

REGULATIONS ON THE SUPERVISORY BOARD OF PROCREDIT BANK, A JOINT STOCK COMPANY

«APPROVED»

by the General Shareholders' Meeting,
Minutes of 27 June 2018

Chairperson of the General Shareholders'
Meeting

Victor Ponomarenko
(name)

(signature)

Secretary for the General Shareholders'
Meeting

Rostyslav Ignatiev
(name)

(signature)

1. GENERAL PROVISIONS

1.1. Regulations on the Supervisory Board of ProCredit Bank, a joint stock company, (the **Regulations**) are developed in accordance with the Charter of ProCredit Bank, a joint stock company, (the **Charter**), the Law of Ukraine On Joint Stock Companies, other applicable laws of Ukraine and recommendations of the corporate governance principles, approved by Resolution No. 955 of the National Securities and Stock Market Commission as of 22 July 2014.

1.2. The Regulations shall determine legal status, composition, term of powers, formation procedure and organisation of activities of the Supervisory Board of JSC ProCredit Bank (the **Supervisory Board**) as well as rights, obligations and responsibility of its members.

1.3. The Regulations shall be approved by the General Shareholders' Meeting of JSC ProCredit Bank (the **General Meeting**). Amendments and additions hereto may be introduced only by the decision of the General Meeting.

1.4. Charter of the Bank is superior to the Regulation on the Supervisory Board of the Bank.

2. LEGAL STATUS OF THE SUPERVISORY BOARD

2.1. The Supervisory Board of the Bank (the "Supervisory Board") shall be the Bank's collegial body that protects the rights of the Shareholders and manages the Bank, as well as supervises and regulates the Management's activities within competence determined by the Charter and Ukrainian Law. .

2.2. The Supervisory Board's purpose shall be to govern strategically the Bank's activity, to control the Management Board's activity, to represent the interests and to protect the rights of all the shareholders, to ensure efficiency of their investments, to assist the Bank in achieving its statutory aims and objectives, to develop the strategy aimed at raising the Bank's profitability and competitiveness as well as to supervise its Management activities.

2.3. The scope of the Supervisory Board's competence shall be determined by the Charter and Ukrainian law.

The Charter or decision of the General Meeting may vest the Supervisory Board with individual powers that do not fall within the exclusive competence of the General Meeting.

Issues falling within the exclusive competence of the Supervisory Board may not be settled by other bodies of the Bank save for the General Meeting unless otherwise provided by Ukrainian Law. The Supervisory Board shall maintain strong and active connection with National bank of Ukraine.

2.4. The Supervisory Board may delegate powers that do not fall within its exclusive competence to other body of the Bank pursuant to the tasks of such body and subject to requirements of Ukrainian law.

In its decision to delegate the powers, the Supervisory Board shall specify the body to which the powers are delegated, the list of such delegated powers and the term for such delegation, if any.

In the event that the Supervisory Board delegates powers to other body of the Bank, they shall be jointly and severally responsible to the Bank for solving these tasks.

2.5. The Supervisory Board shall report to the General Meeting on its activities, overall standing of the Bank and the steps undertaken to achieve the Bank's purpose, goals and objectives.

3. COMPOSITION OF THE SUPERVISORY BOARD

3.1 The members of the Supervisory Board shall be elected from the shareholders, its representatives and independent members and shall have 5 (five) officers. The Supervisory Board shall be composed of the chairperson (the "**Chairperson of the Supervisory Board**") and other members, who together with the Chairperson of the Supervisory Board shall be **Members of the Supervisory Board**.

Not less than a half of the membership of the Supervisory Board shall consist from the persons who have experience in banking and/or finance.

Not less than 1/3 of of the membership of the Supervisory Board shall consist from the independent members, but in any case their number shall not be less than three.

Independent members fulfill the criteria set forth in the Ukrainian Law on Joint Stock Companies. The National Bank of Ukraine shall have right to introduce additional criteria applicable for independent members. The Bank shall ensure control over correspondence of Independent Members of the Supervisory Board with the regulatory requirements and change the one should she/he cease to be in correspondence with.

3.2. Members of the Supervisory Board shall be elected by the General Shareholders' Meeting from individuals having full legal capacity.

Member of the Supervisory Board may not be member of the Bank's Management or hold another position on the terms of labour contract or provide any services to the Bank under a civil-law contract.

Persons prohibited to hold offices in the governing bodies of the business companies pursuant to the applicable law of Ukraine may not be Members of the Supervisory Board.

3.3. The composition of the Supervisory Board may not include individuals who:

3.3.1 do not possess an impeccable business reputation;

3.3.2 are participants in or members of the governing bodies of a legal entity competing with the Bank;

3.3.3 have personal and/or family relationships with the chief accountant and members of the Management.

3.4. Should for any reason the number of the Members of the Supervisory Board be less than half of its quantitative composition, within 3 (three) months, the extraordinary General Meeting shall have to be convened to elect the entire composition of the Supervisory Board.

4. TERM OF POWERS OF THE SUPERVISORY BOARD

4.1. The term of the Supervisory Board Members' powers shall not exceed 3 (three) years from the moment of appointment by the General Meeting.

4.2. If the term of the Members of the Supervisory Board expires and the General Meeting does not approve their re-election or election of the new Members, powers of the Members of the Supervisory Board shall be terminated, save for powers to convene and prepare the General Meeting.

4.3. The same person may be appointed Member of the Supervisory Board an unlimited number of times.

4.4. Within 5 (days) from the date of their appointment Members of the Supervisory Board shall be entered into civil law agreements providing for their rights and obligations, responsibility of the parties, terms of employment and remuneration, grounds for early termination and consequences thereof, etc., on the terms approved by the General Meeting.

The person authorised by the General Meeting shall sign such civil law agreements on behalf of the Bank on the terms approved by the General Meeting.

4.5. Powers of the Member of the Supervisory Board shall be terminated early if:

4.5.1; on member's own will in case of notification the Bank thereof in writing at least 2 (two) weeks in advance;

4.5.2 it is impossible to perform the duties of the Member of the Supervisory Board for health reasons;

4.5.3 judgement or court decision, under which such Member is sentenced to punishment, enters into legal force, thus making it impossible to perform the duties of the Member of the Supervisory Board;

4.5.4 such Member dies or is adjudged incapable, impaired, missing, deceased;

4.5.5. as otherwise provided by the applicable law of Ukraine.

If this occurs, the civil law agreement entered into with the Member of the Supervisory Board shall terminate simultaneously with the termination of such Member's powers.

5. RIGHTS, OBLIGATIONS AND LIABILITY OF THE MEMBERS OF THE SUPERVISORY BOARD

5.1. Members of the Supervisory Board shall have the right:

5.1.1 to be present at the Management meetings;

5.1.2 to obtain exhaustive, reliable and timely information about the Bank required to perform their functions; to familiarise themselves with the Bank's documents and obtain copies thereof, including documents related to its subsidiary companies. The above-mentioned information and documents shall be furnished to the Members of the Supervisory Board within 7 (seven five) days from the date of receipt of the respective request addressed to the General Manager;

5.1.3 to request convocation of the extraordinary meeting of the Supervisory Board;

5.1.4 to furnish written comments to the decisions of the Supervisory Board;

5.1.5 to obtain the fair remuneration and compensations for performing functions of the Members of the Supervisory Board;

5.1.6 to other rights envisaged in current legislation and local acts:

5.2. Members of the Supervisory Board shall undertake:

5.2.1 to act in the best interests of the Bank in a reasonable manner and in good faith with no abuse of authority;

5.2.2 to comply with the decisions approved by the General Meeting and Supervisory Board;

5.2.3 to participate in the ordinary and extraordinary meetings of the Supervisory Board and activities of its committees (if any); to provide reasonable notice of the impossibility to participate in the meetings of the Supervisory Board;

5.2.4 to adhere the rules and procedures related to the process of signing contracts which has current or potential contradictions between personal Head's and member's of the Supervisory board interests and their professional duties, that could have impact on their fair exercise of their duties, objectivity and impartiality (conflict of interests).

5.2.5. to refuse the participation in the decision making process if conflict of interests restricts the fair fulfillment of their duties in behalf on the Bank, Shareholders and investors.

5.2.6 to abide by the rules established at the Bank as to circulation, security and storage of restricted data. Not to disclose confidential and insider information, bank and commercial secrets, which have become available in the course of performing functions of the Member of the Supervisory Board, to persons who do not have access to such information, not to turn it to personal advantage and not to use it in the interests of third persons;

5.2.7 to furnish complete and adequate information on the Bank's performance and financial standing to the General Meeting and the Supervisory Board in a timely manner.

5.2.8. to fulfil other rules envisaged by the Charter and current legislation

5.3. Members of the Supervisory Board shall bear civil liability for losses incurred by the Bank due to their gross negligence or wilful misconduct (improper activities).

If the Bank incurs losses due to unlawful decision of the Supervisory Board, Members of the Supervisory Board who have voted against such decision or have not participated in the voting shall bear no liability for the inflicted losses.

5.4. Members of the Supervisory Board who have violated their duties and/or have failed to perform thereof shall be held personally liable for losses incurred by the Bank unless otherwise provided by Ukrainian law.

5.5. Ordinary course of business and other circumstances relevant to the case shall have to be taken into account when determining personal liability of the Members of the Supervisory Board.

5.6. Procedure for holding Members of the Supervisory Board liable shall be governed by applicable laws of Ukraine and internal regulations of the Bank.

6. ELECTION OF THE MEMBERS OF THE SUPERVISORY BOARD

6.1. Members of the Supervisory Board shall be elected by the General Meeting.

6.2. The right to nominate candidates to be elected to the Supervisory Board shall rest with the Bank's shareholders.

6.3. Number of the candidates to be proposed by one shareholder shall be determined by the respective agreements between the Bank's shareholders and may not exceed quantitative composition of the Supervisory Board.

6.4. Candidates nominated for election to the Supervisory Board must have impeccable business reputation as well as professional and management skills required to perform their official duties in due manner.

Persons falling under the requirements set forth in Clauses 3.2 and 3.3 herein as well as persons whose professional and management skills do not comply with the requirements of Ukrainian law, i.e.:

- absence of conviction, which has not been canceled or expunged in accordance with current legislation;
- inappropriate execution financial obligations related to any bank, private individual or legal entity within last 3 (three) years.
- inappropriate execution of the tax obligations;
- presence of other circumstances in accordance with current legislation:

6.5. The shareholder's proposal to nominate a candidate for election to the Supervisory Board shall be made to the Bank in writing or mailed to the address of the Bank for the attention of the General Manager no later than 7 (seven) days prior to the date of the General Meeting. Such proposal shall specify such shareholder's name, details on the number and type of shares held by such shareholder, personal details of the candidate (last name, given name, patronymic, address and date of birth), information on such candidate's education (name of the educational institution, graduation date and speciality), place of employment and offices held by such candidate, absence (presence) of the writ of injunction to perform certain types of activities, absence (presence) of the unexpunged convictions for larceny, corruption and other acquisitive offences as well as such candidate's consent to be elected to the Supervisory Board.

6.6. Election to the Supervisory Board shall be made by cumulative voting held, whereby a total number of each shareholder's votes shall be multiplied by the number of the Members of the Supervisory Board to be elected and the shareholder shall have the right to cast the votes so counted for one candidate or distribute them among several candidates at such shareholder's own discretion.

Candidates who have secured the majority of the votes shall be deemed elected to the Supervisory Board.

6.7. In the event that it is impossible to determine the candidate elected to the Supervisory Board because two or more candidates have tied, the shareholders shall exercise repeat voting as to such candidates on the principle of simple majority of votes. The candidate who has secured the majority of votes of the shareholders registered to participate in the General Meeting and holding shares that are voting as to this issue shall be deemed elected to the Supervisory Board.

6.8. Chairperson of the Supervisory Board shall be elected by the General Meeting from the elected Members of the Supervisory Board by a simple majority voting of the shareholders registered to participate in the General Meeting.

6.9. In the event of appointment of the new Chairperson or Member of the Supervisory Board, within 30 days (thirty) time the Bank shall submit to the National Bank of Ukraine (the "NBU") minutes of the General Meeting as to termination of the previous Chairperson's office and appointment of the new Chairperson as well as documents making it possible to prove an impeccable business reputation of the newly elected Chairperson or Member of the Supervisory Board in compliance with the NBU regulations and providing information what shareholder he/she represents.

Compliance of the candidate to the post of the Chairperson or Member of the Supervisory Board with the NBU requirements shall be checked according within terms and according to the procedure prescribed by the Law of Ukraine and/or regulations of the National Bank of Ukraine.

If the person newly appointed as the Chairperson or the Member of the Supervisory Board does not comply with the requirements of Ukrainian law and/or has no impeccable business reputation, the NBU shall require the General Meeting to withdraw such person from the Supervisory Board.

7. OPERATING BODIES OF THE SUPERVISORY BOARD

7.1. The Supervisory Board's operating bodies shall be:

- Chairperson of the Supervisory Board;
- Committees of the Supervisory Board (if any);
- Corporate secretary (if any).

7.2. Chairperson of the Supervisory Board shall:

7.2.1 organise and manage the Supervisory Board's work and control implementation of the action plan approved by the Supervisory Board;

7.2.2 convene ordinary and extraordinary meetings of the Supervisory Board, take chair at such meetings, approve agenda thereof and arrange for taking minutes of the Supervisory Board meetings;

7.2.3 be in continual contacts with other bodies and officials of the Bank; coordinate contacts of the Members of the Supervisory Board among themselves and with other bodies and officials of the Bank;

7.2.4 prepare reports for and report to the General Meeting on the activities of the Supervisory Board, overall standing of the Bank and the steps undertaken by the Supervisory Board to achieve the Bank's purpose, goals and objectives;

7.2.5 convene and preside over the General Meeting, arrange for election of the Secretary of the General Meeting;

7.2.6 enter into contracts with the General Manager and Members of the Management on behalf of the Bank;

7.2.7 exercise other powers provided by the present Regulations, the Charter and Ukrainian law.

7.3. In the event of impossibility for the Chairperson of the Supervisory Board to execute his or her duties, the one of the members approved by Supervisory Board shall execute his or her duties;

7.4. The shareholders of the Bank shall elect the Chairperson of the Supervisory board at the General Meeting for the term of powers of the Supervisory Board.

7.5. The Supervisory Board, as and when necessary, may establish standing and interim committees to assist the Supervisory Board in exercising its powers through preliminary studies and reviews of the most important issues that fall within its exclusive competence (relating to audit, information policy, etc.). In addition, the Supervisory Board, if necessary, may establish interim committees to study and prepare materials on individual issues relating to the Bank's activities, in particular reorganisation committee, securities issue committee, executive body performance assessment committee, officer infringements investigation committee, etc.

The Supervisory Board can transfer part of its obligations to the committees, but Supervisory Board takes all responsibility for committees activity.

7.6. The Supervisory Board shall determine functions, powers, structure, procedure for involving other persons in and other issues relating to the activities of its standing and interim committees at the approval of establishment of the respective committee and shall formalise thereof in the attachment to the minutes of the Supervisory Board meeting at which establishment of such committee has been approved.

Establishment of the committee and determination of the issues to be given to such committee for review and preparation shall be approved by a simple majority of votes of the Supervisory Board Members.

7.7. Subsequent to the results of the study, the committee of the Supervisory Board shall prepare its written opinion, which is signed by all the committee members and submitted to the Chairperson of the Supervisory Board. This opinion shall be of an advisory nature and shall be reviewed by the Supervisory Board in the manner prescribed by Ukrainian law as to approval of decisions by the Supervisory Board.

7.8. The Supervisory Board may approve appointment of a corporate secretary to ensure interaction of the Bank with its shareholders and/or investors. Such corporate secretary shall be subordinated and accountable directly to the Chairperson of the Supervisory Board. Decision to appoint such corporate secretary shall be approved by a simple majority of votes of the Members of the Supervisory Board.

8. MEETINGS OF THE SUPERVISORY BOARD

8.1. The activities of the Supervisory Board shall be organised in the form of ordinary and extraordinary meetings.

8.2. Meeting of the Supervisory Board may be held:

- in the form of the simultaneous attendance by the Members of the Supervisory Board of the certain place to discuss items on the agenda and to vote (hereinafter referred to as "in the form of the simultaneous attendance");
- by absentee voting.

8.3. Decision on the absentee voting shall be approved by the Chairperson of the Supervisory Board.

8.4. Ordinary meetings of the Supervisory Board shall be held every quarter of the calendar year.

8.5. Extraordinary meetings of the Supervisory Board shall be convened when necessary at the request of the Chairperson of the Supervisory Board, Management Board, National bank of Ukraine, other persons envisaged in the Charter or in this Regulations.

8.6. Request to convene the extraordinary meeting of the Supervisory Board shall be made in writing and submitted directly to the Bank or sent by registered mail to the address of the bank for the attention of the Chairperson of the Supervisory Board.

The date of such request's delivery shall be deemed the date:

- of delivery by hand against acknowledgement;
- as per postmark of the postal service that has taken the notice from the sender.

Request to convene the extraordinary meeting of the Supervisory Board shall contain:

- 1) last name, given name, patronymic and position of the person making such request;
- 2) reasons for convocation of the extraordinary meeting of the Supervisory Board;
- 3) wording of the item proposed to be put on the agenda.

The request shall have to be signed by the person making thereof.

8.7. The Chairperson of the Supervisory Board has to convene the extraordinary meeting of the Supervisory Board within 20 (twenty) days from the date the respective request has been delivered.

The Chairperson of the Supervisory Board may refuse to convene the extraordinary meeting of the Supervisory Board if the information set forth in Clause 8.6 herein is incomplete. Such being the case, the Chairperson of the Supervisory Board shall provide written notice containing motivated reasons of the Supervisory Board's refusal to the person requesting convocation of the extraordinary meeting within 7 (seven) days from the date of delivery of the request to convene thereof.

8.8. The Chairperson of the Supervisory Board shall approve the agenda of the Supervisory Board meeting.

8.9. Each Member of the Supervisory Board as well as persons requesting to convene the extraordinary meetings thereof shall be notified of the convocation of ordinary or extraordinary Supervisory Board meetings by registered mail or delivery by hand against acknowledgement no later than 15 (fifteen) days prior to the date of the meeting.

8.10. Meetings of the Supervisory Board shall be deemed validly convened provided that more than half of Members of the Supervisory Board are present. In case of early termination of office of a Member or Members of the Supervisory board until the re-election of the Supervisory Board its Meetings shall be deemed validly convened for adoption decisions according to the competence provided that number of acting Members of Supervisory Board is more than a half of its composition.

8.11. Member of the Supervisory Board may participate in the Supervisory Board meeting via teleconferencing or similar communications. Such participation shall constitute personal presence at the meeting.

Each Member of the Supervisory Board shall have one vote when addressing items on the agenda.

8.12. Decisions of the Supervisory Board shall be approved by a simple majority of votes of its Members (more than 50 percent of the votes) participating in the Supervisory Board meeting held in the form of the simultaneous attendance.

8.13. Decisions of the Supervisory Board shall be deemed valid and effective if approved (i) at the validly convened Meeting of the Supervisory Board and (ii) by a simple majority of votes of the Supervisory Board Members present or represented at the meeting. In the event of tie vote, the proposed decision shall be deemed voted down.

8.14. Decisions of the Supervisory Board may only be revoked or amended by a separate decision of the Supervisory Board or the General Meeting made in accordance with the provisions of this Charter.

Decisions of the Supervisory Board meetings held in the form of the simultaneous attendance shall typically be subject to open voting. Voting by ballots may be held at the request of any Member of the Supervisory Board.

8.15. The Secretary of the meeting taking its minutes shall be elected upon recommendation of the Chairperson of the Supervisory Board at the meeting held in the form of the simultaneous attendance.

Minutes of the Supervisory Board meeting are to be finalised within 5 (five) days from the date of the meeting.

Minutes of the Supervisory Board meeting shall contain:

- 1) full name of the Bank;
- 2) date and place of the Supervisory Board meeting;
- 3) persons present at the meeting;
- 4) Chairperson and Secretary of the meeting;
- 5) presence of quorum;
- 6) agenda of the meeting;
- 7) items put to vote and voting results including names of the Supervisory Board Members who have voted "affirmatively" or "negatively" (or have abstained from voting) on each item;
- 8) key theses of the speeches;
- 9) content of the approved decisions.

Person presiding over and Secretary of the Supervisory Board meeting shall sign the minutes of the Supervisory Board meeting.

Person presiding over and Secretary of the Supervisory Board meeting shall be held personally liable for credibility and completeness of information entered into the minutes.

Member of the Supervisory Board who does not agree with the decisions approved at the meeting may submit his/her written observations to the Chairperson of the Supervisory Board within 2 (two) days from the date of the meeting. Observations of the Members of the Supervisory Board shall be attached to the minutes and shall form an integral part thereof.

8.15. Decisions of the Supervisory Board can be made by absentee voting. Such being the case, the draft decision shall be sent to the Supervisory Board Members, who have to present their written opinions thereof. Decision signed or approved by at least three Members of the Supervisory Board shall be as valid and effective as if the same has been made at the validly convened and held Meeting of the Supervisory Board. Such decision shall be documented as an absentee voting protocol signed by the Chairperson of the Supervisory Board.

8.16. Decisions approved by the Supervisory Board shall be binding for the Members of the Supervisory Board, the General Manager and the Members of the Management as well as structural units and employees of the Banks to whom they concern.

Decisions of the Supervisory Board shall be brought to the notice of the responsible officers by the way of giving them the extract from the minutes of the meeting separately on each item or copies of the decisions approved by the absentee voting. Extract from the minutes of the Supervisory Board meeting shall be signed by the Chairperson of the Supervisory Board and/or secretary of the Supervisory Board meeting and delivered by hand to each action officer against acknowledgement.

8.17. Control over the execution of decisions adopted by the Supervisory Board shall reside with the Chairperson of the Supervisory Board or the person authorised by the Supervisory Board.

8.18. Minutes of the Supervisory Board meetings shall be stored in the archive of the Bank throughout its duration.

8.19. The employees of the Bank who have access to the Supervisory Board's minutes and documents shall be held liable for disclosure of confidential information. Information to be deemed confidential shall be determined by the Supervisory Board and fixed in the minutes of the Supervisory Board meeting.

8.20. Minutes of the Supervisory Board meetings or certified extracts from such minutes shall be given to shareholders, management officials and other persons for familiarisation in the manner prescribed by internal documents of the Bank.

8.21. The Supervisory Board shall have the right to use the services of the Bank's specialists (lawyers, financiers, etc.) to study and to analyse certain issues related to the Bank's activities. In addition, the Supervisory Board, where necessary, shall approve involvement of external consultants and experts.

9. REMUNERATION AND COMPENSATIONS

9.1. Subject to the General Meeting's decision, Members of the Supervisory Board may be compensated against expenses incurred during their terms of offices related to performing the functions of the Supervisory Board Members.

9.2. Information on remuneration of the Members of the Supervisory Board shall be disclosed in the Bank's annual report.

9.3. Members of the Supervisory Board shall be compensated for travelling on business including per diem, travel and accommodation expenses in the manner and to the extent prescribed by Ukrainian law.