

APPROVED BY  
the decision of the Management Board  
AO UniCredit Bank  
August 25, 2017  
Protocol № 19C/2017

**TERMS AND CONDITIONS OF CUSTODY OPERATIONS  
(CLIENT'S REGULATIONS)  
OF AO UNICREDIT BANK**

Moscow 2017

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## CHAPTER 1. DEFINITIONS AND INTERPRETATIONS

**Administrative Custody Transactions** are custody transactions, resulting in changes in questionnaires to Depo Accounts; as well as in contents of other registers of the Custodian, except for securities balances on personal accounts.

**Authorized Persons of the Custodian** are the Custodian employees having authorities based on the Charter, powers of attorney and orders, issued by the Bank.

**Authorized Representatives** are persons authorized by the Depositor to operate the Depositor's Depo Account and/or sign Instructions and/or submit and receive documents, related to the Depositor's Depo Account, as well as perform any other necessary actions based on the authorities, provided by the Depositor, including but not limited to the Depositor's power of attorney/agreement/decisions of the Depositor's management bodies etc.

**Bank** is Joint Stock Company UniCredit Bank (AO UniCredit Bank).

**Bearer Emissive Security** is a security, the transfer of rights to which and exercise of rights attached thereto shall not require the owner identification.

**Business Day of the Custodian** is a day when the Custodian is open for its general activity, with the exception of weekends and not-working holidays.

**Bank of Russia (or CBR)** is the Central Bank of the Russian Federation.

**Central Depository** is the National Settlement Depository (NKO AO NSD or NSD), which is assigned with the status of the central Depository by the Order of FCSM of Russia No 12-2761/PZ-I dated 6 November 2012.

**Complaint** is a written claim or request of the Depositor of financial or non-financial nature, resulting, as to the Depositor's opinion, from violation of its rights and legally governed interests by the Custodian while providing the custody services or from unsatisfactory provision thereof.

**Complex Custody Transaction** is a transaction that comprises different types of transactions as its component parts.

**Controller** is an employee of the Bank meeting the qualification requirements prescribed by the applicable legislation of the Russian Federation who is in charge of the arrangement and fulfillment of the internal control of the Banking activity in capacity of a professional securities market participant.

**Curator** is an employee of the Bank's client department responsible for establishment/ maintenance/ development of relations with clients (Depositors).

**Custodian** is the Bank carrying out custody activity in capacity of an independent structural unit, Global Securities Services, based on the license for Custody activity granted by the Federal Securities Commission of Russia.

**Custody Activity** is the provision of safekeeping services of securities certificates and/or recordkeeping and transfer of rights on the securities based on the respective license.

**Custody Agreement** is the agreement on Custody services provided by the Bank to the Depositor.

**Custody Transactions** are a set of actions, performed by the Custodian with the Custody registers and other custody accounting materials, as well as with securities certificates safekept with the Custodian.

**Delivery/Receipt against payment** is the principle of dealing with securities under which the securities delivery occurs only against the simultaneous cash transfer in payment for the securities.

**Delivery/Receipt free of payment** is the principle of dealing with securities under which the securities delivery does not depend on cash transfer in payment for the securities.

**Dematerialized Emissive Securities** is a form of Emissive Securities under which the owner is identified based on the record in the shareholder's register system or, in case of a security depositing, based on entry of the Depo Account.

**Depo Account** is a recording register, being the aggregate of records consolidated under the common criteria, dedicated for securities recording, having no less than one Depo Sub-Account.

**Depo Sub-Account** is a recording register, opened for separate securities accounting grouped by specific characteristics.

**Depo Account (Sub-Account) Operator** is a legal entity, not being the depositor of such Depo Account, but based on the authorities, received from the Depositor, entitled to instruct the Custodian on execution of the Custody Transactions on the Depo Account (Depo Sub-Account) of the Depositor within the authorities determined by the Depositor and the Custody Agreement.

**Depositor** is a legal entity or an individual that uses the Custody services based on the Custody (Interdepository) agreement executed with the Custodian within the framework of the Custody Activity carried out by the latter.

**Depositor's Questionnaire** is a document, containing main data on the Depositor, being necessary for performance by the Custodian of its obligations under the Custody Agreement.

**Deposit Depo Account** is a Depo Account intended for recording of rights to securities transferred to the notary or court for deposit.

**Depository Receipts Program Depo Account** is a Depo Account dedicated for accounting of rights to emissive securities of the Russian issuer, placement and/or circulation of which outside the Russian Federation is carried out via placement in compliance with the foreign securities law of the foreign issuers confirming the rights to emissive securities of Russian issuers.

**Emissive Security** is any security, including the dematerialized one, which is characterized simultaneously by the following criteria:

- Consolidates the complex of property and non-property rights subject to certification, assignment, and unconditional exercise in compliance with the form and the procedure established by the Federal Law On Securities Market;
- Has equal scope and terms for the exercise of rights within one issue of securities, irrespective of the time of the security acquisition;
- Placed by issues.

**Fee Schedule** is an integral attachment to the Custody Agreement approved by the Custodian, determining the amount of the fee for provision of the custody services to the Depositors by the Custodian.

**Foreign Authorized Holder Depo Account** is a Depo Account intended for accounting of rights to securities of a foreign entity, not being the owner of the securities, that in compliance with the governing law is entitled to perform, in its name and on behalf of other persons, any legal and actual actions with securities, as well as exercise the rights attached to securities.

**Foreign Nominee Holder Depo Account** is a Depo Account opened in the name of a foreign Depositor acting on behalf of third parties, if such an entity following its governing law is entitled to perform recordkeeping and transfer of rights to securities. The Foreign Nominee Holder Depo Account is intended for recording of rights to securities not owned by the foreign Custodian but recorded by it on behalf of its depositors.

**Global Custody Transaction** is a transaction that changes the status of all or a significant part of the recording registers of the Custodian related to a specific issue of securities.

**Initiator of a Custody Transaction** is person(s) authorized to sign Instructions. The Clients (Depositors), their Authorized Representatives, Depo Accounts Operator, its authorized representatives, Authorized Persons of the Custodian, the competent state authorities, as well as other persons determined by the Terms and Conditions and the applicable legislation of the Russian Federation, may act as the initiators of the Custody transactions.

**Informational Custody Transactions** are custody transactions related to execution of reports and statements on the Depo Accounts, personal accounts and other recording registers of the Custodian or on execution of the custody transactions.

**Interdepository Agreement** is an agreement on provision of Custody services by the Sub-Custodian to the Custodian or by the Custodian to another custodian.

**Inventory Custody Transactions** are Custody Transactions that change balances on the personal accounts in the Custodian.

**Issue of Securities** is the total of securities of one Issuer, granting equal scope of rights to their owners and having equal par value, provided that the par value is stipulated by the legislation of the Russian Federation.

**Issuer** is a legal entity, executive authorities or local government bodies, incurring in their own name or on behalf of the public-law entity the obligation to the securities owners on exercise of rights attached thereto.

**Instruction** is a document, containing instructions to the Custodian to perform certain actions under or in accordance with the Custody Agreement.

**Internal Control** is control over compliance of the Banking activity on the securities market and the Bank's internal regulations, governing such activity, with the requirements of the Russian Federation legislation and recommendations of the self-regulated organizations.

**Internal Instruction** is an instruction, produced by the core banking system automatically upon receipt of results of the Depositor's deals, performed in accordance with the brokerage agreement, executed with the Bank, and containing instructions to the Custodian to perform Custody Transaction.

**List** is a list of issues of securities in relation to which the Custodian provides the Custody services.

**Nominee Holder Depo Account** is a Depo Account intended for recording of rights to securities, not owned by the Custodian (Nominee Holder), and recorded by the Custodian on behalf of its Depositors.

**Non-Emissive Security** is any security not meeting the criteria for emissive Securities.

**Official Instruction** is an order initiated by the Custodian under the procedure and in cases stipulated hereby.

**Operational Day of the Custodian** is a time interval during the calendar day within which the Custody transactions, changing the balances on Depo accounts, are executed.

**Operational Business Day of the Custodian** is a time interval during which the Custodian provides its services to the Depositors.

**Owner** is a person who owns securities based on the right of ownership or other proprietary right.

**Owner Depo Account** is a Depo Account intended for accounting of rights of ownership or other proprietary rights for the securities.

**Place of Safekeeping** is the Registrar or the Sub-Custodian being the Place of Safekeeping of Global security certificates and/or place of recording of rights to securities of Depositors of the Custodian.

**Pledge** is a way to secure an obligation, under which the creditor from the pledged secure obligation (**Pledgee**) acquires the preemptive right for compensation at the expense of the property pledged, in case the debtor fails to perform the obligation or performs it improperly.

**Pledgee** is the creditor under the Pledge agreement.

**Pledgor** is a person to whom the subject of the Pledge belongs based on the right of ownership or other property right.

**Qualified Investor** is a person, being or recognized as the Qualified Investor in compliance with Federal Law dated April 22, 1996 No. 39-FZ On Securities Market.

**Registrar** is a professional securities market participant, having a license for keeping a register or in cases envisaged by federal laws - other professional securities market participant, which based on the instruction of the issuer or another entity obliged under the securities performs keeping of the register.

**Securities** are Russian and international securities, accepted by the Custodian for safekeeping, accounting of rights to which is carried out in compliance with the legislation of the Russian Federation, including immobilized Emissive Securities (including securities subject to mandatory centralized safekeeping) or dematerialized and Non-emissive Securities (i.e. investment unit of unit investment funds).

**Securities Intended for Qualified Investors** are securities, the issue decision of which stipulates that they are intended for the Qualified Investors, and/or deals on which are performed with regard to restrictions and rules stipulated by the Federal Law dated April 22, 1996 No. 39-FZ On Securities Market for securities intended for the Qualified Investors, and other statutory acts.

**Services** are all services of the Custodian provides under the Custody Agreement/ Interdepository Agreement and the current Terms and Conditions.

**Sub-Custodian** is a third-party Custodian in which the Custodian has an open Nominee Holder Depo Account.

**Terms and Conditions (Client's regulations)** is the terms and conditions for carrying out the Custody activity by the Joint Stock Company UniCredit Bank.

**Trading Depo Account** is a Depo Account, intended for record of rights to securities, opened in compliance with Article 15 of the Federal Law dated 07.02.2011 No. 7-FZ On Clearing and Clearing Activity.

**Treasury Depo Account of an Issuer (or an entity obliged under the securities)** is the Depo Account intended to record of rights of the Issuer (the entity obligated under the securities) to the securities issued (granted) by it.

**Trustee Depo Account** is a Depo Account, intended for accounting of rights of trustee in relation to the securities managed by the trustee.

**Unidentified Persons Account** is a Depo Account not intended for accounting of rights to securities used by the Custodian in absence of the basis for crediting the securities to the Depo Accounts.

**CHAPTER 2. GENERAL PROVISIONS****1. Custodian**

Location (official and postal address): 9 Prechistsenskaya Embankment, Moscow, 119034

Physical address: 9 Butikovskiy lane, Moscow, 119034

Phones: (495) 258-72-58, (495) 258-72-00

Fax: (495) 723-71-06

E-mail address: [custody@unicredit.ru](mailto:custody@unicredit.ru)

**2. Subject and Status of this Document**

2.1 The Terms and Conditions shall determine the list of the Services provided by the Custodian, as well as regulate the rules for interaction between the Custodian and the Depositor within the framework of such Services.

2.2 The Terms and Conditions shall be an integral part of the Custody Agreement and are made in compliance with the requirements of the Russian Federation legislation regulating the custody activity.

2.3 The Terms and Conditions contain:

- List and terms of execution of transactions performed by the Custodian;
- Action procedure for the Depositor and the Custodian employees for execution of the foregoing transactions;
- Grounds for transactions execution;
- Forms of documents to be completed by the Depositor;
- Forms of documents to be issued to the Depositor upon results of transactions;
- Terms for execution of transactions;
- Procedures of acceptance for service and termination of service of the securities by the Custodian;
- Procedure and terms for submission of statements on the Depo Accounts and reports on performed transactions to the Depositors, as well as of other documents certifying their rights to securities;
- General rules for the Custodian operations related to the procedure of servicing the Depositors.

2.4 All attachments to the Terms and Conditions shall be the integral part hereof.

2.5 The Terms and Conditions shall be binding upon both the Custodian employees and the Depositors.

2.6 The Terms and Conditions shall be available on an open basis and presented upon request of any interested persons. Public placement of the Terms and Conditions shall not constitute a public offer to conclude the Custody Agreement.

**3. Amendment Procedure**

3.1 The Custodian shall be entitled to amend unilaterally the Terms and Conditions, as well as the attachments hereto.

3.2 In case such amendments hereto are caused by introduction of amendments by the competent state authorities of the Russian Federation to the legislative acts, regulating the procedure for carrying out the Custody Activity and/or securities circulation, then such amendments shall become effective from the effective date of the relevant legislative acts, unless the respective act that has caused the necessity for introduction of amendments establishes another effective date.

3.3 Amendments to the Terms and Conditions may be introduced in connection with changes in the internal structure or operational process of the Bank, not being in conflict with the functions of the Custodian on servicing the interests of the Depositors.

3.4 The Custodian shall notify all Depositors on all amendments to be introduced into the Terms and Conditions, not later than 10 days prior to their effective date, by way of placing the relevant notification and the new version of the Terms and Conditions on the website <http://www.unicreditbank.ru> (hereinafter the Bank website).

3.5 In case the Depositor disagrees with the new version of the Terms and Conditions, it shall be entitled to terminate the Custody Agreement or Interdepository Agreement under the terms stipulated by the foregoing agreements and the Terms and Conditions. The old version of the Terms and Conditions shall be valid until such date.

3.6 The Custodian shall be entitled to introduce amendments to the Instruction formats, being the attachments hereto. In such case, the Custodian shall accept Instructions both in the new and old formats within one calendar month from the date of introduction of amendments. Upon expiry of such period, the acceptance of Instructions in old format shall be terminated.

3.7 The Depositor shall on its own or via its Authorized representative review the Bank website to check for any possible amendments to the Terms and Conditions and other notifications of the Custodian at least once every five (5) calendar days.

The Custodian shall not be liable for any damages of the Depositor caused by unawareness of the Depositor if the Custodian has performed its obligations on placement of all required information on the Bank website properly in accordance with the requirements of the Terms and Conditions.

**4. General Operations Principles of the Custodian**

4.1 The Custodian shall carry out the Custody Activity in line with the applicable legislation of the Russian Federation,

the regulations of the competent authority on regulation of the securities market and financial markets, the Bank regulations and the Bank Charter, decisions of the Bank management bodies, the Custody Agreement, and the Terms and Conditions.

4.2 The Custodian shall carry out its activities based on the license of the professional securities market participant for custody activity No. 177-06564-000100 issued by the Federal Financial Market Service on 25 April 2003 for an unlimited period.

4.3 The Custodian hereby notifies the Depositor on combination of types of professional activities on the securities market based on the licenses of the professional securities market participant issued to the Bank:

- License of the professional securities market participant for broker activity issued by the Federal Financial Market Service on 25 April 2003 No.177-06561-100000;
- License of the professional securities market participant for dealer activity issued by the Federal Financial Market Service on 25 April 2003 No. 177-06562-010000.

4.4 For the benefit of the Depositors, the Custodian shall implement a package of measures to prevent conflict of interests related to combination of different types of professional activities on the securities market.

## **5. General Services of the Custodian**

5.1 The Custodian offers the following types of Services:

- Opening and maintenance of the Depo Accounts;
- Recordkeeping of rights to securities and recording of transfer of rights to securities;
- Settlements under securities transactions, including Delivery/Receipt of Securities Free of Payment and Against Payment;
- Blocking of securities, including registration of encumbrance on Depositor`s securities by Pledge;
- Assistance in exercise of rights to securities, including the right to receive dividends and other payments under securities.

5.2 Services accompanying the Custody Activity:

- Maintenance of the Depositors` cash accounts intended for settlement of securities and receipt of income on securities, in compliance with the federal laws and other regulations of the Russian Federation;
- As instructed by the Depositor, representation of its interests in the general meetings of shareholders;
- Monitoring the Issuer`s Corporate Actions and informing the Depositor thereupon;
- Acting as paying agent, providing assistance in optimization of taxation of income on securities received by the Depositors of the Custodian;
- Submission to the Depositors of data on the Issuers available with the Custodian, including data on the Issuer`s financial status;
- Submission to the Depositors of data on the securities market conditions;
- Submission to the Depositors of data on the principles and features of functioning of the securities market, Russian and international systems of registration of title to securities, rules of operation of such systems;
- Provision of other Services not prohibited by the federal laws and other regulations of the Russian Federation connected with maintenance of the Depositors` Depo Accounts and assistance in exercise of rights to securities.

## **6. Depositors of the Custodian**

6.1 The Depositors of the Custodian may be individuals and legal entities, residents and non-residents of the Russian Federation.

6.2 The Depositors of the Custodian may be persons that possess securities based on the right of ownership or other proprietary right, as well as custodians, including those acting as nominees for securities of their clients, including foreign nominee holders.

6.3 The Depositors of the Custodian may be also trustees and foreign authorized holders of securities.

6.4 The Depositors of the Custodian may be both Qualified and Non-Qualified Investors.

6.5 The Custodian shall not conclude the Custody (Interdepository) Agreements with and shall not open Depo Accounts to:

- Anonymous owners, i.e. without presentation of the documents necessary for identification of the Depo Account owner by an individual or a legal entity that opens the Depo Account;
- Individuals, legal entities if an incomplete set of documents and information, being necessary to identify the Depo Account owner is provided by them;
- Individuals, legal entities if false or void documents and information, being necessary to identify the Depo Account owner is provided by them;
- Individuals, legal entities at their or their representatives` failure to present documents, being necessary to identify the account owner, its representative.
- Individuals, legal entities at availability of data on their participation in extremist or terrorist activities, that is

- obtained in compliance with the effective anti-money laundering and combating terrorism financing legislation;
- Individuals without personal attendance of the person, opening the Depo Account, or of his/her representative;
  - Legal entities, in case it is revealed that their permanent management bodies, other bodies or persons that are entitled to act on behalf of the legal entity without power of attorney are unavailable at their principal place of business;
  - Non-resident banks that have no permanent management bodies in the territories of the states where they are registered;
  - Non - resident banks that perform transactions on their accounts of the banks that have no permanent management bodies in the territories of states where they are registered,

## **7. Operational Business Day of the Custodian**

7.1 All actions regulated hereby shall be performed as per Moscow time.

7.2 A business day of the Custodian starts at 9:00 and ends at 17:45 Moscow time, except for Friday and pre- holiday days when a business day ends at 16:30 Moscow time. Saturdays, Sundays and official holidays announced according to the Russian legislation shall be non-business days, unless the regulations of the competent authorities establish otherwise.

7.3 The Operational Business Day of the Custodian starts at 9:00 and ends at 17:30 (on Fridays and pre-holiday days - at 16:00). All Instructions, confirmations of reregistration, settlements and other information accepted from the Depositor at such time shall be processed within the current business day. All Instructions accepted from the Depositor after the time specified shall be processed within the following business day.

7.4 The Operational Day of the Custodian ends at 23:00 of the respective day. The Custodian shall be entitled to change the duration of the Operational Day of the Custodian on certain business days, with notice to the Depositors thereof no less than five (5) business days prior to occurrence of such a day, by the way of placement of the respective notification on the website.

## **8. Depo Accounts**

### **8.1 Structure of Depo Accounts**

8.1.1 The Depo Account shall be opened to the Depositor under the terms stipulated by the Custody Agreement and the Terms and Conditions.

8.1.2 The Depositor may open an unlimited number of Depo Sub-Accounts within the Depo Account. The Custodian shall perform separate recording of the securities safekept on the Depo Sub-Accounts of the Depositor.

8.1.3 The number of the Depo Accounts opened to one legal entity or individual shall not be limited. Opening a new Depo Account to the Depositor shall not require the conclusion of a new Custody Agreement, and shall be carried out based on an additional Depo Account opening application (Attachment No. 8.1).

### **8.2 Types of Depo Accounts**

8.2.1 The Custodian shall open the following types of Depo Accounts:

- Owner Depo Account;
- Nominee Holder Depo Account;
- Trustee Depo Account;
- Foreign Nominee Holder Depo Account;
- Foreign Authorized Holder Depo Account;
- Depositary Receipts Programs Depo Account;
- Deposit Depo Account;
- Trading Depo Account
- Investment Partnership Depo Account

8.2.2 The Custodian shall also open the following account types not intended for accounting of rights:

- Unidentified Persons Account.

### **8.3 Unidentified Persons Account**

8.3.1 The Custodian, irrespective of the necessity for crediting securities, shall open the Unidentified Persons Account.

8.3.2 Crediting of securities to the Unidentified Persons Account shall be performed by the Custodian not later than a business day following the day of receipt of the document that confirms crediting of the securities to the account opened to the Custodian with the Registrar and/or the Sub-Custodian at the absence of grounds for crediting the securities to the Depo Account of Depositors.

8.3.3 Debiting of securities from the Unidentified Persons Account shall be performed by the Custodian not later than a business day following the day of receipt of the document that confirms the debiting of the securities from the Custodian Account. A statement/report of the Sub-Custodian or statement from the Register may be accepted as such



confirmation document.

- 8.3.4 In case the grounds for crediting the securities recorded on the Unidentified Persons Account to the Depositor Depo Account of Depositors have not been received by the Custodian within one month, the Custodian shall debit the securities from the Unidentified Persons Account under the procedure established by the legislation.

## **9. Securities**

### **9.1 Types Of Securities**

9.1.1 The object of the Custody Activity of the Custodian shall be securities issued by residents and non-residents of the Russian Federation, in compliance with the legislation of the state under which jurisdiction they fall, unless it contradicts the requirements of the federal laws and other regulations established by the legislation of the Russian Federation.

9.1.2 The object of the Custody Activity of the Custodian may be the following securities:

- Registered securities issued (granted) by the Russian legal entities and individuals, the recordkeeping of rights to which in compliance with the federal laws may be performed by the custodians on the Depo Accounts;
  - Bearer Emissive Securities with mandatory centralized safekeeping;
  - Foreign financial instruments that are qualified as securities in compliance with Article 44 of Federal Law dated 22 April 1996 No. 39-FZ On Securities Market and the rights to which, in compliance with the governing law of the person obligated under such financial instruments, may be record kept on the accounts open with organizations that perform accounting of rights to securities.
- No mortgage securities are accepted for Custody service.

### **9.2 Recordkeeping of Foreign Financial Instruments not Qualified as Securities**

9.2.1 The Custodian shall be entitled to provide to the Qualified Investors the services on recordkeeping of foreign financial instruments that in compliance with the legislation of the Russian Federation are not qualified as securities. The foregoing recordkeeping may be executed under the procedure similar to the Custodian recordkeeping of rights to securities. By doing so, the Custodian shall not be entitled to perform transactions on transfer of rights to such foreign financial instruments, transactions on encumbrance on financial instruments with obligations as assigned by the Depositors and other Inventory Custody Transactions, except for the Global Custody Transactions, as well as transactions related to acceptance for accounting of foreign financial instruments and withdrawal from account of foreign financial instruments for the purposes of their transfer to the Depo Accounts of the Depositors and/or other persons, opened with the foreign organizations that perform accounting of rights to such financial instruments.

9.2.2 The Custodian shall ensure segregated recordkeeping of such foreign financial instruments with indication that such foreign financial instruments are not qualified as securities in compliance with the requirements of the legislation of the Russian Federation, as well as bring the information thereof to the knowledge of the Depositors.

### **9.3 Acceptance of Securities**

9.3.1 The Custodian shall provide the services on maintenance of registers containing the records on Securities with regards to which it provides services on recordkeeping of rights allowing identification of the mentioned Securities.

9.3.2 The acceptance of the Issue of Securities for service shall be performed by way of its addition to the securities issue questionnaire.

9.3.3 The acceptance of Issue of Securities for service shall be performed by the Authorized Persons of the Custodian on the initiative of the Depositor, the Custodian, the Issuer, the Registrar, a third party Custodian or decision of the competent authorities of the Russian Federation.

9.3.4 The Custodian shall refuse to accept the Issue of Securities for service, if:

- Issue of Securities has not undergone the state registration (for securities issued by the residents of the Russian Federation), except for those cases when securities are not subject to registration;
- Circulation period of securities has expired or the notice has been received from the registration authority on suspension of placement of the Issue of Securities and transactions therewith;
- Acceptance of securities for the Custody service is prohibited by the conditions of circulation of the Issue of Securities;
- Acceptance of securities for the Custody service is prohibited by the legislative and other regulations of the Russian Federation;
- At acceptance of an Issue of a foreign security for service, at the disposal of the Custodian there is no document of the organization-member of the National Numbering Agencies Association by which such organization confirms the assignment (availability of the assigned ones) to the foreign financial instrument of ISIN or CFI code or the notice of the federal executive authority for the securities market on qualification of the foreign financial instrument as a security;
- At acceptance of an Issue of a foreign security for service, at the disposal of the Custodian there is no document of the professional participant of the securities market carrying out the Custody activity or international

organization performing foreign securities rights recordkeeping services to which such organizations following the provided documents or information confirm the availability of ISIN and CFI codes assigned to the foreign financial instrument;

- CFI code assigned to the Issue of a foreign security is absent in the list of permitted codes established by the respective regulation of the federal executive authority for the securities market.

9.3.5 In case of refusal to accept the Issue of Securities for service, the Custodian shall forward to the Initiator of Custody Transaction the notice of refusal in acceptance of the Issue of Emissive Securities for service with indication of the reason for refusal, no later than 3 business days from the day of the decision-making by the Custodian.

9.3.6 At acceptance of the Issue of Securities for service, the Custodian shall be entitled to use data contained in the databases on disclosure of information on the Issuers and issues of their securities maintained by the regulatory authorities or a self-regulated organization, supplied by other custodians, international clearing organizations, international or Russian information agencies, as well as financial institutions.

9.3.7 At acceptance of the Issue of Securities for service on the Depositor's initiative, the Custodian may request to present a copy of the document confirming the state registration of the Issue of Securities.

9.3.8 The Custodian shall accept the Issue of Securities for service within one (1) business day from the date of receipt of the documents requested in compliance with clause 9.3.7 of this Chapter.

#### **9.4 Safekeeping and Recordkeeping of Securities**

9.4.1 Securities with the Custodian may be recordkept on an open, closed and marked basis of safekeeping.

9.4.2 Open method of securities safekeeping means that, only the total number of securities is recorded without indication of their individual features (such as number, series, rating) and without indication of individual features of the certificates identifying them. In relation to securities kept on an open basis, the Depositor shall be entitled to submit Instructions only in relation to the number of securities registered on its Depo Account without indication of their individual features.

9.4.3 Closed method of securities safekeeping means that securities are recorded with indication of their individual features. In relation to securities safekept on a closed basis, the Depositor shall be entitled to submit the Instruction in relation to any particular security recorded on its Depo Account, at availability of individual features of such security. Such method shall be possible only for Issues of emissive securities in the immobilized form.

9.4.4 Marked method of securities safekeeping means that securities are recorded with indication of the group feature to which they are attributed in compliance with the terms of the Issue. The Depositor shall be entitled to submit the Instruction in relation to the certain number of securities attributed to a specific group with indication of the group features and/or peculiarities of safekeeping. For securities safekept on a marked basis, the Custodian shall maintain a catalogue of group signs that allows identify the group to which the securities relate, and the peculiarities of their safekeeping.

9.4.5 Securities shall be recorded in units.

9.4.6 For purposes of the Custody recordkeeping, one security (one unit) should be considered the minimum par value of circulating securities of the given Issue of emissive Securities, unless the terms of issue and circulation of the securities specifies otherwise.

9.4.7 For purposes of safety of the Depositors' securities, the Custodian shall safekeep and recordkeep the Depositor's securities separately from the securities owned by the Custodian. For that purpose, the Custodian shall act as the nominee holder for the Depositor's securities in the register of owners of the Registered emissive securities and in the correspondent custodians, and shall open separate accounts with the above organizations for own securities and for the Depositor's securities. The Custodian shall also ensure recordkeeping and safekeeping of the Depositor's securities segregated from recordkeeping and safekeeping of securities of other Depositors by way of opening segregated Depo Accounts for each Depositor.

#### **9.5 Recordkeeping of Fractional Securities**

9.5.1 The Custodian shall record fractional shares when fractions appear in accordance with the federal laws and other regulations of the Russian Federation and in other cases driven by the market practices.

#### **9.6 Recordkeeping of Investment Units of Unit Investment Funds on Depo Accounts**

9.6.1 The Custodian shall be entitled to record investment units of mutual investment funds (hereinafter the Fund) on the Depo Accounts, in case the rules for trustee of the Fund foresee the recordkeeping of rights to investment units on the Depo Accounts by the custodians with regard to the following peculiarities:

- Arising of fractional parts of the investment units on the Depo Accounts shall be allowed at crediting them with the investment units in connection with their issue, transfer, exchange or split;
- Arising of fractional parts of the investment units on the Nominee Depo Accounts shall be also allowed at debiting the investment units from them in connection with redemption, exchange or transfer of fractional parts of the investment units accounted on the Depo Account of the investment units' owner. In such case, arising of

a fractional part of the investment unit shall be only allowed as a result of subtraction of the amount of the investment units subject to redemption, conversion or transfer from the total number of the investment units recorded at the Nominee Depo Account;

- At crediting the investment units to the Depo Accounts, fractional parts of the investment units shall be summed up;
- Reduction of a fractional part of the investment unit at the Depo Account of the investment units' owner, the Trustee Depo Account shall not be allowed, unless such reduction comes as a result of aggregation of fractional parts of the investment unit;
- Debiting from the Depo Account of a fractional part of the investment unit without its whole part shall be allowed only in case of redemption, exchange or transfer of the investment units at absence of the whole part of the investment unit, being subject to redemption, exchange or transfer, except for debiting from the Nominee Depo Account and the Foreign Nominee Depo Account.

#### **9.7 Withdrawal of Securities**

9.7.1 Withdrawal of the Issue of Securities shall be made in the following cases:

- Redemption of the Issue of Securities;
- Cancellation of the individual number (code) of the additional Issue of Securities by the registration authority and consolidation of securities of the additional Issue of Securities with securities of the issue in relation to which they are deemed additional;
- Decision of the governing authority on recognition of the Issue of Securities as void;
- If the court decision on nullity of the Issue of Securities enters into the force;
- Liquidation of the Issuer of the securities;
- Termination of service as resolved by the Custodian.

9.7.2 Withdrawal of the Issue of Securities shall be made within one (1) business day from the date of receipt of documents confirming the events specified in clause 9.7.2 of this Chapter, by the Custodian.

9.7.3 The Custodian shall not be entitled to terminate service of the Issue of Securities in case the securities of such Issue are recorded on the Depositor Depo Account.

9.7.4 Termination of servicing the Issue of Securities of the liquidated Issuers and debiting thereof from the Custodian's Depositor Depo Accounts shall be performed by the Custodian only upon receipt of the following confirmations:

- Confirmation from the registrar that has held the register of the liquidated Issuer or a statement from the Sub-Custodian; and
- Confirmation from the executive authority that holds the Uniform State Register of Legal Entities. The information received upon request from the Federal Tax Service of the Russian Federation or information published on the official website of the executive authority shall be considered as confirmation.

**CHAPTER 3. CUSTODY TRANSACTIONS****1. General provisions****1.1 Types of Custody Transactions**

1.1.1 Below are the following types of Custody Transactions to be carried out by the Custodian:

- Inventory;
- Administrative;
- Informational;
- Complex;
- Global.

1.1.2 **Inventory Transactions** are the Custody Transactions resulting in changes only in balances of securities on the Depo Accounts with the Custodian. The Inventory Custody Transactions shall include:

- Credit (acceptance of securities for safekeeping and recordkeeping);
- Debit (withdrawal of securities from safekeeping and recordkeeping);
- Transfer (debit of securities from one Depo Account (Sub-Account) and credit to another);
- Movement (debit of securities from one active Depo Account (Sub-Account) and credit to another);
- Cancellation of the Instruction on the Depo Account.

1.1.3 **Administrative Transactions** are the Custody Transactions resulting in changes in the questionnaires of the Depo Accounts and other recording registers of the Custodian, except for balances of securities on the Personal Depo Accounts of the Depositors. The Administrative Transactions shall include:

- Opening the Depo Account (Depo Sub-Account);
- Closing the Depo Account (Depo Sub-Account);
- Changing the questionnaire data (details of the Depo Account);
- Appointment of the Depo Account (Depo Sub-Account) Operator;
- Cancellation of the authorities of the Depo Account (Sub-account) Operator.

1.1.4 **Informational Transactions** are the Custody Transactions related to generation of reports and statements on the Depo Account and other recording registers of the Custodian or on execution of the Custody Transactions. The Informational Transactions shall include:

- Generation of statement on the Depo Account or other recording registers of the Custodian;
- Generation of the report on transactions on the Depositor Depo Account;
- Generation of information on owners of securities, the Depositors of the Custodian.

1.1.5 **Complex Transactions** are the Custody Transactions, including different types of transactions as components: Inventory, Administrative and Informational Transactions. The Complex transactions shall include:

- Blocking of securities;
- Unblocking of securities;
- Encumbrance on securities;
- Termination of encumbrance on securities.

1.1.6 **Global Transactions** are the Custody Transactions resulting in changes in the status of all or considerable part of the recording registers of the Custodian connected with the Issue of Securities. As a rule, the execution of Global transactions occurs on the Issuer's initiative and is related to performance of Corporate Actions by it. The Custodian may request for an Instruction from the Depositor on execution of the Global transaction. The Global transaction shall include:

- Conversion of securities;
- Withdrawal (redemption) of securities;
- Splitting or consolidation of securities;
- Accrual of income on securities;
- Consolidation of Additional Issue of Securities (hereinafter consolidation of Issues of Securities);
- Liquidation of the individual number (code) of the Additional Issue of Securities and consolidation of the Additional Issue of Securities with securities of the Issue in relation to which they are deemed additional (hereinafter liquidation of the code of the additional issue).

## 1.2 Basis for Performance of Custody Transactions

1.2.1 Transactions on the Depo Account shall be performed by the Custodian based on the following documents:

- Instructions/applications of the established sample or prepared in free format and containing all the details specified in the relevant instructions/applications of the established form accepted for execution from the Depositors, their Authorized Representatives or Depo Accounts Operators;
- Instructions on execution of brokerage services for purchase/sale of securities, Internal Instructions and reports of National Clearing Centre (JSC) on the Custody Transactions' settlement upon results of stock exchange transactions commenced by the Bank within the framework of brokerage service of the Depositor;
- Instructions on execution of brokerage services for purchase /sale of securities, Internal Instructions and reports of the Sub-Custodian or the Registrar on Custody Transactions' settlement upon results of off-exchange transactions commenced by the Bank within the framework of brokerage service of the Depositor;
- Documents determined by certain agreements with the Depositor;
- Court decisions;
- Documents confirming Corporate Actions;
- Reports of the Registrar/ other Custodian.

1.2.2 The Depositor shall transfer the Instruction to the Custodian following the procedure specified in the Custody Agreement signed with the Depositor. The Depositor shall be entitled to send Instructions by means specified in the Section 4 of the Terms and Conditions.

1.2.3 The Instructions of the Depositor transferred via SWIFT must contain the key preliminary agreed between the Depositor and the Bank.

1.2.4 If an Instruction submitted to the Custodian in paper form, the Custodian must take measures on its verification for compliance with the requirements (verifications) established by the applicable legislation of the Russian Federation and the Terms and Conditions.

1.2.5 The Instruction executed on two or more sheets must be stitched and sealed; Instruction pages numbered.

1.2.6 The Instruction must have the supporting documents attached, if it is specified by the Terms and Conditions and the regulations of the Russian Federation.

1.2.7 Depending on the Initiator of Custody Transaction, the following Instruction types shall be distinguished on:

- Client - the Initiator of Custody Transaction shall be the Depositor, its Authorized Representatives, Depo Account Operator or its Authorized Representatives;
- Administrative - the Initiator of Custody Transaction shall be the Authorized Persons of the Custodian;
- Official - the Initiator of Custody Transaction shall be the competent state authorities;
- Global - the Initiator of Custody Transaction shall be, as a rule, the Issuer or the Registrar as assigned by the Issuer.

1.2.8 The Instruction forms shall be the Attachments hereto.

1.2.9 The Custodian may refuse acceptance of the Instruction for execution on the following grounds:

- The Instruction is submitted to the Custodian by an unauthorized person;
- The Instruction is submitted to the Custodian by method unauthorized by the Custody/Interdepository Agreement or any other agreement with the Depositor submitting the Instruction, or any other way not specified herein;
- The Instruction is signed by an unauthorized person;
- The Instruction bears no signatures of the persons whose signatures are stipulated by the Depositor's Questionnaire and/or required in compliance with the documents that determine the range of persons authorized to dispose of the Depositor Depo Account;
- The Custodian has considerable and reasonable doubts in the authenticity of the Initiator of Custody Transaction signature or seal impression;
- The Instruction is executed in violation of the requirements of the Terms and Conditions of the Custodian;
- Composition or execution of the supporting documents does not satisfy the Terms and Conditions of the Custodian;
- The Instruction or the supporting documents lack data for execution of the Instruction or the information contained therein is contradictory;
- The Instruction is executed with amendments;
- Data contained in the submitted documents does not correspond to the data contained in the recording registers of the Custodian.

1.2.10 The Custodian shall also be entitled to refuse to receive the Instruction, if the Depositor has a debt to the Custodian on payment for the Services, until the parties shall settle such issue.

1.2.11 The Custodian shall be entitled to request from the Initiator of the Custody Transaction to present additional documents and data necessary for execution of the Custody Transaction in compliance with the Terms and Conditions and/or the agreement with the Depositor and the requirements of the regulations of the Russian Federation.

1.2.12 Upon receipt of the Instruction, the Custodian shall confirm the fact of the Instruction receipt or present a motivated refusal of the Instruction acceptance no later than three (3) business days from the date of the Instruction acceptance (Attachment 23).

1.2.13 The Custodian shall not execute the Instruction in the following cases:

- Data contained in the submitted documents does not correspond to the data contained in the recording registers of the Custodian;
- The amount of securities held on the Depo Account/ Depo Sub-Account is insufficient to execute the transaction specified in the Instruction;
- Securities, in relation to which the Instruction is given, are levied with encumbrances, and execution of the Instruction may result in breach of such encumbrances;
- Documents necessary for performance of the Custody Transaction in compliance with the Terms and Conditions of the Custodian or the applicable legislation of the Russian Federation are not submitted;
- The validity term of Instruction stipulated by the Terms and Conditions has expired;
- At the date of crediting of the Securities Intended for Qualified Investors to the Owner Depo Account, the Custodian has no documented confirmation that the Depositor is the Qualified Investor, unless the Depositor has acquired the specified securities as a result of universal succession, conversion, including the reorganization, distribution of property of the legal entity under liquidation and in other cases established by the federal executive authority for the securities market/CBR. Moreover, such circumstance must be reflected in the Depositor's Instruction;
- The Instruction contradicts the applicable legislation of the Russian Federation;
- Other grounds stipulated by the applicable legislation of the Russian Federation.

1.2.14 The Custodian shall present a motivated refusal in execution of the Instruction to the Depositor no later than three (3) business days from the date of the Instruction receipt or from the date of receipt of the written refusal in performance of the transaction necessary for execution of such Instruction from the Registrar or the Sub-Custodian (Attachment 24).

1.2.15 The validity term of the client's Instruction shall be 1 month.

1.2.16 In cases stipulated by the federal laws or other regulations of the Russian Federation, the Custodian is obliged to implement duly executed written resolutions of the state authorities:

- Courts (arbitration and of general jurisdiction);
- Bodies of inquiry and preliminary investigation;
- Bailiffs;
- Other state authorities in compliance with the applicable legislation.

1.2.17 Written resolutions of the state authorities must be accompanied with the necessary documents (court decisions; writs of execution; resolutions of bodies of inquiry and preliminary investigation, and other documents in compliance with the applicable legislation).

1.2.18 The Custodian shall execute the administrative instructions in compliance with the internal instructions; and Authorized Persons of the Custodian shall sign such administrative instructions.

### 1.3 General Procedure and Terms for Execution of Custody Transactions

1.3.1 Stages of execution of the Custody Transaction:

- Instruction acceptance/refusal;
- Instruction processing, meaning registration of the Instruction in the Custodian recording registers, assessment of adequacy and correctness of the Instruction; submission of the Instruction to the Registrar or Sub-Custodian or adoption of a decision on non-execution of the Instruction;
- Execution of the Instruction, meaning execution thereof with posting of the transaction in the Custody recording registers or non-execution of the Instruction due to reasons specified in the clause 1.2.13 hereof;
- Generation and sending of reports;

1.3.2 The term of execution of the Custody Transaction shall be counted from the date of entering of the relevant record to the Transactions Logbook, and shall not exceed three (3) business days (except for the Inventory Custody Transactions which period of execution is specified in clause 1.3.3 of this Chapter).

1.3.3 The term of execution of the Inventory Custody Transactions shall be counted as follows:

- Receipt of securities for safekeeping and recordkeeping at crediting the securities to the Nominee Holder Depo Account of the Custodian in the register - T, where T is the day of acceptance of the Depositor's Instruction to the Custodian for crediting of the securities and notification from the register on crediting the securities to the Nominee Holder Depo Account;
- Receipt of securities for safekeeping and recordkeeping at their crediting to the Nominee Holder Depo Account of the Custodian in another Custodian or the Central Depository - T, where T is the day of acceptance by the Custodian of the Depositor's Instruction to accept the securities and receipt of the report from another Custodian or the Central Depository, confirming the crediting of the securities to the Nominee Holder Depo

Account;

- Withdrawal of securities from safekeeping and recordkeeping at their debiting from the Nominee Holder Depo Account of the Custodian in the register - T+N+1, where T is the day of acceptance of the Depositor's Instruction on delivery of the securities by the Custodian, N is the time within which the registrar (transfer agent) has executed the transfer order and has given notification to the Custodian on debiting the securities from the Nominee Holder Depo Account;
- Withdrawal of securities from safekeeping and recordkeeping at their debiting from the Interdepository Account of the Custodian open with another Custodian or the Central Depository - T+N+1, where T is the day of acceptance of the Depositor's Instruction on delivery of the securities, N is the time within which another Custodian or the Central Depository has executed the Instruction and has presented a statement on debiting the securities from the Interdepository Depo Account;
- Transfer of securities on the Depo Accounts of the Custodian, transfer of securities between Depo Sub-Accounts without changing the Place of Safekeeping - T, where T is the day of submitting of the Depositor's Instruction to the Custodian on the interdepository transfer of securities;
- Transfer of securities on the Depo Accounts of the Custodian, transfer of securities between the Depo Sub-Accounts with the change of the Place of Safekeeping - T+N+1, where T is the day of submitting of the Depositor's Instruction to the Custodian on the interdepository transfer of securities, N is the time within which another Custodian or the registrar (transfer agent) has transferred the securities and presented the statement or notice to the Custodian on debiting and crediting the securities to the account of the Custodian.

1.3.4 The terms of execution of the Instructions specified in the clause 1.3.3 are indicative and depend on the settlement methods applied on the market. In cases when, in order to execute certain Instruction, the Custodian is required to perform certain additional actions (open the Nominee Holder Depo Account, establish correspondent relationships etc.), the terms of execution of the Instructions shall be increased in proportion to actual time required to execute the Instruction.

1.3.5 If the Custodian shall receive the Depositor's death certificate, the execution of the Custody Transactions on such Depositor's Depo Account should be suspended until the right of ownership to the Securities previously owned by the deceased Depositor shall be transferred by right of succession to other persons following the will or the federal law. Input of information about the successor(s) into the recording registers allowing for unambiguous identification of such successor(s) and execution of the custody transactions shall be carried out by the Custodian based on the Depositor's Questionnaire filled in by such successor, official documents confirming the ID of such successor and a copy of the will certified by notary public and/or other documents stipulated by the applicable legislation of the Russian Federation, including certificate of succession rights.

1.3.6 The Custody Transaction shall be considered completed upon the provision to the Depositor or to the Depositor Authorized Representative of the report via SWIFT or Bank-Client system or in hard copy, not later than a business day following the day of execution of the Custody Transaction. The way of transfer shall be specified in the Depositor's Questionnaire.

1.3.7 Information on all transferred reports is to be entered into the Transactions Logbook.

#### 1.4 Corrective Entries of the Custodian

1.4.1 If any errors in entries on the Depo Accounts, correction of which is permitted by the legislation of the Russian Federation, occur, the Custodian shall be entitled to make corrective entries on the respective Depo Accounts before the end of a business day following the day of such entry, provided that no report on the transaction executed or statement on the Depo Account has been sent to the Depositor.

1.4.2 In case the report on the transaction executed or statement on the Depo Account has been sent to the Depositor, the Custodian shall be entitled to make corrective entries only with consent of the Depositor or any other person authorized to provide instructions or requests on making corrective entries in accordance with the federal laws or Agreement.

1.4.3 The Depositor in compliance with the legislation of the Russian Federation shall be obliged to return the securities acquired unreasonably in result of errors in entries on the Depo Account, return the securities they have been converted to, as well as transfer the income received and compensate for losses.

In case the amount of securities recorded by the Custodian on the Depo Accounts and the Unidentified Persons Account exceeds the amount of the similar securities recorded on the Depo Accounts/personal Accounts opened to the Custodian with the Registrar and/or the Sub-Custodians, the Custodian shall debit the securities from the Depo Accounts and/or Unidentified Persons Account in the amount equal to the excess of the total number of such securities on the accounts of the Custodian with the Registrar and/or the Sub-Custodians not later than a business day following the day when such excess has been revealed. Such debiting shall be carried out in reverse chronological order, provided that since crediting the securities from such Unidentified Persons Account to the Depo Accounts, there has been no crediting or debiting of the relevant securities whatsoever on such Depo Accounts.

1.4.4 If the above-mentioned measures shall not result in complete rebalancing of assets and liabilities, the Custodian shall be entitled to debit the securities in the required amounts from all Depo Accounts in proportion to the amount of the relevant securities on each Depo Account.

1.4.5 From the date of revealing of the fact of the securities excess on the Depo Accounts and the Unidentified Persons Account in relation to the amount of the similar securities on the accounts of the Custodian with the Registrar and/or the Sub-Custodians, before the date of debiting the securities in compliance with clause 1.4.4., the Custodian shall not make any entries on the Depo Accounts and the Unidentified Persons Account, except for entries made for purposes of such debiting.

1.4.6 The Custodian shall provide for crediting the securities debited in compliance with clause 1.4.4. or compensate for losses caused to the Depositors, within one (1) year. In addition, crediting of securities or compensation for losses shall be possible only if the cause and the party in default of excess in the amount of securities on the Depo Accounts and the Unidentified Persons Account in relation to the amount of the similar securities on the accounts of the Custodian with the Registrar and/or the Sub-Depositories is detected. In case the Custodian is not the party in default, crediting of the securities or compensation for losses shall be performed only provided that the faulty party returns the securities or compensates for losses.

## **2. Administrative Transactions**

### **2.1 Depo Account Opening**

2.1.1 The Depositor Depo Account opening represents actions on entry of the data on the Depositor to the recording registers by the Custodian, allowing the unambiguous identification of the Depositor and the execution of transactions on its account.

2.1.2 In order to open the Depo Account, the Depositor shall submit a set of documents specified in Attachment 1 to the Terms and Conditions, to the Custodian. The Custodian shall be entitled to refuse the Depositor in conclusion of the Custody Agreement and in the Depo Account opening based on the legislative acts of the Russian Federation and the statutory documents of the Bank.

2.1.3 Upon receipt of the set of documents from the Depositor and completion of all checks established by the Bank in relation to the Depositor, the Depositor's Authorized Representatives, and all attached documents, the Custody Agreement shall be signed by the Authorized Persons of the Custodian.

2.1.4 The Custodian shall not limit the number of the Depo Sub-Accounts to be opened to one Depositor.

2.1.5 The Custodian shall not limit the number of the Depo Accounts to be opened to one Depositor. Opening each Depo Account shall not require the conclusion of a separate Agreement.

2.1.6 The signed and stitched copy of the Custody Agreement shall be kept with the Custodian for one (1) month, and then sent to the customer by post.

2.1.7 Opening of the Depositor Depo Account shall be performed within not more than three (3) business days from the date of acceptance of the set of documents, provided that all documents are duly executed and completed in compliance with the requirements of the Custodian.

2.1.8 A number, being unique within the Custodian, shall be assigned to the Depo Account at the time of opening.

2.1.9 The Depositor shall receive the number of the Depo Account and indicate it on all the Instructions, orders, requests and other documents, passed to the Custodian.

2.1.10 The rules for coding the Depo Accounts shall be determined by the Custodian in compliance with the requirements of the CBR and the internal instructions of the Custodian.

2.1.11 Opening of the Depo Account shall not be followed by immediate crediting of securities thereto on a mandatory basis. It is allowed to have the Depo Account on which no securities are recorded.

2.1.12 As soon as the Depo Account opening procedure is finalized, the Report on the Depo Account Opening (Attachment 9) shall be sent to the Depositor as specified in the Depositor's Questionnaire.

### **2.2 Depo Account Details Changing**

2.2.1 The Depo Account details changing represents the Custodian's actions on changing of the Depositor's information contained in the recording registers of the Custodian.

2.2.2 The Depositor shall immediately notify the Custodian in writing of any changes in the data specified in the Depositor's Questionnaire or in the documents submitted to the Custodian at opening of the Depo Account. At the same time, the following documents shall be submitted:

- Depositor's Questionnaire with amendments;
- Documents, confirming the change in questionnaire data, executed in compliance with the requirements of the Terms and Conditions to the documents for the Depo Account opening (Attachment 1).

2.2.3 When it is necessary to terminate/change powers of attorneys for the Authorized Representatives of the Depositor, the Depositor submits an application for termination of authorities under the power of attorney in a free format to the Custodian and, when necessary, issues a new power of attorney in compliance with the requirements of the applicable legislation and the Terms and Conditions.

2.2.4 When it is necessary to make changes in the the Depositor's sample signature and seal card, the Depositor submits a new card with sample signatures and seal impression. In addition, the Depositor also presents copies of documents, certifying the identity of the persons specified in the card with sample signatures and seal impression and empowering



documents for the Depositor's Authorized Representatives.

2.2.5 After changing the details of the Depo Account, the Custodian shall keep the information on the former details.

### 2.3 Depo Account Closure

2.3.1 The Depositor Depo Account closure represents actions of the Custodian on input to its recording registers of information, ensuring the impossibility to perform any transactions on the Depo Account, except for Informational Transactions.

2.3.2 Closing of the Depo Account shall be performed in the following cases:

- At termination of the Custody Agreement;
- Upon expiry of the Custody Agreement;
- Upon written application of the Depositor;
- At liquidation of the Custodian;
- At revocation of the Custodian's license of the professional securities market participant for the right to carry out the Custody Activity;
- At termination of the validity period or revocation of the license of the professional securities market participant for the right to carry out the Custody Activity or for the right to carry out the activity on securities management from the Depositor-Custodian or the trustee, respectively;
- On the initiative of the Custodian, if no transactions have been performed on the Depo Account on which securities are recorded within three months. The Custodian shall notify the Depositor of termination of the Custody Agreement and closing of the Depo Account 30 days prior to the date of termination, unless any other period is specified in the Custody Agreement.

2.3.3 The Depo Account closure shall be performed based on the application for the Depo Account closure received from the client (Attachment 8) or the Instruction of the Authorized Persons of the Custodian.

2.3.4 The Depo Account on which securities are recorded may not be closed. To close the Depo Account on which securities are recorded, the Depositor, beside the application for the Depo Account closure, shall submit to the Custodian the Instruction on withdrawal of the securities safekept on the Depo Account. In such case, the Custodian shall accept the application for the Depo Account closure for execution only upon completion of the transaction on withdrawal of the securities from the Depositor Depo Account.

2.3.5 The Depositor Depo Account may not be closed if the Depositor is indebted to the Custodian for the Custody services.

2.3.6 The Depositor Depo Account on which the Custodian executes Instruction for participation on a corporate action, and such corporate action is not completed, may not be closed, unless there is a special agreement between the Custodian and the Depositor regarding actions of the Custodian.

2.3.7 The application for closing of the Depo Account shall be accepted by the Custodian for execution upon completion of total mutual settlements between the Custodian and the Depositor.

2.3.8 Upon completion of the actions on the Depo Account closure, the Report on the Depo Account Closure (Attachment 10) shall be sent to the Depositor as specified in the Depositor's Questionnaire.

2.3.9 It shall not be allowed to re-open the Depo Account that has been closed.

2.3.10 The number of the closed Depo Account may not be used repeatedly.

2.3.11 The information on the closed Depo Accounts shall be available in the same mode as the information on open Depo Accounts for not less than 5 years from the date of closing. Upon expiry of such period, the information on closed Depo Accounts shall be transferred to the archives where it is to be kept for at least 5 years from the date of transfer to the archives.

### 2.4 Appointment of Authorized Representatives

2.4.1 The appointment of Authorized Representatives shall be performed based on the set of documents specified in Attachment 1 to the Terms and Conditions.

2.4.2 To dispose of one Depo Account, several Authorized Representatives may be appointed.

2.4.3 The appointment of Authorized Representatives shall not involve restrictions of the Depositor's rights to dispose of this Depo Account.

2.4.4 The Custodian shall not be liable to the Depositor for losses resulting from actions of Authorized Representatives.

### 2.5 Termination of Authorized Representatives Authorities

2.5.1 The termination of Authorized Representatives authorities shall be performed based on the following documents:

- An official letter of the Depositor executed on the letterhead of the entity and signed by the authorized person and certified with the seal of the entity (for Depositors-legal entities); or made in a free form and signed with own hand (for Depositors-individuals);
- Notification on revocation of power of attorney provided by the Depositor to its Authorized Representatives;
- Automatically, at the date of expiry of the power of attorney issued by the Depositor.

## **2.6 Appointment of The Depo Account (Depo Sub-Account) Operator**

2.6.1 The appointment of the Depo Account (Depo Sub-Account) Operator includes entering of data on the person appointed as the Depo Account (Depo Sub-Account) Operator to the recording registers of the Custodian.

2.6.2 The appointment of the Depo Account (Depo Sub-Account) Operator shall be executed based on the set of documents specified in Attachment 1 to the Terms and Conditions. The Custodian shall send a report on appointment of the Depo Account (Depo Sub-Account) Operator to the Depositor and the Depo Account (Depo Sub-Account) Operator following the procedure stipulated by the Terms and Conditions.

2.6.3 The Custodian shall not be liable to the Depositor for actions of the Depo Account (Depo Sub-Account) Operator performed within the framework of the authorities granted by the Depositor thereto.

2.6.4 The Depositor may transfer all or part of the authorities on disposal of the Account (Sub -Account) to the Operator.

2.6.5 In the presence of the Depo Account (Depo Sub-Account) Operator, the Depositor reserves the right to give instructions to the Custodian for execution of the Custody Transactions, except for cases stipulated in the Custody Agreement.

2.6.6 The Depositor may assign several persons with the performance of the duties of the Depo Account (Depo Sub-Account) Operator by allocating authorities among them.

## **2.7 Termination of Authorities of The Depo Account (Depo Sub-Account) Operator**

2.7.1 The termination of authorities of the Depo Account (Depo Sub-Account) Operator includes entering of data that terminates the authorities of the Depo Account (Depo Sub-Account) Operator to the recording registers of the Custodian. The Custodian shall send a report on termination of the Depo Account (Depo Sub-Account) Operator authorities to the Depositor and the Depo Account (Depo Sub-Account) Operator following the procedure stipulated by the Terms and Conditions.

2.7.2 The termination of authorities of the Depo Account (Depo Sub-Account) Operator shall be executed on the following basis:

- An official letter of the Initiator of Custody Transaction executed on the letterhead of the entity and signed by the authorized person and certified with the seal of the entity (for Depositors-legal entities); or made in a free form and signed with own hand (for Depositors-individuals);
- Document, confirming termination of authorities of the Depo Account (Depo Sub-Account) Operator in compliance with the federal legislation.
- Expiry of the authorities under the power of attorney.

## **3. Inventory Transactions**

### **3.1 Acceptance of Securities for Safekeeping and Recordkeeping**

3.1.1 Acceptance of securities for safekeeping and recordkeeping is the Custody Transaction on crediting the securities to the Depositor Depo Account.

3.1.2 The basis for crediting the securities to the Depo Account shall be acceptance by the Custodian of the respective instruction of the Depositor; and if it contains the term and/or the condition for its performance, the occurrence of the respective date and/or condition.

3.1.3 The Custodian shall accept for safekeeping and recordkeeping only the securities that have been accepted for service in the Custodian.

3.1.4 The Custodian shall accept for safekeeping and recordkeeping the Securities Intended for Qualified Investors on the Owner Depo Account provided only that the latter being the Qualified Investor or not being the Qualified Investor but acquired the specified securities as a result of universal succession, conversion, including at reorganization, distribution of property of the legal entity under liquidation, as well as in other cases established by the CBR.

3.1.5 The acceptance for safekeeping and recordkeeping of the securities shall occur depending on the type of transactions and at simultaneous availability in the Custodian of:

- Depositor's Instruction (Attachment 3);
- Notification of crediting such securities to the account of the Custodian, being the Nominee Holder, opened with the Registrar or the report on crediting the securities to the account of the Custodian being the Nominee Holder opened with the Sub-Custodian;
- Cash on the receiver's account (for execution of operations "Receive of Securities Versus Payment");
- Exchange transactions executed by the Bank under the Depositor brokerage servicing, Internal Instructions and reports provided by National Clearing Centre (JSC) or the Sub-Custodian or Registrar reports during Custodian Transactions on results of off-exchange broker transactions.

3.1.6 The completion of the transaction on acceptance of the securities for safekeeping and recording shall be the submission of the report on the transaction to the Depositor/Initiator of Custody Transaction (Attachment 11).

### **3.2 Withdrawal of Securities from Safekeeping and Recordkeeping**

3.2.1 Withdrawal of securities from safekeeping and recordkeeping represents a Custody Transaction on debiting of certain amount of securities from the Depositor Depo Account.

3.2.2 The basis for debiting of the securities from the Depo Account shall be acceptance by the Custodian of the respective Instruction from the Depositor; and if it contains the term and/or the condition for its execution, the occurrence of the respective date and/or condition.

3.2.3 Withdrawal from safekeeping shall be performed:

- At debiting the securities from the separate account of the Custodian, being the Nominee Holder, in the register of owners of the Registered Emissive Securities with the Registrar or from the Custodian Nominee Holder Depo Account opened with the Sub-Custodian;
- At termination of the Custody/Interdepository Agreement.

3.2.4 Withdrawal of securities from safekeeping in case of termination of the Custody/Interdepository Agreement shall be made by way of debiting the securities of the Depositor from its Depo Account and initiation of crediting the securities to the separate account of the Depositor opened with the registrar of owners of securities or to account of the Nominee Holder clients opened by the Custodian carrying out centralized safekeeping of the securities.

3.2.5 The Custodian shall not withdraw the securities from safekeeping and/or recordkeeping if:

- The securities are blocked on the Depo Account;
- Registrar or the Sub-Custodian rejects the transaction.

3.2.6 The completion of the transaction on withdrawal of securities from safekeeping and recording shall be the transfer of the report on the transaction to the Initiator of Custody Transaction (Attachment 12).

3.2.7 Besides the report on the transaction, the Initiator of Custody Transaction may be given a copy of the Registrar's notification of the executed transaction on debiting the securities from the Depo Account of the Custodian, being the Nominee Holder, or a copy of the report on the transaction on debiting the securities from the Nominee Holder account of the Custodian opened with the Sub-Custodian.

### **3.3 Transfer of Securities on Depo Accounts**

3.3.1 The transfer of the securities represents:

- Transfer of the securities from the Depositor Depo Account to the Depo Account of another Depositor;
- Transfer of the securities between Sub-Accounts of one Depo Account.

3.3.2 At transfer of the securities on the Depo Accounts, a simultaneous debiting of the securities from one Depo Account (Depo Sub-Account) and crediting to another one occurs.

3.3.3 The transfer of the securities from the Depositor Depo Account to the Depo Account of another Depositor shall be executed based on two matching Instructions of the Depositors (Attachment 3) on which Depo Accounts the transaction is to be executed.

3.3.4 The completion of the transaction on transfer of the securities on Depo Accounts shall be the submission of the report on the transaction to the Initiator of Custody Transaction (Attachment 13 or Attachment 11 and 12).

### **3.4 Movement of the Securities**

3.4.1 The movement of the Depositor's securities represents the action of the Custodian on changing the Place of Safekeeping of the securities.

3.4.2 At movement of the securities, the amount of the securities recorded on the Depositor Depo Account shall not change.

3.4.3 At movement of the securities, the transaction on debiting the securities from one Place of Safekeeping's Depo Account and the transaction on crediting to another Place of Safekeeping's Depo Account is executed.

3.4.4 The transaction on movement shall be performed on the basis of:

- Instruction of the Depositor (Attachment 3);
- The Registrar's notification on the transaction executed on the account of the Custodian, being the Nominee Holder, or the report on the transaction executed on the interdepository account of the Custodian in the Sub-Custodian.

3.4.5 The completion of the transaction on movement of the securities shall be the submission of the report on the transaction to the Depositor (Attachment 14).

### **3.5 Cancellation/Amendment of the Instructions**

3.5.1 Cancellation of the Instructions earlier submitted to the Custodian shall be executed based on the Instructions on cancellation/amendment of the Instruction (Attachment 4).

3.5.2 Amendment of the Instructions earlier submitted to the Custodian shall be executed based on the Instructions on cancellation/amendment of the Instruction (Attachment 4).

3.5.3 The Client's Instruction received by the Custodian but non-executed for reasons specified in clause 1.2.13 of this Chapter, and not cancelled by the Client itself upon expiry of the terms specified in clause 1.2.15 of this Chapter shall be cancelled by the Custodian on a unilateral basis. In addition, the Custodian shall charge a fee in compliance with the Fee

Schedule.

3.5.4 The Custodian shall not accept for execution the Instruction on cancellation/amendment of the Instruction and shall not cancel the Instruction if such Instruction has already been executed or it is impossible to cancel the transaction initiated by such Instruction with the Registrar or the Sub-Custodian.

3.5.5 If the Terms and Conditions require any documents signed by any persons other than Initiator of Custody Transaction (e.g., the Pledgee, counterparty, etc.) which shall serve as the basis for execution of the transaction, the Instruction on cancellation/amendment of the transaction must be signed by such persons as well.

3.5.6 The Custodian shall be entitled to, on its own initiative, cancel the non-executed Instruction of the Depositor if such Instruction has the 'non-executed' status for over one month. In such case, the Instruction shall be cancelled on the initiative of the Custodian.

3.5.7 Once the Instruction cancellation is completed, the Initiator of Custody Transaction shall be provided with the Report on Cancellation of the Instruction on the Depo Account not later than a business day following the Instruction cancellation date (Attachment 25).

#### **4. Informational Transactions**

##### **4.1 General Provisions**

4.1.1 The information (data) on Depo Accounts of the Depositors, transactions performed and other information on the Depositors shall be supplied to:

- Depositors;
- Authorized Representatives of the Depositors;
- Supervising authority within the framework of its authorities at holding inspections of the Custody Activities;
- Other authorities and their officers, in cases stipulated by the legislative and other regulations of the Russian Federation or the agreement with the Depositor.

4.1.2 Reports on transaction execution, confirmations and other statements shall be transferred via SWIFT or with the use of Bank-Client system, in written form as a letter by post or shall be handed to the Depositor or the Authorized Representatives of the Depositor personally.

4.1.3 In case of inconsistency in the recording data, the Depositors shall inform the Custodian about it no later than the business day following the date of receipt of the information; after that the parties shall verify the settlements to be confirmed with documents within two (2) business days.

4.1.4 Reports and statements subject to personal delivery to the Depositor, the Authorized Representatives of the Depositor or the Initiator of Custody Transaction, in compliance with the respective indication in the Depositor's Questionnaire shall be kept with the Custodian within one (1) month from the execution date. In case statements are not requested within the period specified, they shall be sent by post to the address specified in the Depositor's Questionnaire.

##### **4.2 Generation of Confirmations on Transactions Executed on the Depo Account**

4.2.1 Upon results of the Custody Transactions, the Custodian shall forward the reports on the transactions executed on the Depo Account to the Depositor no later than one (1) business day following the transaction day.

4.2.2 If no transactions have been performed during the day, reports shall not be submitted.

##### **4.3 Generation of the Statement on the Depo Account or Other Recording Registers of the Custodian**

4.3.1 The generation of the statement on the Depo Account (Attachment 15) or other recording registers of the Custodian represents the action of the Custodian on execution and passing to the Depositor of the information on the status of the Depo Account or other recording registers of the Custodian. The statement on the Depositor Depo Account shall be issued on a given date.

4.3.2 The transaction on generation of the statement on the Depo Account shall be executed on the basis of:

- Request for information (Attachment 7);
- Data entered by the Depositor to the Depositor's Questionnaire;
- Inquiries from the state or other authorities in compliance with the applicable legislation.

4.3.3 Upon the Depositor's request, the statement on the Depo Account may contain data on:

- All securities on the Depositor Depo Account;
- Certain type of securities;
- All types of securities of one Issuer;
- On certain Sub-Account of the Depositor Depo Account.

4.3.4 The statement on the Depo Account shall be issued not later than three (3) business days from the acceptance date of the request for information.

4.3.5 The statement on the Depo Account confirming the right to the securities as of the specific calendar date may as well contain information on the amount of the securities on the Depo Account as of the end of the Operational Day as of the relevant calendar date.

The statement provided hereunder may also contain information about the amount of the securities on the Depo Account

as of the start of the current Operational Day if it is stated there that the statement is issued for the purpose of submitting suggestions on amendment of the agenda, on nomination of candidates for management and other bodies of the entity or requirement on holding the extraordinary general shareholder meeting.

The information on the amount of the securities on the Depositor Depo Account may also be provided upon the Depositor request submitted prior to the end of the current Operational Day if such a request is not related to execution of the Depositor rights to the securities. However, if such is the case, the document containing the abovementioned information shall not be deemed a statement on the Depo Account and may not be used to confirm the Depositor rights to the securities.

#### **4.4 Generation of the Report and Statement on Transactions on the Depositor Depo Account**

4.4.1 The generation of the statement on transactions on the Depositor Depo Account (Attachment 16) represents actions of the Custodian on execution and issue of the information on changes in the status of the Depo Account for a certain period to the Initiator of Custody Transaction.

4.4.2 The transaction on generation of the statement on transactions on the Depositor Depo Account shall be executed based on:

- Request for information (Attachment 7);
- Inquiries from the state or other authorities in compliance with the applicable legislation.

4.4.3 The report on the transactions on the Depositor Depo Account shall be issued not later than three (3) business days from the acceptance date of the request for information.

#### **4.5 Generation of Information on Owners of Securities – the Depositors of the Custodian**

4.5.1 Generation of information on owners of securities – the Depositors of the Custodian – represents actions of the Custodian on execution and issue of the information on owners of securities – the Depositors of the Custodian – in connection with the register collection to the Registrar, the Sub-Custodian or the competent authorities in compliance with the legislative and other regulations of the Russian Federation.

4.5.2 The transaction on generation of information on owners of securities – the Depositors of the Custodian – shall be executed based on the request from the Registrar or the Sub-Custodian in compliance with the legislation of the Russian Federation.

### **5. Complex Transactions**

#### **5.1 Blocking of the Securities/Fixation of Encumbrance on the Securities**

5.1.1 Blocking of the securities/fixation of encumbrance on the securities represents actions of the Custodian aimed at establishing restrictions on performance of transactions with the securities recorded on the Depositor Depo Account.

5.1.2 The initiator of blocking the securities/fixation of encumbrance on the securities may be:

- The Depositor, its Authorized Representatives or Depo Account Operator;
- The Custodian, in cases stipulated by the applicable legislation, the regulations of the Russian Federation or the Terms and Conditions;
- Competent authorities, in compliance with the legislative and other regulations of the Russian Federation.

5.1.3 Blocking of securities/fixation of encumbrance on the securities shall be performed by the Custodian by way of opening a separate Sub-Account within the Depositor Depo Account for separate recordkeeping of the securities to be blocked (amount of the Depo Sub-Accounts and their types shall be determined by the Custodian at its own discretion) and transfer of the blocked securities to such Sub-Account.

5.1.4 The basis for blocking the securities/fixation of encumbrance on the securities shall be:

- Instruction on blocking the securities (Attachment 5);
- Instruction under the court judgements;
- Instruction under decision made by competent authorities of the Russian Federation;
- Decision of the Authorized Persons of the Custodian made on the basis of decisions of the competent authorities, as well as other documents stipulated by the applicable legislation, the regulations of the Russian Federation;
- Depositor's Instruction on participation in a corporate action, in other cases determined by the applicable legislation, regulations of the Russian Federation and the Terms and Conditions.

5.1.5 Blocking of the securities/fixation of encumbrance on the securities may be performed both in relation to all securities and in relation to a part of securities recorded on the Depo Account (Depo Sub-Account).

5.1.6 In the Instruction on blocking the securities/fixation of encumbrance on the securities, the Depositor shall specify the date of commencement of blocking. In such case, the Custodian shall continue execution of the Instruction only at occurrence of the specified date. If the date of commencement of blocking the transactions is not specified, then the Custodian shall continue execution of the Instruction immediately.

5.1.7 The completion of the Custody Transaction on blocking the securities shall be transfer of the report on the transaction performed to the Initiator of Custody Transaction (Attachment 17).

5.1.8 The report on blocking the securities shall be submitted not later than a business day following the day of

transaction on blocking the securities.

## **5.2 Unblocking the Securities/ Fixation of Termination of Encumbrance on the Securities**

5.2.1 The unblocking of the securities/fixation of termination of encumbrance on the securities represents actions of the Custodian on termination of established restrictions on execution of transactions with the securities recorded on the Depositor Depo Account.

5.2.2 The initiator of unblocking the securities/termination of registration of encumbrance on the securities may be:

- Depositor;
- Authorized Persons of the Custodian, in cases stipulated by the applicable legislation, the regulations of the Russian Federation;
- Competent authorities, in compliance with the legislative and other regulations of the Russian Federation.

5.2.3 The basis for unblocking the securities/ fixation of termination of encumbrance on the securities shall be:

- Instruction on termination of blocking the securities (Annex 5);
- Decision of the Authorized Persons of the Custodian based on decisions of the competent authorities, as well as other documents stipulated by the applicable legislation, the regulations of the Russian Federation.

5.2.4 The transaction on unblocking the securities may be performed both in relation to all securities, and in relation to a part of the securities blocked on the Depo Account or the Depo Sub-Account.

5.2.5 The due date of unblocking the securities may be conditioned by occurrence of certain date or event.

5.2.6 Upon results of the transaction execution, the Depositor shall receive the report on the transaction executed (Attachment 18).

5.2.7 The report on unblocking the securities shall be submitted not later than a business day following the day of transaction on unblocking the securities.

## **5.3 Blocking of Securities as Agreed by the Parties**

5.3.1 For granting additional warranties, the Custodian shall perform blocking of securities as agreed by the parties based on the respective agreement.

5.3.2 Blocking the securities as agreed by the parties shall be performed based on the Instruction (Attachment 5.1) signed by the Depositor or its Authorized Representatives and its counterparty; in addition, the Depositor agrees that unblocking the securities shall be possible only subject to submission of the Instruction signed by the Depositor and its counterparty. The Depositor's Instructions on unblocking the securities as per form of Attachment 5 shall not be accepted by the Custodian.

5.3.3 In case the counterparty is not the Depositor of the Custodian, it must submit a set of documents to the Custodian, in compliance with the requirements of Attachment 1 to the Terms and Conditions.

5.3.4 Blocking the securities shall be performed by the Custodian by way of opening a separate Depo Sub-Account opening within the Depositor Depo Account for separate accounting of the securities to be blocked (amount of Depo Sub-Accounts and their types shall be determined by the Custodian at its own discretion) and transfer of the blocked securities to such Depo Sub-Account.

5.3.5 The completion of the Custody Transaction on blocking the securities shall be the transfer of the report on the transaction executed to the Depositor (Attachment 17).

5.3.6 The report on blocking the securities shall be submitted not later than a business day following the day of transaction on blocking the securities.

## **5.4 Unblocking of Securities as Agreed by the Parties**

5.4.1 The basis for unblocking the securities as agreed by the parties shall only be the Instruction (Attachment 5.1) signed by the Depositor or its Authorized Representatives and its counterparty. The Depositor shall not be entitled to recall unilaterally the Instruction submitted in compliance with the requirements of this clause either.

5.4.2 The transaction on unblocking the securities as agreed by the parties may be performed both in relation to all securities, and in relation to a part of the securities blocked on the Depo Account or the Depo Sub-Account.

5.4.3 Upon results of the transaction execution, the Depositor shall receive the report on the transaction performed (Attachment 18).

5.4.4 The report on unblocking the securities as agreed by the parties shall be submitted not later than a business day following the day of transaction on unblocking the securities.

## **5.5 Pledge of Securities**

5.5.1 Fixation of Pledge of securities (encumbrance on securities with Pledge) is the Custody Transaction related to posting in the Custody recording system of encumbrance on securities of the Depositor by way of their transfer to the Depo Sub-Account 'securities under Pledge' of the Depo Account of the Pledgor.

5.5.2 The pledge of securities shall occur based on the Instruction of the Depositor-Pledgor or Authorized Representatives of the Depositor and the Pledgee or Authorized Representatives of the Pledgee.

5.5.3 In case the Pledgee is not the Depositor of the Custodian, it must submit a set of documents to the Custodian in compliance with the requirements of Attachment 1 hereto.

5.5.4 The basis for blocking/fixation of encumbrance shall be:

- Pledge Instruction (Attachment 6). The Pledge Instruction shall be signed by the Pledgor and the Pledgee or their Authorized Representatives. The Pledgee may deliver a SWIFT message with details of a transaction in the capacity of signature of the Pledge Instruction. The Custodian shall consider this message an integral part of the Pledge Instruction. The SWIFT message should be delivered as prescribed by Chapter 4 of the Terms and Conditions. On a mandatory basis, the Pledge Instruction shall indicate the details of the agreement under which the transaction on encumbrance is to be performed, the terms for termination of the Pledge/encumbrance, as well as all material terms of the transaction. The Pledge Instruction must be executed on one sheet.
- The copy of the agreement confirming the occurrence of the obligation of the Depositor and/or the agreement on securities' pledge.

5.5.5 Fixation of pledge shall occur by way of segregation of the securities on a special Sub-account of the Depo Account of the Pledgor. Segregation of the securities shall be performed by way of credit entry on the securities encumbrance on the Depo-Account and/or entry on limitation of right to dispose of the securities on the Depo Sub-Account "securities under Pledge" on which such rights to encumbered securities or the securities with limited rights to dispose thereof are recorded.

5.5.6 Upon the actual fixation of the Pledge, the Pledgor and the Pledgee shall be given the report on encumbrance on the securities with Pledge (Attachment 19).

5.5.7 The report on encumbrance on the securities with Pledge shall be given not later than a business day following the day of transaction on encumbrance on the securities.

5.5.8 The Custodian in compliance with the terms of the Pledge Instruction shall determine the recipient of income on the securities under Pledge.

5.5.9 In case the securities become the subject of several Pledge Agreements between the same Pledgor and Pledgee at once, the basis for fixation of additional encumbrance shall be:

- Pledge Instruction (Attachment 6). The Pledgor and the Pledgee or their Authorized Representatives shall sign the Pledge Instruction. On a mandatory basis, the Pledge Order shall indicate the details of the agreement under which execution of the transaction on encumbrance is to be executed, the terms for termination of the Pledge/encumbrance, as well as all material terms of the transaction. The Pledge Instruction must be executed on one sheet.
- The copy of the agreement, confirming the arising of the obligation of the Depositor and/or the agreement on the securities' pledge.

5.5.10 The Custodian shall not be liable for compliance of the transaction on encumbrance on securities with Pledge, as well as all further transactions on securities, being the subject of the Pledge, with the applicable legislation.

## 5.6 Termination of Pledge of Securities

5.6.1 The termination of Pledge of securities shall include actions of the Custodian on termination of respective encumbrance on the Depositor's securities recorded in the Custody register system by way of debit entry on the Depo Sub-Account on which such rights to encumbered securities or the securities with limited rights to dispose thereof are recorded on termination of limitation of right to dispose of the securities and crediting thereof on the Depositor Depo Sub-Account "in circulation".

5.6.2 Fixation of termination of Pledge of securities shall be performed by the Custodian in accordance with the Custody (Interdepository) Agreement, the applicable legislation or the terms of Issue of the Securities.

5.6.3 In case of termination of Pledge is due to change in the obligation secured by the Pledge, the Pledge Instruction must contain the reference to the agreement changing the obligation secured by the Pledge.

5.6.4 Upon termination of Pledge with performance of the obligation, the Pledgor and the Pledgee shall be provided with the report on termination of encumbrance on the securities not later than a business day following the day of termination of encumbrance on the securities. (Attachment 20).

## 5.7 Subsequent Pledge of Securities

5.7.1 The fixation of the subsequent Pledge of the securities shall include actions of the Custodian on entering in the recording registers of information on the subsequent Pledge of the securities safekept on the Depo Sub-Account "securities under Pledge" of the Pledgor.

5.7.2 The fixation of the subsequent Pledge of the securities shall be performed based on the Instruction on fixation of the subsequent pledge (Attachment 6.1) signed by the Pledgor, the Pledgee and the subsequent Pledgee. It is allowed to accept for execution the Instruction without the Pledgee's signature, in case the Pledge Instruction (Attachment 6) states as follows: "The subsequent Pledge of the securities without the Pledgee's consent is allowed".

## 5.8 Assignment of Rights under the Pledge Agreement

5.8.1 The fixation of assignment of rights under the Pledge Agreement shall include actions of the Custodian on entering in the recording registers of information on assignment of rights under the Pledge of securities safekept on the Depo Sub-Account "securities under Pledge" of the Pledgor or on the Depo Account of the Pledgee.

5.8.2 Transfer of the Pledge by the Pledgee to any other person shall be executed based on the Instruction on registration of assignment of rights under the Pledge Agreement (Attachment 6.2) signed by the Pledgor, the Pledgee that assigns the rights under the Pledge Agreement and the Pledgee that accepts the rights under the Pledge Agreement. It is allowed to accept for execution the Instruction without the Pledgee's signature in case the Pledge Instruction (Attachment 6) states as follows: "The assignment of rights under the Pledge Agreement without the Pledgee's consent is allowed".

5.8.3 The Custodian shall enter the data on the Pledgee that has accepted the rights under the Pledge Agreement to the recording registers.

### **5.9 Transfer of Title to Securities under Pledge**

5.9.1 Registration of transfer of title to the securities under Pledge shall be executed by the Custodian based on two meeting Instructions (Attachment 6.3) signed by the Pledgor that transfers the securities and the Pledgee and by the Pledgor that accepts the securities and the Pledgee.

5.9.2 The Custodian shall execute the registration of transfer of title to the securities under Pledge by means of debit of the securities from the Depo Account "securities under Pledge" of the Pledgor that transfers the securities and credit to the Depo Account "securities under Pledge" of the Pledgor that accepts the securities.

In case the Custodian transfers the securities under Pledge to an account with another Custodian, the relevant notification of transfer of the encumbered securities shall be sent to such Custodian.

## **6. Global Transactions**

Global transactions based on Corporate Actions of the securities Issuers taken in relation to all the issue of the securities (including but not limited to conversion, subdivision, consolidation, cancellation (termination), income payout in securities, liquidation of individual numbers (codes) of the securities, consolidation of additional securities issues) shall be carried out in accordance with the procedure prescribed by the applicable legislation and other documents regulating the securities issue procedure. Global transactions shall be executed based on:

- Registrar's notification of the transaction executed with the securities on the Custodian's account or the report on the conversion transaction executed on the Nominee Holder Depo Account in the Sub-Custodian;
- Confirmation of the executive body responsible for the Uniform State Register of Legal Entities. Such confirmation may be the relevant information received from the Federal Tax Service of the Russian Federation by request or the information published on the executive body official web-site;
- Application of the owner of the securities (in case of voluntary conversion).

The above mentioned operations shall be carried out in relation to all Depositors owing the securities related to the current Issue on their Depo Accounts in the Custodian for the period equal to or less than one (1) business day after the Custodian shall receive all required confirmation documents (excluding the voluntary conversion, as in this case the Custodian shall make records on Depo Accounts only in relation to the Depositor which has provided the Custodian with a voluntary consent to conversion).

The report on execution of the Global Transaction with the securities shall be submitted to the Depositor within not later than one (1) business day following the transaction day.

## **7. Corporate Actions**

7.1 Corporate Actions are actions of the Issuer aimed at exercise of rights to securities. The Corporate Actions are governed by the Federal Law No. 208-FZ On Joint-Stock Companies, as well as by other regulations.

7.2 The Custodian shall receive the information on Corporate Actions from:

- Issuer of securities;
- Registrars;
- Central Depository;
- Correspondent Custodians with which AO UniCredit Bank has open Interdepository Depo Accounts;
- Information agencies.

7.3 Based on the Custody Agreement, the Custodian shall provide the Services to the Depositors related to information/participation of the Depositors in Corporate Actions of the Issuers which include:

- Monitoring Corporate Actions performed by the Issuers of securities and informing the Depositors thereon;
- Monitoring changes in significant parameters of Corporate Actions;
- Execution of the Global Transactions on the Depo Accounts of the Depositors and logging Corporate Actions of the Issuers;
- Informing the Depositors on shareholder meetings and other Corporate Actions;



- Payout of income on securities;
- Tax withholding under income payment on securities;
- Listing the owners of the securities upon request of the Issuer /CBR;
- Transfer of information and documents from the Depositors to the Issuer or the Issuer agent/Registrar/Central Depository/other Sub-Custodian for participation in Corporate Actions;
- Assistance in exercise of rights of shareholders stipulated by the applicable legislation, including but not limited to participation in general meetings of shareholders and voting on their behalf.

7.4 Upon receipt of the information regarding the forthcoming Corporate Action, the Custodian using the ways specified in the Depositor's Questionnaire shall transfer such information to the Depositors on which accounts the respective securities are recorded not later than a business day following the date of receipt of information from the source.

7.5 Upon receipt of the Instruction from the Depositor (Attachment 26), the Custodian shall block securities on the Depositor Depo Account, if it is stipulated by the rules for performance of the Corporate Action, and forward the respective Instruction to the Issuer/Issuer agent/Central Depository/Foreign Custodian/Registrar.

7.6 In case the Depositors fail to observe the due dates for submission of the Instruction on participation in the Corporate Action, the Custodian reserves the right to deny the acceptance of the Instruction for execution.

7.7 The Custodian shall provide the services to the Depositor on participation in the Corporate Actions provided that the Depositor submits the Instruction on participation in such Corporate Actions within due dates established by the Custodian; also, provided that the Depositor submit documents necessary for participation in such Corporate Actions in accordance with the applicable legislation and/Issuer/third party requirements.

7.8 The Custodian shall forward the confirmation to the Depositor on participation of the Depositor in Corporate Actions of the Issuer, by means specified in the Depositor's Questionnaire not later than one (1) business day after execution of the transaction.

## 8. Income on Securities

8.1 The Custodian shall inform the Depositor on the forthcoming income payment by way of forwarding the notice after receipt of the relevant information from the sources of information.

8.2 The Custodian shall receive cash funds from the Central Depository/foreign Custodian/Issuer/Issuer agent for income payout (interest payments, dividends, redemption of the principal debt, etc.) on the securities recorded on the Depo Accounts with the Custodian and verify the compliance of the amount accrued with the data of the Custody accounting and the terms of income payout.

8.3 As stipulated by the legislation of the Russian Federation, the Custodian acts as a tax agent under transfer of income on Depositor's securities to the Depositor. For tax calculation under income payment the Custodian applies rates established by the tax legislation of RF. The Depositors entitled to the application of tax rates established under international double taxation agreements (treaties) shall provide the Custodian with the documents confirming their rights on the relevant tax relief beforehand. Otherwise, tax shall be calculated and withheld in a full amount (at rates established by the Russian tax legislation). The Custodian transfers taxes to the budget in accordance with the terms stipulated by the Tax Code of the Russian Federation.

8.4 The Custodian shall credit the amounts of income on securities recorded on the Depo Accounts due to the Depositor with the Custodian within the following terms:

- Not later than the next business day after receipt of income on securities by the Depositors acting as Nominee Holders and trustees – professional participants of the securities market;
- Not later than the next business day after receipt of amounts from payments under the state federal securities by the Custodian;
- Not later than seven business days after receipt of amounts from income on the relevant securities paid to other Depositors by the Custodian;
- Not later than fifteen business days after disclosure of information on transfer of payments on securities to the depositors made by the Central Depository, provided that the relevant amounts are subject to payout.

The income is credited on the Depositor's accounts specified in the Depositor's Questionnaire submitted by it. If the Depositor's accounts specified in the Depositor's Questionnaire submitted by it are opened with other banks, the Custodian shall execute the payment to the accounts with other banks.

8.5 The Custodian shall send the Depositor confirmation on crediting income to its account, the amount of tax payments withheld etc. by way of forwarding the notice of accrual of income on securities. The Custodian shall forward the notice of accrual of income on securities to the Depositor not later than the following business day after crediting the amount of income to the Depositor's accounts specified in the Depositor Questionnaire.

8.6 In case of changing the details of the Depositor's accounts for transfer of income amounts, the Depositor shall submit the Custodian with a new Depositor's Questionnaire with indication of new payment details.

8.7 In case the securities, as of the date of payout of income on them, are under Pledge, the recipient of the income shall

be determined based of the Pledge Instruction.

8.8 The Custodian may render assistance to non-residents on optimization of taxation of income on securities of the Depositors, in order to avoid double taxation and refund tax from the budget of the Russian Federation in cases stipulated by the current legislation of the Russian Federation.

8.9 In case of impossibility to transfer dividends to the Depositor for the reasons beyond control of the Custodian, the Custodian should return dividends to the entity (Issuer) within 10 days after expiration of one-month period from the maturity date of such dividend payments.

**CHAPTER 4. RULES FOR DOCUMENT WORKFLOW****1. Methods of Submission of Instructions and Transfer of Other Documents to the Custodian****1.1 Via The Bank Dispatch Service**

1.1.1 The submission of the Instruction (other documents) in the paper form via the Bank dispatch service shall be performed by way of their forwarding to the postal address of the Custodian specified in clause 1 Chapter 2 hereof or by personal delivery of the Instruction (other documents) to the foregoing address.

1.1.2 The Instruction (other documents) delivered via the Bank dispatch service in compliance with the way specified in the Depositor's Questionnaire shall be accepted by the Custodian for processing on the business day following the day of registration of the Instruction (other documents) by the Bank dispatch service. The "Accepted" stamp of the Bank dispatch service shall not be the date of acceptance for processing.

**1.2 Via SWIFT**

1.2.1 The submission of the Instructions (other documents) via SWIFT shall be performed by way of forwarding instructions of the established format (MT540, MT541, MT542, MT543, MT565, MT599) to the address IMBKRUMM.

1.2.2 The date and time of registration of the Instructions (other documents) delivered via SWIFT shall be the date and time of SWIFT confirmation of acceptance of the instruction by the Custodian. The date of acceptance of the Instructions (other documents) for processing shall be the same as the date of registration of the Instructions (other documents) in SWIFT.

**1.3 Via Bank-Client System and other Systems of Remote Banking Services (RBS)**

1.3.1 The submission of Instructions (other documents) via Bank-Client system or other RBS systems shall be performed by way of sending messages to the Bank in a free format with Instructions (other documents) attached to them as scans of the originals of duly executed documents made on paper, as well as messages having all required features of an Instruction.

1.3.2 The Custodian shall accept the Instructions (other documents) as scans of the originals of duly executed documents made on paper attached to the messages and signed by the persons specified in the card with sample signatures and seal impression submitted by the Depositor to the Custodian under condition of signing/authorizing (using EDS) the relevant incoming message by the same authorized persons who signed the Instruction in the attachment in accordance with the procedure stipulated under the relevant agreement.

1.3.3 The Instructions (other documents) submitted via the Bank-Client system or other RBS systems shall be accepted by the Custodian for processing not later than the business day following the date of registration of the Instruction (other documents) by the Custodian. The date of registration of such Instruction (other documents) shall be the same as the date of acceptance of the Instruction (other documents) specified in the Bank-Client system and other RBS systems within Operational Business Day of the Custodian. If such Instruction (other documents) is accepted by Bank-Client system or other RBS systems after the Operational Business Day of the Custodian, the date of registration shall be the next Operationalbusiness day of the Custodian.

**2. Methods of Transfer of Reports and Other Documents to the Depositor****2.1 General Provisions**

2.1.1 Transfer of reports (other documents) to the Depositor shall be performed by way specified in the Depositor's Questionnaire.

2.1.2 Upon request of the Depositor or the duly Authorized Representatives of the Depositor, the report (other document) may be transferred to the Depositor or Authorized Representatives of the Depositor in person, irrespective of the way of information transfer specified in the Depositor's Questionnaire.

**2.2 To the Depositor Personally (on Demand)**

2.2.1 Issue of reports (other documents) made on paper to the Depositor personally (on demand) shall be performed at the physical address of the Custodian specified in clause 1 Chapter 2 hereof.

2.2.2 Issue of reports (other documents) shall be performed within Operational Business Day of the Custodian (clause 7.2 Chapter 2 hereof).

2.2.3 The fact of issue of a report (other document) shall be confirmed by the Depositor or its Authorized Representatives by way of putting down the surname, the date and time of receipt of the document and the signature on the copy of the report (other document) to be kept with the Custodian.

2.2.4 The date of receipt of the report (other document) shall be the date indicated by the Depositor or the Authorized Representatives of the Depositor on the copy of the report (other document).

2.2.5 Reports (other documents) not demanded by the Depositor within 30 (Thirty) days from the date of their execution shall be forwarded to the Depositor by post to the postal address specified in the Depositor's Questionnaire.

**2.3 Via the Depositor's Box in the Bank Dispatch Service**

2.3.1 The issue of reports (other documents) via the Depositor's box in the Bank dispatch service shall be performed at

its availability at the postal address of the Custodian specified in clause 1 Chapter 2 of the Terms and Conditions on the following business day after preparation of the document.

#### **2.4 By Post**

2.4.1 Sending of reports (other documents) to the Depositor by post shall be performed by the public postal service with return receipt requested to the postal address specified in the Depositor's Questionnaire.

2.4.2 The date of receipt of the report (other document) shall be the date of signing by the Depositor of the return receipt on the document or the date of the report of the public postal service on the absence of the Depositor at the address specified in the Depositor's Questionnaire.

#### **2.5 Via SWIFT**

2.5.1 Sending of reports (other documents) to the Depositor via SWIFT shall be performed by way of forwarding the reports of the established format (MT535, MT536, MT537, MT544, MT545, MT546, MT547, MT548, MT564, MT566, MT568, MT599) to the SWIFT address specified in the Depositor's Questionnaire.

2.5.2 The date of receipt of the report (other document) shall be the date of sending of SWIFT-message to the Depositor by the Custodian.

#### **2.6 Via Bank-Client System and other RBS Systems**

2.6.1 Sending of reports (other documents) via Bank-Client system and other RBS systems shall be performed by way of forwarding the bank message, with the electronic version of the report (other document) attached, to the Depositor.

2.6.2 The date of receipt of the report (other document) shall be the date of sending the bank message to the Depositor by the Custodian via the Bank-Client system and other RBS systems.

### **3. Document Workflow between the Custodian, Registrars, Sub-Depositories and the Central Depository**

#### **3.1 General Provisions**

3.1.1 Within the framework of interaction of the Custodian with the Registrars, Sub-Custodians and the Central Depository, the Custodian shall be entitled to use the following methods of the document management:

- Paper document workflow;
- SWIFT;
- Electronic Document Workflow Systems (EDS).

3.1.2 Documents sent via SWIFT and EDS shall have the same legal force as the documents executed in a simple written form in compliance with the legislation of the Russian Federation.

## **CHAPTER 5. REMUNERATION OF CUSTODY SERVICES**

### **1. General Provisions**

1.1 The Depositor shall pay for the services of the Custodian in compliance with the Fee Schedule being the Attachment 3 to the Custody Agreement (hereinafter the Fee Schedule).

1.2 The Depositor shall be entitled to amend the Fee Schedule at any time with prior notice to the Depositor made within ten (10) business days before the new Fee Schedule becomes effective.

1.3 The fee rates of the Custodian are fixed in the currency specified in the Fee Schedule.

1.4 The Custodian reserves the right to charge an additional fee for associated services provided to the Depositor based on addenda.

1.5 The invoice/certificate of services rendered shall be forwarded to the Depositor in the manner specified in the Depositor's Questionnaire (by fax, e-mail, Bank dispatch service via post - office box, by post, via Bank-Client system).

1.6 The amount of the fee for maintenance of the Depo Account shall be charged in compliance with the Fee Schedule.

1.7 The fee rates on other types of the Custody Services shall be differentiated depending on the type of securities specified in the Fee Schedule.

1.8 The total amount of the fee for safekeeping and recordkeeping of rights to securities shall be the amount of fees calculated separately per type of securities owned by the Depositor.

1.9 The fee for safekeeping and recordkeeping of rights to securities shall be calculated in percent per annum of the portfolio value and shall be accrued on the balance of securities on the Depo Account on a daily basis.

1.10 For a non-business day, the data for the previous business day shall be used.

1.11 The Custodian shall be entitled to either fully or partially suspend the provision of the services to the Depositor, provided that the Depositor has a debt on payment due for the Services or actual expenses to the Custodian.

### **2. Terms And Methods Of Payment**

#### **2.1 The fees of the Custodian shall be paid by the Depositor as follows:**

2.1.1 The method and terms of payment of fees for maintenance of the Depo Account/recordkeeping of rights to securities/execution of transactions and expenses of the Custodian incurred due to the Services rendered thereto are

determined in the Custody Agreement executed with the Depositor.

2.1.2 Invoices and certificates of services rendered shall be forwarded to the Depositor by way specified in the Depositor's Questionnaire not later than the fifth (5th) business day of the month following the accounting one.

2.1.3 The date of the invoice issue shall be the date of sending a copy of the invoice/certificate of services rendered to the Depositor by fax and/or by e-mail.

2.1.4 If the Depositor finds any inconsistency in the invoice issued to it on the cost of the Services calculated by the Depositor independently in compliance with the Fee Schedule, the parties shall verify the settlements.

2.1.5 In case any error is made in the issued invoice/certificate of services rendered by the Custodian, such invoice/certificate of services rendered shall be cancelled, and a new invoice with the respective extension of the payment terms shall be issued to the Depositor.

2.1.6 Absence of objections from the Depositor in relation to the automatical debit of amounts by the Custodian from the cash accounts within two (2) weeks after debiting the respective amount shall be deemed the consent to the amount of the debit.

## 2.2 Advance Payment for the Services

2.2.1 The Custodian shall be entitled to issue invoices for advance payment for the services and expenses of the Custodian, to the Depositor.

2.2.2 Invoices for advance payment for the services and expenses of the Custodian shall be paid under the procedure similar to the foregoing procedure for payment of the invoices of the Custodian.

2.2.3 After execution of the Depositor's Instruction or provision of the Services for which the advance payment has been made, the Custodian shall execute the certificate of the services rendered marked as 'paid' that shall be transferred to the Depositor.

2.2.4 In case of insufficiency of the advance payment amount as compared to the cost of the Services actually provided by the Custodian, the Depositor should pay the difference to the Custodian.

2.2.5 In case of issuing the invoice for advance payment for the Services and expenses, the period for execution of the Instruction by the Custodian shall start from the day of the cash receipt paid for execution of such Instruction to the account of the Custodian.

## 3. Rules for Calculating of the Portfolio Value

3.1 In order to calculate the market value of securities, one of the following methods of calculation of the price of securities shall be applied, in the specified order of priority:

- Maximum of the weighted average prices of a security according to the data of the Moscow Exchange, MSE, SPCEX or any other trading floor as of the reporting date;
- Maximum of the arithmetic means of quotes (at closing) for purchase and sale according to the data of the Moscow Exchange, MSE, SPCEX or any other trading floor as of the reporting date;
- Maximum of the quotes (at closing) for sale according to the data of the Moscow Exchange, MSE, SPCEX or any other trading floor as of the reporting date;
- Maximum of the weighted average prices of a security according to the data of the Moscow Exchange, MSE, SPCEX or any other trading floor as of the reporting date for the preceding 90 days;
- Maximum of the arithmetic means of quotes (at closing) for purchase and sale according to the data of the Moscow Exchange, MSE, SPCEX or any other trading floor for the preceding 90 days;
- Maximum of the quotes (at closing) for sales according to the data of the Moscow Exchange, MSE, SPCEX or any other trading floor for the preceding 90 days;
- Market value supplied by the Sub-Custodian;
- At absence of the market value of the security, the par value of the security shall be used.

In case the securities are under Pledge, the following shall be used to calculate the fee for safekeeping:

- Value of securities under the Pledge Agreement (estimated value under the Pledge Agreement);
- Market value of securities.

The Custodian shall also be entitled to calculate the value of the Depositor's portfolio based on quotes received from information services providers (REUTERS, Bloomberg and others), as well as quotes supplied by the Sub-Custodians.

3.2 The fees for safekeeping and recordkeeping of other types of securities shall be calculated in percent per annum of their par value and accrued daily on the balance of securities on the Depo Account.

3.3 In case of bankruptcy, declaration of technical default and/or liquidation of the Issuer, the Custodian shall include the value of a security to the Depositor's portfolio until the date the Custodian receives the statement from Unified State Register of Legal Entities on the liquidation of the Issuer.

**CHAPTER 6. FINAL PROVISIONS****1. Rules for Acceptance of Complaints****1.1 Presentation Of Complaints**

1.1.1 In case the Depositor shall have any Complaint against the Custodian's actions related to accuracy, quality and/or terms of service provision, which resulted in financial and/or other consequences, the Depositor shall file a Complaint to the AO UniCredit Bank for processing.

1.1.2 The Complaint shall be transferred to the Custodian in a simple written form by one of the following ways:

- In person or via the Authorized Representative of the Depositor at the physical address of the Custodian;
- Via the Bank dispatch service;

1.1.3 The official Complaint must be executed with observance of the following conditions:

- The Complaint is to be executed on the letterhead of the entity. At absence of the letterhead, the Complaint must contain the full name of the Depositor - legal entity or surname, name and patronymic of the Depositor - individual and the address for the response to the Complaint, as well as the Complainant's location (address);
- The text of the Complaint must contain the full name of the Depositor and the number of its Depo Account;
- The document must be signed by the Depositor or Authorized Person of the Depositor, with the seal affixed for legal entities;
- The document must bear the reference number (if any) and the date.

**1.2 Procedure and Time Period for Complaint Review**

1.2.1 The Custodian shall not accept for review the Complaint executed and sent in violation of clause 1.1 of this Chapter.

1.2.2 The Custodian shall not consider Complaints sent anonymously;

1.2.3 The Complaint may be left unreviewed if the second Complaint provides no new data and all arguments provided therein have earlier been considered sufficient and objective and had been responded. At the same time, a notice of the Complaint left unreviewed shall be sent to the Complainant, with the reference to the earlier provided response.

1.2.4 Complaints not subject to review shall be sent to the proper party within 15 days from the date of receipt of such Complaint. The Complainant shall be simultaneously notified thereof.

1.2.5 The Complaint should be registered in accordance with the order of registration of the incoming documents, established in the Bank.

1.2.6 Complaints of the Depositors shall be sent for consideration to the Controller.

1.2.7 Complaints shall be subject to mandatory registration in the Depositors' Complaints and Requests Logbook.

1.2.8 The Depositor's Complaint shall be reviewed within thirty (30) days from the date of the receipt.

1.2.9 The period for the Depositor's Complaint review may be decreased to fifteen (15) days in case no additional examination and check are required.

1.2.10 The review of the Depositor's Complaint may be suspended by decision of the Custodian, if:

- The Depositor fails to provide all the additional documents requested by the Custodian. The review of the Depositor's Complaint shall be renewed upon receipt of all necessary documents;
- In order to review the Complaint, it shall be necessary to obtain information or documents from the state authorities, local government bodies or other entities. The review of the Depositor's Complaint shall be renewed upon receipt of all necessary documents and information;
- The Depositor files a lawsuit, and for final Complaint review, it is necessary to receive the court judgement. The review of the request shall be suspended until the day when the court judgement comes into force.

1.2.11 The notice on suspension of the Complaint review, along with reasons for such suspension, shall be forwarded to the Depositor not later than 3 (Three) business days from the date of the court judgement by way of sending a relevant message made in accordance with the clause 1.3 of this Chapter to the address provided in the Complaint for response.

**1.3 Preparation and Provision of the Response to the Complaint**

1.3.1 The response to the Depositor's Complaints shall be executed by the Custodian on the Bank's letterhead with reference number and the date, as well as with reasonable response to each argument provided by the Complainant, and shall contain signature by The Controller or the head of the Bank.

1.3.2 In case the Depositor's Complaint shall be recognized as relevant and legally acceptable, the Authorized Persons of the Custodian shall issue a resolution on remedy of defaults.

1.3.3 The Depositor's Complaint shall be satisfied in full or in part.

1.3.4 In case there is no way for out-of-court settlement, Complaints shall be subject to resolution in accordance with the procedure specified in the Custody Agreement or any other agreement.

1.3.5 The response shall be executed within the period established in the clause 1.2 of this Chapter and forwarded

using such means of communication that allow for registration of the response submission date or shall be handed in personally to the Complainant (its Authorized Representatives) against signed receipt with a family name, date of receipt of the documents and signatures provided on the document copy, following the procedure stipulated in the clause 2 Chapter 4 hereof. Below are the ways of forwarding the response to the Depositor:

- To the Depositor or its Authorized Representatives in person;
- Via the Depositor's box in the Bank dispatch service;
- Via SWIFT (with subsequent submission of the original copy);
- By public postal service;
- By registered mail with return receipt requested;
- Via Bank-Client system (in accordance with the terms and conditions of work with such system);
- Via fax (if the relevant agreement allowing such way of communication is signed, with subsequent submission of the original copy).

## **2. Confidentiality**

2.1 The Custodian shall keep confidentiality of the information on the Depo Accounts of the Depositors with the Custodian, including information on the transactions performed on accounts and other data on the Depositor known to the Custodian due to the performance of the Custodian Activity by it.

2.2 The data classified as confidential information in accordance with the clause 2.1 of this Section may only be provided to the Depositor, its Authorized Representatives, Depo Account (Depo Sub-Account) Operator or the Pledgor (if encumbrance on the securities is registered on the Depo Account), as well as other persons authorized to receive such information in accordance with the applicable legislation of Russian Federation. Following the written instruction of the Depositor, its Authorized Representatives, Depo Account (Depo Sub-Account) Operator, the Custodian shall be authorized to disclose such information about the Depositor and transactions of the Depositor Depo Account to other persons.

2.3 The data classified as confidential information in accordance with the clause 2.1 of this Section may be subject to disclosure by the Custodian to persons specified in the Custody Agreement in the cases provided therein.

2.4 The Custodian shall be made liable for losses caused to the Depositor due to disclosure of the confidential information by the Custodian.

2.5 In case of disclosure of the confidential information on the Depo Accounts of the Depositors by the Custodian, the Depositors which rights have been violated shall be entitled to demand from the Custodian for compensation for the losses caused by such disclosure following the procedure determined by the legislative and other regulations of the Russian Federation.

2.6 The Custodian shall develop the internal documents regulating the procedure for ensuring the confidentiality of the information.

## **3. Internal Security and Information Protection Measures**

3.1 For the purpose of ensuring the integrity of the recording data and possibility for its restoration in case of loss due to emergency circumstances, the Custodian has stipulated a set of measures described in the internal documents of the Custodian.

3.2 The Custodian shall keep data of the Custody records for five years after receipt thereof; thereafter the records shall be transferred to the archives under the established procedure to be kept there for no less than five years from the date of closing the Depo Account.

3.3 The Custodian shall provide proper control over access to securities and Custody records kept with the Custodian.

3.4 The control procedure is described in the internal documents of the Custodian, job descriptions of the employees of the Custodian.

3.5 Clients' documents transferred to the Custodian for opening of the Depo Account shall be kept in fire-proof safes, with restricted access.

3.6 In the Custodian, a protection of the confidential information from unauthorized disclosure between the Custodian's employees, employees of other departments, and third parties shall be ensured. The head of the Custodian in cooperation with the Controller shall ensure control over compliance with the procedure of confidential information exchange.

## **4. Measures to Prevent Conflict of Interests**

4.1 The Custodian shall act on behalf of the Depositor, in compliance with the Custody Agreement, the legislative and other regulations of the Russian Federation, and ensure the prevention of the conflict of interests.

4.2 For the purpose of prevention of the conflict of personal interests of employees of the Custodian and the Depositors, the employees of the Custodian must not use the insider information for performance of transactions or transfer the insider information for performance of transactions to the third parties.

4.3 Measures to prevent conflict of interests and the procedure for control over execution thereof are described in the internal documents of the Custodian and the job descriptions of the Custodian' employees.

## **5. Control and Inspection of the Custody Activity**

### **5.1 Internal Control**

5.1.1 Internal control shall be performed as follows:

- Operational control on the part of the staff processing the Instructions based on job descriptions;
- Control on the part of the Authorized Persons of the Custodian, authorizing primary input of information by transactions officers in the electronic system of the Custodian;
- General control on the part of the Authorized Persons of the Custodian;
- Control on the part of the Controller.

5.1.2 Internal control of activities of the Custodian shall be performed based on the legislative and other regulations of the Russian Federation, establishing the requirements for the internal control system. On their basis, internal documents are developed to regulate among other things the procedures for protection of rights of the Depositors against errors or misconduct of employees of the Custodian that may affect the correctness of entries on the Depo Accounts and infringe the Depositors' interests.

5.1.3 Internal control of activities of the Custodian shall be performed for the purposes of:

- Protection of rights and interests of the Depositors through control over observance by the employees of the Custodian of the applicable legislation and other regulations of the Russian Federation, the Terms and Conditions, the internal rules and procedures;
- Ensuring proper safekeeping of information and documents of the Custodian and its Depositors;
- Settlement of conflicts of interests, ensuring the proper level of reliability and minimizing the risks of the Custody Activity.
- Ensuring compliance of the Custodian's activity with the requirements of the legislation of the Russian Federation on the securities market, including laws and regulations of federal executive body on the securities market/CBR, legislation of the Russian Federation on protection of rights and legitimate interests of investors on the securities market, legislation of the Russian Federation on advertisement, as well as compliance with the internal documents of the Bank related to its activity on the securities market.

5.1.4 Internal control shall include the following procedures:

- Internal control of document management;
- Operational control;
- Verification of balance of securities recorded.

### **5.2 Internal Control of Document Workflow**

5.2.1 Each Instruction or request received by the Custodian, as well as each report on their execution transferred to the Depositor, shall be registered. Incoming documents and copies of outgoing documents shall be safekept following the established procedure. The Authorized Persons of the Custodian shall control that all incoming documents are processed within the periods determined by the Terms and Conditions or the Instructions, and a response is given to the person who has submitted the document.

5.2.2 Control shall be exercised based on regular and spot checks of logbooks for registration of incoming/outgoing documentation and source documents of the Custodian.

### **5.3 Operational Control**

5.3.1 Each transaction on the Depo Accounts shall be based on the client's Official Instruction or request. In the recording registers of the Custodian, it shall be recorded who, when and based on what documents has performed such transaction.

5.3.2 In order to prevent any technical errors at information input, as well as unauthorized actions on the part of the staff, the control shall be exercised in the Custodian over the activities of the employees at execution of the Custody Transactions.

### **5.4 Reconciliation of the Recorded Securities**

5.4.1 The reconciliation procedure shall be held daily by verification of the amount of the securities recorded on the Depo Accounts of the Depositors with the amount of the securities recorded on the Depo Accounts in Places of Safekeeping. The reconciliation results shall be documented.

5.4.2 In case of any difference in the amount of the securities recorded on the Depo Accounts of the Depositors with the amount of the securities recorded on the Depo Accounts in Places of Safekeeping, the work shall be done to clarify the causes for such difference and eliminate it.

5.4.3 Data received on the Depo Accounts in Places of Safekeeping shall be checked for compliance with the data of:

- Statements on the separate accounts of Custodian acting as the Nominee Holder in the shareholders registers of the Registered Emissive Securities;
- Statements from the Custodians of Place of Safekeeping.



## 5.5 External Control

5.5.1 The external control over the activities of the Custodian shall be exercised by the regulatory authorities which competence includes control over the activities of the Custodian in the following forms:

- Regular supply by the Custodian of reports on the Custody Transactions in compliance with the requirements of the regulations;
- Checks of documents of the Custodian submitted upon request of the regulatory authority;
- Inspections of the activities of the Custodian on the part of the persons authorized by the regulatory authority.

5.5.2 The licensing authority shall be entitled at its own discretion to hold inspections of the activities of the Custodian. During the inspection, the Custodian shall present documents and information related to the performance of the Custody Activity, to the persons authorized by the licensing authority.

5.5.3 At detecting any facts of the performance of the Custody Activity in violation of the requirements of laws, regulations, and the Terms and Conditions, the licensing authority shall be entitled to impose sanctions and measures onto the Custodian stipulated by the laws and other regulations, including suspension the validity or cancellation of the license of the professional participant of the securities market for performance of the Custody Activity.

## 5.6 Audit

5.6.1 The audit shall be held in compliance with the applicable legislation of the Russian Federation, with application of the standards that require performance of the audit for the purpose of establishing the authenticity of the Custody accounting statements and certifying that the accounting statements presented are free from violations, and that the activities have been performed in compliance with the applicable legislation of the Russian Federation.

5.6.2 The audit in the Custodian may be held only by the firm or independent auditor that has concluded the agreement and acts based on the license issued in compliance with the applicable legislation of the Russian Federation, as well as by the internal audit service.

## 6. Measures Related to Anti-Money Laundering and Combating Terrorism Financing ( “AML/TF”), and Compliance with the Financial Sanctions Regime

6.1 For the purpose of AML/TF and compliance with the financial sanctions regime the Bank may:

- Refuse execution of the Custody Agreement, Interdepository Agreement if it has any suspicion that the purpose of the agreement is to arrange transactions for money legalization (laundering) or terrorism financing;
- Terminate the Custody Agreement, Interdepository Agreement with the Depositor if it shall make two or more decisions within one calendar year to refuse to execute the Depositor’s transaction order following the Clause 11 Article 7 of the Federal Law dated 7 August 2001 No. 115-FZ On Combating Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism;
- Refuse to execute the Depositor transaction order if the Depositor shall fail to provide the information and documents, confirming the information thereof, in originals and/or duly executed copies, which the Bank may consider sufficient to duly fulfil the provisions of the Federal Law dated 7 August 2001 No. 115-FZ On Combating Legalization (Laundering) of Proceeds from Crime and Financing of Terrorism, as well as if the Bank shall have any suspicion that the purpose of the transaction shall be the money laundering or terrorism financing;
- Take measures to freeze (block) the securities on the Depo Account, as well as to suspend the transaction in cases and following the procedure stipulated by the Sub-Clause 6 Clause 1 and Clause 10 Article 7 of the Federal Law dated 7 August 2001 No. 115-FZ;
- Request from the Depositor all and any documents and information required by the Bank to fulfil the provisions of the anti-money laundering and combating terrorism financing legislation. The Bank shall be entitled to define the amount and form of the required information and documents at its sole discretion and following the applicable legislation of the Russian Federation, CBR and other authorities’ regulations;
- Request from the Depositor the documents that constitute grounds for disposal of securities to a non-resident or a Russian credit organization; request from the Depositor the information on conditions of settlements under transactions with securities; request from the Depositor the documents that confirm the fact of crediting the money to the bank account of the Depositor under transactions related to disposal of securities to a non-resident;
- Under settlements that provide for offsetting of counter Claims under contracts for supply of goods, performance of works, rendering of services, request documents that confirm the origin of goods (in particular customs declarations, documents confirming import of goods to the Russian Federation and export of goods from the Russian Federation) and documents confirming the transfer of goods to the client, as well as certificates of services rendered, works performed;

- Refuse opening a Depo Account if (at the time of the account opening) it is revealed that the Depositor is subject to economic, financial, trade sanctions or restrictions established by the Russian Federation, United Nations Organization, higher legislative authorities of the European Union or the US Office of Foreign Assets Control;
- Reject the Initiator of a Depositary Transaction to accept, keep, account and perform other actions with securities in case of discovering (at the date of making an action) that the initiator of the Depositary transaction or the Issuer of the securities is subject to economic, financial, trade sanctions or restrictions established by the Russian Federation, United Nations Organization, higher legislative authorities of the European Union or the US Office of Foreign Assets Control.

- CHAPTER 7. CONTACTS

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