board of the Development Bank regarding the structure of the Management Board of the Development Bank;

6) issue orders (directions) and give instructions binding upon all employees of the Development Bank;

7) act on behalf of the Development Bank as a representative of the member of legal entities, shares (stakes) in authorized capital of which belong to the Development Bank on all issues related to their establishing and operating except issues which by virtue of these Articles of Association belong to the jurisdiction of the Supervisory Board or General Meeting of Shareholders of the Development Bank;

8) assign powers and responsibilities between senior management of the Development Bank;

9) make a decision on writing-off of all types of accounts receivable if the amount of the debtor's (counterparty's) debt is less than 1 (one) thousand base values as of the date of decision making, as well as on writing-off of decayed fixed assets and intangible assets if the residual value of each unit of such fixed assets and intangible assets is less than 1 (one) thousand base values as of the date of decision making;

10) make a decision on transactions on disposal against compensation of the Development Bank's property if the cost of each unit of such property is up to 1 (one) thousand base values as of the date of decision making;

11) resolve other issues related to current operation of the Development Bank, perform other head's authorities according to applicable laws, these Articles of Association and other LLA, which do not belong to the exclusive jurisdiction of the corporate bodies of the Development Bank.

The Chairman of the Management Board of the Development Bank shall be entitled to attend meetings of the Supervisory Board of the Development Bank and make proposals in terms of issues

under consideration without having the voting right in the course of making decisions under such issues.

10.3. The Chairman of the Management Board of the Development Bank shall be entitled to assign a part of authorities of the Chairman of the Management Board of the Development Bank to deputies of the Chairman of the Management Board of the Development Bank and other officers of the Development Bank.

During a period of absence of the Chairman of the Management Board of the Development Bank, its functions shall be exercised by the First Deputy Chairman of the Management Board.

In case the Chairman of the Management Board of the Development Bank, First Deputy Chairman of the Management Board of the Development Bank, other person acting as the Chairman of the Management Board of the Development Bank are absent simultaneously, the functions of the Chairman of the Management Board of the Development Bank are performed by one of the deputies of the Chairman of the Management Board of the Development Bank or by any other officer of the Development Bank assessed for compliance with the requirements to the position of the Chairman or Deputy Chairman of the Management Board of the Development Bank issued by the National Bank in line with the legislation in accordance with the order (instruction) of the Chairman of the Management Board of the Development Bank, First Deputy Chairman of the Management Board of the Development Bank, other person acting as the Chairman of the Management Board of the Development Bank respectively.

First Deputy Chairman of the Management Board of the Development Bank, deputies of the Chairman of the Management Board of the Development Bank, heads of affiliated branches are entitled to issue (cancel) on behalf of the Development Bank powers of attorney to receive goods and materials.

## **ARTICLE 11. THE MANAGEMENT BOARD OF THE DEVELOPMENT BANK**

11.1. The Management Board of the Development Bank shall be deemed as a collective executive body of the Development Bank and shall carry out current management over activities of the Development Bank.

The Management Board of the Development Bank shall consist of 7 (seven) members, including the Chairman of the Management Board of the Development Bank and elected deputies of the Chairman of the Management Board, other members of the Management Board of the Development Bank.

The powers of a member (members) of the Management Board of the Development Bank can be terminated in advance as per resolution of the Supervisory Board of the Development Bank, as well as in the cases specified by legislation without a respective resolution approved by the Supervisory Board of the Development Bank.

The Management Board of the Development Bank reports to the General Meeting of Shareholders and the Supervisory Board of the Development Bank and arranges for the decisions of the above bodies to be fulfilled.

11.2. The Management Board of the Development Bank shall:

1) arrange the activities of the Development Bank in compliance with core areas of activities and development strategy (strategic development plan) of the Development Bank approved by the Supervisory Board of the Development Bank (including as related to strategy of risk management of the Development Bank and strategy of organization and conducting of internal control), other plans, programs, policies, provide for execution of the resolutions of General Meeting of Shareholders and the Supervisory Board of the Development Bank;

2) elaborate and make proposals to the Supervisory Board of the Development Bank on determination of core areas of activities and development strategy of the Development Bank, approval of strategic development plan of the Development Bank, annual income and expenditures estimate, annual capital investments estimate of the Development Bank;



3) make proposals to the Supervisory Board of the Development Bank with regard to establishment and closing of affiliated branches and representative offices of the Development Bank, as well as other issues, which belong to the jurisdiction of the Supervisory Board of the Development Bank;

4) approve of documents which are aimed at fulfilling tasks imposed by the General Meeting of Shareholders and \or the Supervisory Board of the Development Bank for the current year, including approval of income and expenditures estimate for the next quarter;

5) re-distribute the limits between the areas of capital investments within the frames of the total amount of the annual capital investments estimate approved by the Supervisory Board of the Development Bank subject to production necessity, unless specified otherwise by the Supervisory Board of the Development Bank;

6) arrange and provide for functioning of the system of corporate governance by the Development Bank, internal control system and risk management system, system of remunerations and compensations in the Development Bank and bank holding of the Development Bank, fulfillment of tasks and goals specified by the Supervisory Board of the Development Bank within the frames of such systems;

7) organize the operating of the Internal Audit Service and provide for the Development Bank to perform goals and tasks stipulated by the Supervisory Board of the Development Bank in this area;

8) approve of the organizational chart of the Development Bank and its affiliated branches;

9) approve of regulations on structural subdivisions of the Development Bank (departments, units, sectors, services etc.) (except for Internal Audit Service), regulations on affiliated branches, representative offices, standard regulation on an affiliated branch;

10) approve of LLA, except for LLA , approval whereof belongs to the jurisdiction of other corporate bodies of the Development Bank according to applicable laws and (or) these Articles of Association. The Management Board of the Development Bank is obliged not to permit approval of LLA and (or) taking actions which can create conditions for breach of law and (or) prevent conducting of internal control in the Development Bank;

11) approve of the regulation on working with register of shareholders;

12) approve of the book of commissions (fees) for the Development Bank's transactions;

13) establish limits and other restrictions except those establishment of which belongs to the jurisdiction of the Supervisory Board of the Development Bank according to these Articles of Association;

14) monitor compliance by the Development Bank with limits, authorities of the Development Bank's officers, in particular when concluding major transactions;

15) conduct management of risks attributable to the Development bank, monitor the measures taken by the Development Bank for decreasing (limiting) of risk exposure;

16) provide for compliance with tolerance to risks attributable to the Development Bank, bank holding of the Development Bank, limiting of risk-appetite of the Development Bank applying the respective risk-appetite parameters, maintenance of risk-profile of the Development Bank, bank holding of the Development Bank adequate to the nature and scope of its business;

17) conduct internal monitoring of the efficiency of the Development Bank's internal control system and elimination by the Development Bank of detected breaches and shortcomings of the internal control;

18) review management statements of the Development Bank containing the outcomes and information on periodical assessing of the internal control efficiency in the Development Bank, each separate areas and types thereof;

19) organize in the Development Bank efficient system of information transfer and exchange which must ensure delivery of necessary data to the interested users;

20) take measures to improve the internal control system and risk management system in the Development Bank;

21) submit to the Supervisory Board the reports on current operations, reflecting the outcomes of financial activities and operations which allow to assess performance of target indicators of the development strategy (strategic development plan) of the Development Bank;

22) inform the Supervisory Board of the Development bank and (or) committees created by it upon detected breaches of law, LLA, which can affect the efficiency of corporate governance and financial reliability of the Development Bank ;

23) make decisions on provision of financial assistance to employees of the Development Bank according to LLA, make proposals to the Supervisory Board of the Development Bank with regard to provision of gratuitous aid (sponsor support) to organizations, individual entrepreneurs, other physical persons;

24) make decisions on transactions of disposal of the property of the Development Bank against consideration, unless specified otherwise by legislation or these Articles of Association;

25) make a decision on conducting a transaction (operation) exposed to credit risk in the cases when the amount of the transaction (operation) or the total debt amount of a business entity to the Development Bank subject to the transaction (operation) under study exceeds USD 20 (twenty) million in equivalent as per official exchange rate of Belarusian ruble to US dollar fixed by the National Bank as of the day of decision making;

26) make a decision on conducting a transaction (operation) exposed to credit risk in the cases of negative resolution of the Credit Committee of the Development Bank, subject to compliance with statutory provisions;

27) make a decision on prolongation of terms for indebtedness full repayment (return) under transactions (operations) exposed to credit risk, decision on termination or suspension of interest accrual for loan usage pursuant to legislation if the total amount of indebtedness of a business entity to the Development Bank exceeds USD 20 (twenty) million in equivalent as per official exchange rate of Belarusian ruble to US dollar fixed by the National Bank as of the day of decision making;

28) make a decision on writing-off of all types of accounts receivable if the amount of the debtor's (counterparty's) debt makes from 1 (one) thousand base values to 10 (ten) thousand base values inclusive as of the date of decision making, as well as on writing-off of decayed fixed assets and intangible assets if the residual value of each unit of such fixed assets and intangible assets makes from 1 (one) thousand base values to 10 (ten) thousand base values inclusive as of the date of decision making;

29) make a decision on writing off from balance (off-balance) sheet accounts of uncollectible debt on transactions (operations) exposed to credit risk if the amount of the debtor's (counterparty's) debt does not exceed 10 (ten) thousand base values as of the date of decision making;

30) form and properly authorize permanent commissions and committees of the Development Bank for operative resolution of issues related to the day-to-day activity of the Development Bank;

31) exercise the authorities of property owner in respect of established unitary enterprises and establishments, authorities of a sole member of business entities established by the Development Bank unless such authorities belong to the jurisdiction of other governing bodies of the Development Bank in accordance with legislation and these Articles of Association, solve other issues arising in the activities of such legal persons, which are not covered by the jurisdiction of executive bodies in accordance with their charters;

32) take decisions on amending the terms of major transactions in accordance with the resolutions of the General Meeting of Shareholders (Supervisory Board) of the Development Bank on delegation of the authorities to take such decisions to the Management Board of the Development Bank subject to legal requirements;

33) resolve other issues related to day-to-day operation of the Development Bank according to applicable laws, these Articles of Association, other LLA which are do not belong to the exclusive jurisdiction of the General Meeting of Shareholders and the Supervisory Board of the Development Bank.

Issues specified in this Clause, do not belong to the exclusive jurisdiction of the Management Board of the Development Bank and some of them may be delegated by the Management Board to other bodies (commissions, committees) and/or officers of the Development Bank for resolution.

Management Board of the Development Bank shall also preliminary review the issues to be resolved by the Supervisory Board of the Development Bank, prepare respective information and proposals unless otherwise specified by or appears from the legislation, these Articles of Association and (or) other LLA.

11.3. The Management Board of the Development Bank shall be convoked by the Chairman of the Management Board of the Development Bank as may be required from time to time, but at least twice a month.

11.4. The Management Board of the Development Bank shall be eligible to resolve issues raised for consideration, if the meetings are attended by at least one half of the total number of its members as defined by part 2 of clause 11.1. of Article 11 hereof.

Written opinion, under all items of the agenda expressed by a member of the Management Board, who was absent at the meetings of the Management Board shall be taken into consideration in the course of determination of the quorum and voting records, if it has been presented prior to the beginning of the meeting.

It is permitted for the members of the Management Board of the Development Bank to be present at its meeting remotely using the telecommunication means. If the meeting of the Management Board is held using the telecommunication means the minutes of such meeting shall contain a respective remark.

11.5. The Chairman of the Management Board of the Development Bank shall manage proceedings of the Management Board of the Development Bank.

11.6. Resolutions of the Management Board of the Development Bank shall be taken by a simple majority of votes.

In case of tied vote when the Management Board is making a decision the person presiding over the Management Board of the Development Bank shall have the casting vote.

11.7 The rights and obligations of the members of the Management Board of the Development Bank shall be defined by legislation, these Articles of Association as well as by provisions of employment agreements (contracts) concluded by each of such persons with the Development Bank.

11.8 The Chairman of the Management Board of the Development Bank, deputy chairpersons and other members of the Management Board as well as candidates for these positions are to meet the qualification requirements and requirements to business reputation, as specified by legislation.

11.9 The proceedings of the Management Board of the Development Bank regarding issues not covered by these Articles of Association shall be governed by LLA approved of by the Supervisory Board of the Development Bank.

## **ARTICLE 12. CONTROL OVER FINANCIAL AND ECONOMIC ACTIVITIES OF THE DEVELOPMENT BANK. INTERNAL CONTROL IN THE DEVELOPMENT BANK.**

12.1. To exercise the internal control over financial and economic activities of the Development Bank, its affiliated branches and representative offices the annual General Meeting of Shareholders of the Development Bank shall elect the Auditing Commission of the Development Bank. The Auditing Commission of the Development Bank reports to the General Meeting of Shareholders of the Development Bank.

12.2. The Auditing Commission of the Development Bank shall consist of 3 (three) persons to be elected for a period until the next annual General Meeting of Shareholders of the Development Bank. The Chairman of the Management Board of the Development Bank, member of the Supervisory Board or the Management Board of the Development Bank, cannot be elected as a

member of the Auditing Commission of the Development Bank, nor former members of the said corporate bodies of the Development Bank until expiry of 1 (one) year from the moment their membership in such bodies was terminated. Persons, activity of which is inspected, shall not be entitled to participate in revisions or inspections upon corresponding issues.

The Auditing Commission of the Development Bank is chaired by the Chairman, elected by the majority of votes from the number of its members on the day when the annual General Meeting of Shareholders of the Development Bank is finished during the first meeting of the Auditing Commission of the Development Bank which is organized and held by the Chairman of the annual General Meeting of Shareholders of the Development Bank.

The proceedings of the Auditing Commission of the Development Bank not covered by these Articles of Association, requirements to qualification, professional and other characteristics of the nominees to the members of the Auditing Commission (inspectors), grounds and procedure of early termination of the powers of the members of the Auditing Commission of the Development Bank shall be regulated by LLA, approved by the General Meeting of Shareholders of the Development Bank.

12.3 The jurisdiction of the Auditing Commission of the Development Bank shall include revisions upon one or several areas of its activities or inspections upon one or several interrelated areas of its activity or for a certain period of this activity carried out by the Development Bank, its affiliated branches and representative offices. The Auditing Commission of the Development Bank shall check the Development Bank's compliance with applicable laws, legality of transactions carried out by the Development Bank, monitor observance of the rights of the Development Bank's shareholders, check the safekeeping of the Development Bank's property, submit to the General Meeting of Shareholders of the Development Bank a conclusion.

12.4. Obligations of the Auditing Commission of the Development Bank shall include as follows:

Annual revision – by the results of financial and economic activities for a report year which is to be completed not later than the date preceding the date of the annual General Meeting of Shareholders of the Development Bank;

Revisions or inspections – by decision of the corporate bodies of the Development Bank within the terms established by them;

Revisions or inspections – at a request in writing forwarded to the Auditing Commission of the Development Bank and (or) to the Management Board of the Development Bank from shareholders of the Development Bank, which are in aggregate considered to be the owners of 10 (ten) or more per cent of the shares. In this case, the revision or inspection should be commenced not later than 30 (thirty) days from the date of receipt of such request of the shareholders on the revision or inspection.

The Auditing Commission of the Development Bank shall be entitled to carry out revision or inspection at any time upon its own initiative.

As a rule, duration of the revision or inspection shall not exceed 30 (thirty) days.

In case any breaches are detected the Auditing Commission of the Development bank is obliged to:

submit the conclusion on the revision or inspection or separate findings and proposals to the Development Bank's corporate bodies, which in accordance with their jurisdiction within a two-week period of time are obliged to take measures on elimination of the detected breaches;

demand for the convocation of the extraordinary General Meeting of Shareholders of the Development Bank if the resolution on the breaches detected during the revision or inspection can be taken only by the General Meeting of Shareholders of the Development Bank.

12.5 The Auditing Commission of the Development Bank on the basis of findings of the revision or inspection shall draft its conclusion in accordance with legal requirements. The conclusion on the results of annual revision shall be submitted for consideration of the General

Meeting of Shareholders of the Development Bank when the annual report, annual accounting (financial) statements of the Development Bank are approved and its income and losses are allocated.

12.6 Audit of annual accounting (financial) statements of the Development Bank shall be carried out annually by audit organization in compliance with the requirements to audit organizations conducting audit of banks.

One and the same audit organization can be engaged for annual audit subject to legal requirements during the period of time not exceeding 7 (seven) succeeding years.

Auditor's opinion after the annual audit shall be submitted for consideration of the General Meeting of Shareholders of the Development Bank when the annual report, annual accounting (financial) statements of the Development Bank are approved and its income and losses are allocated.

The Development Bank's corporate bodies within the frames of their jurisdiction are required to take timely measures to eliminate the breaches detected during audit.

The accounting (financial) statements of the Development Bank are to be audited on account of the Development Bank's funds at any moment of time under the request of the shareholders which are in aggregate considered to be the owners of 10 (ten) or more per cent of the shares of the Development Bank.

12.7. In order to exercise continuous internal control and assessment of the efficiency of internal control and risk management systems on a consolidated basis, assessment of the efficiency of business-processes in the Development Bank the Internal Audit Service is established; the proceedings of its functioning are determined by LLA approved by the Supervisory Board of the Development Bank .

The Internal Audit Service of the Development Bank shall subordinate directly to the Chairman of the Management Board and report to the Supervisory Board of the Development Bank.

The Internal Audit Service inspects the Development Bank's activities in areas determined by the legislation for banks, including internal control system and risk management system, among others on a consolidated basis, assessment of the efficiency of business-processes as well as other areas as determined by the resolutions of the Supervisory Board of the Development Bank.

12.8. In order to provide for regular and efficient conducting of its activities the Development Bank shall organize in accordance with legislation the internal control system.

The internal control shall be exercised by the bodies of the Development Bank, Audit Committee of the Supervisory Board of the Development Bank, committees created pursuant to resolutions of the Management Board of the Development Bank, officer responsible for internal control in the Development Bank, subdivisions of the Development Bank and employees of all levels, pursuant to powers and authorities stipulated by LLA which determine goals and tasks of the internal control system, requirements to its organization, functions of collective bodies, subdivisions and officers of the Development Bank engaged in internal control.

12.9 The Development Bank establishes the Internal Control Service, a special unit operating in the area of anti-money laundering, preventing of financing terrorism and proliferation of mass-destruction weapons and the officer responsible for internal control in the Development Bank is appointed, who shall subordinate directly to the Chairman of the Management Board of the Development Bank and reports to the Supervisory Board of the Development Bank, is a member of the Audit Committee of the Supervisory Board of the Development Bank.

Objectives, goals, authorities, procedure of formation and work of the Audit Committee of the Supervisory Board of the Development Bank shall be determined by LLA approved by the Supervisory Board of the Development Bank.

## **ARTICLE 13. LABOUR RELATIONS IN THE DEVELOPMENT BANK**

13.1. Labour relations of the Development Bank's employees shall be governed by applicable laws, these Articles of Association, Internal rules of labour conduct, collective agreement, job and work descriptions, employment agreements (contracts).

13.2. All employees of the Development Bank shall be obliged to keep confidentiality of information, which constitute banking secrets as well as confidentiality of other classified data established by the Development Bank according to applicable laws.

13.3. Remuneration of labour and financial incentives of the Development Bank's employees, other social payments shall be made according to applicable laws and LLA.

13.4. The Development Bank shall guarantee to its employees the minimum rate of labour payment established by the applicable laws.

#### **ARTICLE 14. TERMS AND PROCEDURE FOR ALLOCATION OF PROFITS AND LOSSES OF THE DEVELOPMENT BANK**

14.1. Subject to resolution passed by the General Meeting of Shareholders of the Development Bank a profit, which remains at the disposal of the Development Bank after payment of taxes and other compulsory payments (net profit), shall be directed to the funds of the Development Bank, allocated between shareholders of the Development Bank in the form of dividends and also used for other purposes according to applicable laws and these Articles of Association .

14.2. The Development Bank shall form the funds as follows:

reserve fund;

reserve payroll fund;

fund of dividends;

development fund;

special fund;

fund of payments to head officers of the Development Bank.

The Development Bank may form other funds, which are to be established and used according to applicable laws and these Articles of Association.

14.3. Amount and procedure of using of the reserve fund shall be determined by the General Meeting of Shareholders of the Development Bank.

14.4. The reserve payroll fund shall be formed to guarantee payment of salaries due to employees, as well as guarantee payments and compensations specified by legislation, collective and labour agreements (contracts) in the cases of insolvency (bankruptcy) of the Development Bank, its liquidation and in other cases specified by legislation.

14.5. The development fund shall be formed in the amount determined by the General Meeting of Shareholders of the Development Bank. Funds of the development fund shall be used for construction of buildings and facilities, acquisition of equipment, technical and transport vehicles, other fixed assets as well as for other purposes according to LLA.

14.6. Amount and procedure for deduction of a part of the profit, which is subject to allocation into the republican and local budgets, shall be determined according to applicable laws.

14.7. The fund of dividends shall be formed to accumulate and pay dividends upon shares of the Development Bank.

14.8. Resolution on amount of the profit allocated to the payment of dividends, dividend rate per one share and terms for payment of dividends shall be passed by the General Meeting of

Shareholders of the Development Bank by the results of the Development Bank's activity for respective year.

Dividends, which are subject to payment to the Council of Ministers of the Republic of Belarus, shall be paid to the republican budget.

14.9 The special fund is intended for accumulation of the part of income formed on account of family funds management in compliance with the Edict of the President of the Republic of Belarus dd December 9, 2014 No. 572 "On additional measures of state support to families with children".

14.10 The fund of payments to head officers of the Development Bank is formed to provide for payment of remuneration for report year-end performance or annual bonus to the members of the Management Board of the Development Bank.

## **ARTICLE 15. FINANCIAL ACCOUNTING AND REPORTING OF THE DEVELOPMENT BANK. DISCLOSURE OF INFORMATION ON THE DEVELOPMENT BANK**

15.1. The Development Bank shall reflect its operations in the accounting records, and draft accounting (financial) statements, including on the basis of the data received from affiliated branches and representative offices according to applicable laws covering the banks' accounting records and statements.

The report year of the Development Bank, including its affiliated branches and representative offices shall commence on January 1 and end on December 31.

15.2. Annual accounting (financial) statements of the Development Bank taking into account activities of its affiliated branches and representative offices shall be annually approved by the General Meeting of Shareholders of the Development Bank.

15.3. Responsibility for organization, condition and authenticity of accounting and reporting in the Development Bank, timely submission of accounting (financial) statements, statistical and other reporting to the respective government authorities (organizations) shall be borne by the Management Board of the Development Bank according to applicable laws and these Articles of Association.

15.4 The procedure of submitting and publishing of the accounting (financial) statements by the Development Bank shall be defined by the Council of Ministers of the Republic of Belarus and the National Bank.

The Development Bank shall draft and submit to the Ministry of Finance and the National Bank other reports within the terms and in volumes determined by such organizations.

15.5. The Development Bank is obliged to disclose to third parties information on its activities in cases, to the extent and as per procedure specified by legislation, including securities legislation.

Information on the activities of the Development Bank is disclosed by means of placing it in the official web-site of the Development Bank in the global computer network Internet, through print media, as well as by other means, including communication means.

Subject to provisions of legislation in the area of state secrets and proprietary information the Development Bank publishes information from the development strategy of the Development Bank, other target documents containing its areas of development and estimated results of its activities, mechanisms of reaching such results. This information is placed in the official web-site of the Development Bank in the global computer network Internet within a month from the date of approval.

The Development Bank discloses for general public by means of placing in its official web-site in the global computer network Internet not later than 3 (three) days from the date the respective decision is taken, information on non-arm's length transactions to the extent specified

by legislation except for cases when in accordance with legislation spreading and (or) disclosure of such information is restricted.

The Development Bank discloses information on major transactions and non-arm's length transactions as per procedure, within time limits and to the extent specified by securities legislation.

Information on the Development Bank can be disclosed to potential investors and other interested persons (including authorized state bodies and organizations of foreign states) to the extent required for taking a reasonable decision as to participation in the Development Bank or for taking other steps which can affect the results of the Development Bank's activities.

#### **ARTICLE 16. REORGANIZATION AND LIQUIDATION OF THE DEVELOPMENT BANK**

16.1. The Development Bank shall be reorganized and liquidated on the grounds and subject to the procedure established by applicable laws.

Chairman of the Management Board  
JSC "Development Bank of the Republic of Belarus" \_\_\_\_ (Signed) \_\_\_\_ A.F.Egorov



Schedule to  
Articles of Association of  
Joint-Stock Company "Development Bank of the  
Republic of Belarus"

**List of Affiliated Branches and Representative Offices of the Development Bank**

No	The Development Bank's separate unit	Legal address
1.	Branch of JSC "Development Bank of the Republic of Belarus" in Grodno	4 Molodezhnaya Street, 230025 Grodno
2.	Branch of JSC "Development Bank of the Republic of Belarus" in Mogilev	2B Shmidta Avenue, 212027 Mogilev
3.	Branch of JSC "Development Bank of the Republic of Belarus" in Brest	66 - 2 Lenina Street, 224030 Brest
4.	Branch of JSC "Development Bank of the Republic of Belarus" in Vitebsk	3, 1 <sup>st</sup> Dovatora street, 210009 Vitebsk
5.	Branch of JSC "Development Bank of the Republic of Belarus" in Gomel	1 - 8 Lenina Avenue, 246050 Gomel
6.	Branch of JSC "Development Bank of the Republic of Belarus" in Minsk	8 - 601 Dzerzhinsky Avenue, Level 6, 220036 Minsk
7.	Representative office of joint-stock company "Development Bank of the Republic of Belarus" in the United Kingdom of Great Britain and Northern Ireland, London	Level 30, 122 Leadenhall Street, London, EC3V4AB

Chairman of the Management Board  
JSC "Development Bank of the Republic of Belarus" \_\_\_\_ (Signed) \_\_\_\_ A.A.Egorov