



**ORDRE SOUVERAIN MILITAIRE HOSPITALIER DE SAINT-JEAN,  
DE JERUSALEM, DE RHODES ET DE MALTE**

Approved by Statutes of the **GRAND MAGISTERIUM:**  
**"INTERNATIONAL STATUTES OF THE HOSPITALLER**  
**PATRIMONY",**

from 22<sup>th</sup> January 2020

The Charter Approved by:

**THE GRAND MAGISTERIUM**  
**AND GRAND INTENDANT OF PATRIMONY**  
**OF THE ORDER OF THE HOSPITALLERS**



*H.E. Alexander N. Paramonov*

**THE GRAND CHANCELLER**  
**OF THE ORDER OF HOSPITALLERS**



By the decision of Sovereign, information is not provided.

По Решению Суверена информация не предоставляется.

**THE INTERNATIONAL TREASURY MONETARY ONE**  
**DEPUTY CHIEF TREASURER**



By the decision of Sovereign, information is not provided.

По Решению Суверена информация не предоставляется.



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**CHARTER  
OF THE SOVEREIGN BANK  
OF THE ORDER OF HOSPITALLER**

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the Sovereign Bank of the Order of Hospitallers of Saint John of  
Jerusalem, (known as the the Sovereign Military Hospitallers  
Order of Saint John of Jerusalem, of Rhodes and of Malta)

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Paris 2020

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## I. General provisions

1. The **SOVEREIGN BANK of the Order of the Hospitallers of Saint John of Jerusalem, (known as the Order of Hospitallers, the Sovereign Military Hospitallers Order of Saint John of Jerusalem, of Rhodes and of Malta** (hereinafter “**SBO OF HOSPITALLERS**”) is a united emission bank, a credit bank for the national economy and the settlement center of the **Sovereign Military Hospitallers Order of Saint John of Jerusalem, of Rhodes and of Malta** (hereinafter “**ORDER OF THE HOSPITALLERS**”).

1.1. The founders of the **SOVEREIGN BANK OF THE ORDER OF THE HOSPITALLERS** are the **INTERNATIONAL TREASURY MONETARY ONE** and the **ORDER OF THE HOSPITALLERS**.

1.2. The **SOVEREIGN BANK OF THE ORDER OF THE HOSPITALLERS** is a full legal successor of the **FIRST EUROPEAN BANK** is founded by **KNIGHTS TEMPLAR** - the **Poor Fellow-Soldiers of Christ and of the Temple of Solomon** (Latin: **Pauperes commilitones Christi Templique Salomonici**), also known as the **Order of Solomon's Temple, the Knights Templar** or simply the **Templars** (hereinafter “**TEMPLARS**”) based on the Charter of the all Patrimony transfer including heritage and property of the **TEMPLARS** into the possession of the **ORDER OF THE HOSPITALLERS** in 1312.

1.3. On the basis of the plan for economic and social development of the **ORDER OF THE HOSPITALLERS** the **SBO OF HOSPITALLERS** organizes and regulates the circulation of money in the **ORDER OF THE HOSPITALLERS**; attracts free funds of enterprises, associations, organizations and institutions, as well as the population. It produces short-term and long-term loans as well as the calculations in the national economy; performs its operations to capital expenditure and capital repairs of fixed assets of enterprises, associations, organizations and institutions, provides cash execution of the budget of the **ORDER OF THE HOSPITALLERS**. It also organizes and performs, in accordance with the established procedure, international settlements, crediting and other operations related to foreign trade and other types of foreign economic activity of the **ORDER OF THE HOSPITALLERS**, as well as operations with currency values, precious metals and precious stones.



1.4. The **SBO OF HOSPITALLERS** performing these functions contributes to the development and increase of efficiency of social production, the acceleration of scientific and technological progress. It strengthens the economic calculation of enterprises, associations and organizations, the growth of socialist accumulation in the economy in countries that accepted the **ORDER OF THE HOSPITALLERS**. It also further strengthens the **Gold ÉCU** (hereinafter “**Gold ECU**”).

1.5. The activities of the **SBO OF HOSPITALLERS** are aimed at ensuring a unified policy in the field of monetary circulation, crediting, financing and settlements in the national economy.

1.6. The **SBO OF HOSPITALLERS** provides general management of the activities of the savings banks of the **ORDER OF THE HOSPITALLERS**.

1.7. The **SBO OF HOSPITALLERS** is responsible for strengthening the monetary and credit system of the **ORDER OF THE HOSPITALLERS**, as well as for the safety of the funds, valuables and property entrusted to it. The **SBO OF HOSPITALLERS** is under the jurisdiction of the authorized body-the Patrimony of the Jerusalem, Rhodes and Malta Sovereign Military Order of St. John-the the **ORDER OF THE HOSPITALLERS**.

2. The **SBO OF HOSPITALLERS** in the process of lending, financing, payment, organization, and regulation of monetary circulation monitors **Gold ÉCU** exercises control over: the implementation of plans of production and circulation of goods; the implementation of financial plans; quality indicators of management; reducing wastage and losses; the spending of payroll funds.

3. The **SBO OF HOSPITALLERS** is governed by the laws of the **ORDER OF THE HOSPITALLERS**, other decisions of the **GRAND MAGISTER OF THE ORDER OF HOSPITALLERS** and its **MAGISTERIUM** and the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, decrees and orders of the authorized body and the present Charter.

4. The **SBO OF HOSPITALLERS** enforces the legislation by all its institutions and enterprises with organizations that are subordinate to it, summarizes the practice of applying the legislation on issues within the competence of the **SBO OF HOSPITALLERS**, develops proposals for its improvement and submits them to the authorized body for consideration.

5. The **SBO OF HOSPITALLERS** is a legal entity and operates based on economic calculation.

6. Borrowers pay interest to **SBO OF HOSPITALLERS** in the amount approved by the authorized body for loans received from **SBO OF HOSPITALLERS**.

6.1. The **SBO OF HOSPITALLERS** accrues and pays interest on the deposits of citizens in cases provided for by the legislation of the **ORDER OF THE HOSPITALLERS**;

6.2. The amount of interest rates on the funds of enterprises, associations, organizations and institutions held in the accounts of the **SBO OF HOSPITALLERS** is set by the authorized body.

7. The **SBO OF HOSPITALLERS** is not responsible for the obligations of **Jerusalem Order**, of **Rhodes Order** and of **Malta Order** and other Knight Orders, as well as their Central and local authorities, except the cases where such liability is imposed on the **SBO OF HOSPITALLERS** by competent authority, or when the **SBO OF HOSPITALLERS** take on such a responsibility in the way of guaranty or acceptance.

8. The means and value of enterprises, associations, organizations and institutions located in the **SBO OF HOSPITALLERS** can be seized only by rulings of the trial, investigative authorities or arbitration, and a penalty may be imposed only by the writs of execution issued by the courts, according to the orders issued by the arbitration and other Executive documents, and in the cases stipulated by the legislation of the **ORDER OF THE HOSPITALLERS**, at the request of financial institutions, the **SBO OF HOSPITALLERS** and other authorized organizations.

9. The deposits of citizens in the **SBO OF HOSPITALLERS** can be seized only on the basis of:

9.1. Decisions of the **GRAND MAGISTER OF THE ORDER OF HOSPITALLERS** and **MAGISTERIUM**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS** and **SUPREME COURT OF THE ORDER OF THE HOSPITALLERS** military tribunals of the **ORDER OF the HOSPITALLERS**, of the bodies of preliminary investigation and inquiry bodies in their production of criminal cases, as well as in cases provided by law for the consideration of cases on the confiscation of property.

9.2. the courts of the **ORDER OF THE HOSPITALLERS** in the production of which are civil cases arising from criminal cases, cases of alimony (in the absence of earnings or other property on which it is possible to foreclose) or the division of the Deposit, which is a joint property of the spouses.

9.3. The recovery of citizens ' deposits may be applied on the basis of a verdict or a court decision that satisfied a civil claim arising from a criminal case, or a court decision on a claim for the recovery of alimony (in the absence of earnings or other property that can be recovered) or on the division of the deposit, which is the joint property of the spouses.

10. All the employees of the **SBO OF HOSPITALLERS** are required to strictly keep secret of the transactions and accounts of the **SBO OF HOSPITALLERS** and its clients.

10.1. Certificates of transactions and accounts of enterprises, associations, organizations and institutions may be issued directly to the clients themselves, their higher authorities, as well as to judicial, investigative, financial and public control bodies in compliance if the established procedures are observed.

10.2. Certificates of deposits and transactions on deposits of citizens are distributed, not only to the clients themselves but also to their legal representatives:

10.2.1. courts, preliminary investigation bodies and bodies conducting the initial inquiry in criminal cases under their jurisdiction and in cases where confiscation of property may be applied in cases stipulated by law.

10.2.2. courts on civil cases arising from criminal cases, cases on the recovery of alimony (in the absence of earnings or other property that can be recovered), or on the division of the deposit that is the joint property of the spouses.

10.2.3. State notarial offices located in their production inheritance cases of deposits of deceased depositors.

11. the **SBO OF HOSPITALLERS** and its institutions are exempt from paying any taxes and duties.

12. the **SBO OF HOSPITALLERS** and its institutions have a seal with the coat of arms of the **ORDER OF THE HOSPITALLERS** with its name.

## II. Funds of the SBO OF HOSPITALLERS

13. The **SBO OF HOSPITALLERS** has an authorized fund, a reserve fund, a fixed assets fund, a depreciation fund and a banking development fund. If necessary, the **SBO OF HOSPITALLERS** has the right to create other funds for the achievement of the statutory goals and objectives.

14. The authorized fund is 1,000,000 (One Million) metric tons of gold (XAU (the ISO 4217 standard code for one troy ounce of gold, considered as a currency)) in terms of **Gold ÉCU**. The increase in the authorized capital is made by the decision of the **PATRIMONIUM**. The authorized capital serves as a security for the obligations of **SBO OF HOSPITALLERS**. 100% (one hundred percent) of the provision of the authorized fund is transferred by the **INTERNATIONAL TREASURY MONETARY ONE** in the form of Treasury Bills of the **Gold ECU** to the **SBO OF HOSPITALLERS**.

15. The reserve fund is formed at the expense of deductions from the income of the **SBO OF HOSPITALLERS** and is intended to cover possible losses on its operations.

Contributions to the reserve fund are made until it reaches the size of the authorized fund. If the reserve fund is partially or completely spent to cover losses, then contributions to this fund are resumed and made from now on until it reaches the established amount.

16. The fixed assets fund consists of buildings, structures and other property belonging to the **SBO OF HOSPITALLERS** related to fixed assets.

17. The depreciation fund is formed and spent in accordance with the procedure established by the legislation of the **SBO OF HOSPITALLERS**.

18. The banking development fund is formed at the expense of profits of the **SBO OF HOSPITALLERS** and is designed to fund the introduction of new technology in the **SBO OF HOSPITALLERS**, construction and repair cash stores and buildings of the **SBO OF HOSPITALLERS** and its subordinate enterprises and organizations.

The regulations on the banking development Fund are approved with the approval of the **ORDER OF THE HOSPITALLERS**.

19. The profit from the **SBO OF HOSPITALLERS** is distributed as follows:

19.1. 50% of the interest is transferred to the main budget;

19.2. 5% of the interest is credited to the banking development fund;

19.3. the remaining part of the profit is used by the decision of the authorized body by the Grand Priory (hereinafter referred to as the Authorized Body).

### **III. Issuing transactions of the SBO of Hospitallers**

20. The **SBO OF HOSPITALLEERS** has the monopoly right to issue tickets of the **SBO OF HOSPITALLEERS** in circulation on the territory of the countries that have recognized the **ORDER OF THE HOSPITALLEERS**. The **SBO OF HOSPITALLEERS** also issues currency, Treasury Bills of the **ORDER OF THE HOSPITALLEERS** and a metal **Gold ECU** coin. The issue of money in circulation is carried out with the help of the **SBO OF HOSPITALLEERS** in the amount determined by the Authorized Body.

21. The currency of the **SBO OF HOSPITALLEERS** issued in circulation is secured by gold, other precious metals and other assets of the **SBO OF HOSPITALLEERS**.

22. the **SBO OF HOSPITALLEERS** has the right to create their facilities reserve funds of currency of the **SBO OF HOSPITALLEERS**, Treasury Bills of the **ORDER OF THE HOSPITALLEERS** and metallic **ECU Gold** coin currency.

23 Signs of currency liquidity for use as currency of the **SBO OF HOSPITALLEERS** money are the Treasury Bills, metallic **ECU Cold** coin and how to determine their solvency established by the **SBO OF HOSPITALLEERS**.

### **IV. Operations of the SBO OF HOSPITALLEERS on the organization and regulation of money circulation in the country and cash services for the national economy**

24. The **SBO OF HOSPITALLEERS** develops and submits to the authority for approval cash plans of the **SBO OF HOSPITALLEERS**, takes part in the development of calculations of the balance of financial income and expenditure.

25. The **SBO OF HOSPITALLEERS** organizes and regulates monetary circulation in the country, provides cash services to the national economy, organizes the receipt of cash released from circulation to the cash registers of the **SBO OF HOSPITALLEERS**,

issues money to enterprises, associations, organizations, institutions and the population, and also monitors the spending of cash by enterprises, associations, organizations and institutions for their intended purpose and compliance with their savings in spending money.

25.1. The **SBO OF HOSPITALLERS** organizes the introduction of non-cash payments in the service sector of the population.

26. the **SBO OF HOSPITALLERS** organizes and carries out the collection of cash received in cash businesses, associations, organizations and institutions, and sets out to companies, associations, organizations and institutions served by the **SBO OF HOSPITALLERS**, the order and timing of the delivery of cash to the **SBO OF HOSPITALLERS**, organizes savings banks and telecommunications companies.

27. The **SBO OF HOSPITALLERS** determines limits of the cash balance on hand and the norms of spending cash from revenue and monitors compliance with these limits and standards, timely submission of the cash proceeds in the collection of the **ORDER OF THE HOSPITALLERS** in accordance with the legislation of the **ORDER OF THE HOSPITALLERS** order to companies, associations, organizations and institutions that serve the **SBO OF HOSPITALLERS**.

#### **V. Operations with the help of the SBO OF HOSPITALLERS on short-term lending to the national economy**

28. The **SBO OF HOSPITALLERS** develops and submits to the authorized body for approval the credit plans of the **ORDER OF THE HOSPITALLERS**, develops calculations of short-term and long-term loans (distributed by year) to the consolidated financial balance.

28.1. The **SBO OF HOSPITALLERS** provides short-term loans to enterprises, associations and organizations that are on an economic calculation, have an independent balance sheet and are endowed with their own working capital.

28.2. When lending the **SBO OF HOSPITALLERS** provides a differentiated approach to enterprises, associations and organizations, providing well-performing benefits established by the current legislation, and applying credit impact measures against poorly performing enterprises, associations and organizations.

29. The **SBO OF HOSPITALLERS** issues loans in the order of direct, targeted, urgent and repayable loans for needs that arise during the implementation of production and circulation plans and are not covered by their own working capital.

29.1. The objects of crediting are established by the decisions of the Authorized Body or, on its behalf, with the consent of the **SBO OF HOSPITALLERS**.

30. Loans are granted by the **SBO OF HOSPITALLERS** in terms arising from the plans of production and sales of inventory, but not more than 12 months.

31. Enterprises, associations and organizations in arrears on previously short-term loans issued by the **SBO OF HOSPITALLERS**, a new short-term loans are not provided, except for the cases stipulated by the decision of the Authorized body.

32. The forms of credit provided to enterprises, the **SBO OF HOSPITALLERS** determine associations and organizations, the procedure for issuing and repaying loans, taking into account the peculiarities of the branches of the national economy.

33. The amount of loans issued by the **SBO OF HOSPITALLERS** can be credited to the accounts of companies, associations and organizations, or to earlier repayment of loans or directly to production payments companies, associations and organizations in accordance with the purpose loans.

34. Loans are provided by the **SBO OF HOSPITALLERS** under the borrower's urgent obligations or obligations due on presentation, and in established cases - on the basis of loan agreements with the **SBO OF HOSPITALLERS** with enterprises, associations and organizations.

34.1. Loans for inventory items are secured by the collateral of these values, and, if necessary, by the guarantees of the higher organizations of the borrowers.

34.2. Loans provided by the **SBO OF HOSPITALLERS** for the purchase of agricultural products, as well as for seasonal production costs in agriculture are provided with agricultural products originating in the collateral as of the work piece and output of finished products.

35. Order pledge of inventory in the **SBO OF HOSPITALLERS** is determined by the **SBO OF HOSPITALLERS** in accordance with current legislation.

## **VI. Operations of SBO OF HOSPITALLERS on financing and long-term lending of the national economy**

36. The **SBO OF HOSPITALLERS** funds capital investment of public companies, associations and organizations of agriculture, forestry and water management, cooperative enterprises and organizations, inter-farm enterprises (organizations) in agriculture, the construction of schools, hospitals and cultural institutions in rural areas, operating expenses of public enterprises, associations and organizations of agriculture, forestry and water management, and repair of fixed assets of enterprises, associations, organizations and institutions with accounts in the **SBO OF HOSPITALLERS**.

37. The **SBO OF HOSPITALLERS** develops and submits to the Authorized Body for approval the plans of the **SBO OF HOSPITALLERS** for long-term lending, develops calculations of long-term loans (with distribution by years) to the consolidated financial balance.

37.1. The **SBO OF HOSPITALLERS** provides a long-term loan in the order of direct, targeted, urgent and repayable loans for capital investments to state-owned enterprises, associations and organizations, the financing and lending of which is assigned to the **SBO OF HOSPITALLERS** to inter-farm enterprises (organizations) in agriculture, enterprises and organizations of consumer cooperatives, housing cooperatives in rural areas. It also provides citizens living in rural areas with a long-term loan for individual housing construction, economic acquisition and for other purposes.

37.2. The activities for which long-term loans are provided by the **SBO OF HOSPITALLERS**, as well as the conditions and terms of their provision are determined by the Authorized Body.

38. New long-term loans are not granted to enterprises, associations and organizations that have overdue debts on long-term loans previously issued by the **SBO OF HOSPITALLERS**, except for cases stipulated by the decisions of the Authorized Body.

39. In the process of financing and long-term lending, the **SBO OF HOSPITALLERS** monitors the mobilization of funds intended for financing capital investments by enterprises, associations and organizations. It also monitors the targeted



and rational use of own and borrowed funds, compliance with the construction duration standards, ensuring timely commissioning and development of new production facilities, reducing the estimated cost of construction and compliance with design estimates, planning and financial discipline; strengthening economic calculation in construction; prevention of dispersion of forces and means on numerous objects of construction.

## **VII. Operations of the SBO OF HOSPITALLERS on calculations in the national economy**

40. The **SBO OF HOSPITALLERS** organizes and carries out calculations in the national economy and contributes to their acceleration.

40.1. When conducting settlement operations, the **SBO OF HOSPITALLERS** monitors compliance by enterprises, associations, organizations and institutions with the rules of settlement and contractual discipline.

41. Funds of enterprises, associations, organizations and institutions, both own and borrowed, are subject to mandatory storage in the **ORDER OF THE HOSPITALLERS**, with the exception of the amounts of revenues and expenditure are allowed by the **SBO OF HOSPITALLERS**, and carryover of money in their cash registers in the prescribed amounts. All payments due to enterprises, associations, organizations and institutions are credited to their accounts in the **SBO OF HOSPITALLERS**. Free cash funds of all credit institutions are subject to mandatory storage in the **SBO OF HOSPITALLERS**.

41.1. An exception to the rules provided for in this paragraph is allowed in cases established by the **SBO OF HOSPITALLERS**.

42. In order to store funds and make settlements with the Bank, the **SBO OF HOSPITALLERS** opens settlement, current and other accounts for enterprises, associations, organizations and institutions, depending on the nature of their activities and sources of funding.

42.1. When opening and closing settlement, current and other accounts, the **SBO OF HOSPITALLERS** monitors compliance with the current legislation on the procedure for creating, reorganizing and liquidating enterprises, associations, organizations and institutions. The procedure for opening and closing accounts is established with the consent of the **SBO OF HOSPITALLERS**.

43. Settlements of enterprises, associations, organizations and institutions are carried out through the **SBO OF HOSPITALLERS** in the form of acceptance, letter of credit and special account by means of orders, transfers, checks and other forms of settlements established by the **SBO OF HOSPITALLERS**.

43.1. The **SBO OF HOSPITALLERS** organizes and performs permanent and one-time settlements by setting off mutual claims of enterprises, associations and organizations of one or different branches of the national economy, the use of scheduled payments, and organizes settlements between credit institutions.

43.2. The offsets of mutual claims allowed by the **SBO OF HOSPITALLERS** are made regardless of the priority claims of creditors that are available to the participants of the offsetting.

44. Without the consent of enterprises, associations, organizations and institutions, the write-off of funds held in their accounts in the **SBO OF HOSPITALLERS** is allowed only in cases provided by the legislation of the **ORDER OF THE HOSPITALLERS**.

44.1. When satisfying claims, the **SBO OF HOSPITALLERS** follows the order of priority established by the legislation of the **ORDER OF THE HOSPITALLERS**.

45. The **SBO OF HOSPITALLERS** accepts registered cash deposits from citizens for a period of up to demand (perpetual deposits) and for a period of at least 6 months (term deposits). The issue of deposits at the first request of depositors is guaranteed by the **PATRIMONY OF THE ORDER OF THE HOSPITALLERS**.

45.1. Depositors have the right to dispose of deposits, make non-cash payments in accordance with the procedure established by the **SBO OF HOSPITALLERS**.

46. The depositor has the right to tell the **SBO OF HOSPITALLERS** in accordance with the rules of the **SBO OF HOSPITALLERS** about individuals whose contribution must be issued in the event of his death.

46.1. Contribution in which a testamentary disposition was not made, the **SBO OF HOSPITALLERS** in the event of death of the depositor will issue to the heirs in the order established by the legislation of the **ORDER OF THE HOSPITALLERS**.

47. The contributions made to the **SBO OF HOSPITALLERS** and the incomes from them are exempt from taxation.

VIII. Operations of the **SBO OF HOSPITALLERS** on the cash execution of the budget of the **ORDER OF THE HOSPITALLERS**, (known as the **Sovereign Military Hospitallers Order of Saint John of Jerusalem, of Rhodes and of Malta**)

48. The **SBO OF HOSPITALLERS** carries out the cash execution of the budget of the **ORDER OF THE HOSPITALLERS**. All income received in the budget of the **ORDER OF THE HOSPITALLERS** is concentrated in the **SBO OF HOSPITALLERS**. All expenses from the budget of the **ORDER OF THE HOSPITALLERS** are made through the **SBO OF HOSPITALLERS**. The order of the cash execution of the budget of the **ORDER OF THE HOSPITALLERS** established by the **SBO OF HOSPITALLERS** in coordination with the Authorized body.

49. The **SBO OF HOSPITALLERS** performs the following operations on a cash execution of the budget of the **ORDER OF THE HOSPITALLERS**:

49.1. receives and transfers the funds to the revenue from the **TEMPLAR ORDER, JERUSALEM, RHODES, THE MALTESE ORDER**, to the accounts of the respective budgets;

49.2. makes deductions in the established amount from tax receipts and income to local budgets;

49.3. renders the budgets of the **TEMPLAR ORDER, JERUSALEM, RHODES, THE MALTESE ORDER** in amounts received because of these budgets.

49.4. accepts and gives extra-budgetary funds of the institution, consisting of the budget of the **ORDER OF THE HOSPITALLERS**.

49.5. The grant funds to companies, associations, organizations and institutions at the expense of the budgets of the **TEMPLAR ORDER, JERUSALEM, RHODES, THE MALTESE ORDER**, is limited to the existing loan, but at the expense of budget funds, listed from these budgets to accounts of enterprises, associations, organizations and institutions.

50. When performing operations on a cash execution of the budget of the **ORDER OF THE HOSPITALLERS**, the **SBO OF HOSPITALLERS**:

50.1. keeps records of loans opened in countries, and transfers these loans from one institution to another with the help of **ORDER OF THE HOSPITALLERS**;

50.2. keeps records of the income and expenses of the budgets of the **TEMPLAR ORDER, JERUSALEM, RHODES, THE MALTESE ORDER**, and submits reports

on the cash execution of these budgets to the relevant financial authorities within the established time limits. It also keeps records of the budgets of the **TEMPLAR ORDER, JERUSALEM, RHODES, THE MALTESE ORDER**.

51. The **SBO OF HOSPITALLERS** organized and administered by the lending and settlement of foreign trade and other foreign economic activities, provides export and import trade and financial and project and financial operations, accounting and calculations provided and received by the **ORDER OF THE HOSPITALLERS** credits and loans received and provided by the **SBO OF HOSPITALLERS** and financial Bank loans and other international payments of the **ORDER OF THE HOSPITALLERS**.

51.1. The **SBO OF HOSPITALLERS** may transfer the execution of these settlement and credit operations to other credit institutions of the **ORDER OF THE HOSPITALLERS**.

52. The **SBO OF HOSPITALLERS**, in accordance with the established procedure, purchases gold, silver, platinum and other precious metals in coins, bullion, scrap and raw form in the **ORDER OF THE HOSPITALLERS** and abroad. It purchases and sells foreign currency (banknotes, treasury notes, coins), payment documents (cheques, bills of exchange, letters of credit, etc.) and stock values (shares, bonds, etc.) in foreign currency, as well as other currency values, and sells abroad gold, silver, platinum and other precious metals in coins, bullion, scrap and raw.

53. The commission of transactions on the territory of the **ORDER OF THE HOSPITALLERS** for the purchase and sale of currency values is the exclusive right of the **SBO OF HOSPITALLERS**. Other organizations can perform such operations only on behalf of the **SBO OF HOSPITALLERS**.

53.1. This clause does not apply to operations involving the purchase of precious metals and precious stones by enterprises of the gold-platinum and diamond industries, to operations of the **PATRIMONY OF THE ORDER OF THE HOSPITALLERS** with precious metals and precious stones, to foreign trade transactions, as well as to cases provided for by the legislation of the **ORDER OF THE HOSPITALLERS**.

54. The **SBO OF HOSPITALLERS** issues traveler's cheques and other bank payment documents in Ecu and in foreign currency and establishes the procedure for performing transactions with these documents. It issues as well the issuance and execution of transactions and transactions with cheques, bills of exchange, letters of

credit, certificates of deposit, shares, credit cards, debit cards, tratts, traveler's checks and other debt obligations, as well as the issuance and printing of national currency and currencies of other states.

55. The **SBO OF HOSPITALLERS** may receive credits and loans from foreign banks, credit institutions and organizations and provide loans and loans to foreign banks and other organizations in accordance with the established procedure.

56. Loans to the **SBO OF HOSPITALLERS** for foreign trade and other types of foreign economic activity are secured by a pledge of export and import goods and other commodity-material values, free from collateral, bills of exchange and documents of title, precious metals, foreign currency, securities and other monetary obligations in foreign currency.

57. The property located abroad, which is the security of loans from the **SBO OF HOSPITALLERS** for foreign trade and other operations, must be insured at the expense of the client.

58. The **SBO OF HOSPITALLERS**, in accordance with the current legislation, sets the exchange rates of foreign currencies in **Golden Ecu** and publishes these rates in the press, as well as publishes bulletins of foreign exchange rates.

59. **SBO OF HOSPITALLERS** can:

59.1. accept guarantees and issue guarantees for the monetary obligations of Knights of the **ORDER OF THE HOSPITALLERS** and foreign legal entities;

59.2. issue sureties, bank guarantees and other security for third parties in respect of monetary obligations, including (without limitation) the opening and confirmation of documentary letters of credit, the issuance and acceptance of bank guarantees and reserve letters of credit, the implementation of documentary collections;

59.3. purchase and sell debt obligations (factoring) and account for promissory notes and bills of exchange (forfaiting) to finance the commercial activities of persons from whom the bank buys such debts and bills of exchange, in order to collect debts or amounts payable on such promissory notes and bills of exchange;

59.4. provide brokerage services related to banking operations at the risk and at the expense of clients;

59.5. lease deposit boxes to its clients for storing documents and valuables;

59.6. provide consulting services related to banking activities, including bank management services;

59.7. provide services for the transfer of funds and cashing out, services for the collection, collection and transportation of cash;

59.8. place deposits in **Gold ECU** and in foreign Currency in local and foreign banks and abroad;

59.9. manage funds or assets in accordance with the client's instructions;

59.10. open and maintain accounts in **Gold ECU** and foreign currency for foreign banks abroad and provide services in national and foreign currencies;

59.11. finance, lend and calculate export and import (foreign trade) operations;

59.12. participate and carry out exchange operations (including foreign currency), conclude treaties related to it and conduct other financial operations in foreign currency in accordance with the legislation of the **ORDER OF THE HOSPITALLERS** on the exchange control;

59.13. carry out activities on behalf of clients related to the issue of interest bearing and dividend - bearing securities, and other types of securities;

59.14. purchase securities for the **SBO OF HOSPITALLERS** at their own expense or at the expense of third parties and on their behalf, as well as to carry out transactions with them;

59.15. acquire joint-stock interests in other companies abroad;

59.16. conduct operations and transactions with precious metals, with bank silver, gold, platinum and coins made of these metals (samples) and precious stones;

59.17. support business initiatives abroad;

59.18. conclude agreements on cooperation and payments with other foreign banks;

59.19. accept liens, mortgages, layings and other ownership rights and their provision, as well as make decisions on issues related to the foreclosure (or provision) of such liens, mortgages, and ownership rights, as well as the seizure and sale of property pledged by the mortgagors to repay the debtors' obligations to the bank;

59.20. perform financial lease (leasing) operations, including the purchase and leasing of equipment and other property;

59.21. carry out brokerage activities;

59.22. carry out investment banking activities;

59.23. carry out transactions with securities, both on an organized exchange and outside it, including brokerage transactions with securities;

59.24. enter into contracts and other agreements related to the ownership and use of intellectual property;

59.25. buy, sell, rent real estate, and generally dispose of all matters related to such real estate transactions within the limits permitted by the **ORDER OF THE HOSPITALLERS**;

59.26. organize subsidiaries, branches and representative offices, both in the territories of the **ORDER OF THE HOSPITALLERS**, and beyond its borders;

59.27. maintain its own independent books and accounts, and operate entirely on a commercial basis;

60. The **SBO OF HOSPITALLERS** enters into agreements with foreign banks on the procedure for settlement and account management under intergovernmental trade, credit, payment and other agreements, as well as correspondent, credit and other agreements.

61. In accordance with the established procedure, the **SBO OF HOSPITALLERS** opens accounts for foreign banks, foreign legal entities and individuals, international organizations, and citizens and accepts deposits in foreign currency from them, as well as opens accounts in foreign banks and places deposits in these banks.

62. The amount of interest rates on current accounts and term deposits in foreign currency is set with the consent of the **ORDER OF THE HOSPITALLERS**.

63. The **SBO OF HOSPITALLERS** accepts precious metals, securities and other valuables from enterprises, associations, organizations and institutions for storage.

64. The **SBO OF HOSPITALLERS** may, in accordance with the established procedure, participate in the capital of joint-stock companies or other companies abroad, as well as act as a founder of such companies. The Bank may, on a voluntary basis create jointly with other banks, including foreign ones, the unions, associations and other enterprises in accordance with the legislation of the **ORDER OF THE HOSPITALLERS** on the conditions, not inconsistent with antitrust laws, as well as participate in them with the aim of coordinating activities, protect and represent the

common interests, the implementation of joint projects and solve other common problems.

## **X. Rights of the SBO OF HOSPITALLERS**

65. In order to ensure the operations carried out by the **SBO OF HOSPITALLERS** and to perform the functions assigned to it, the **SBO OF HOSPITALLERS** is granted the right to:

65.1. issue, on the basis of and in compliance with the current legislation, instructions and other acts that are mandatory for its clientele;

65.2. receive from enterprises, associations, organizations and institutions that have accounts in the **SBO OF HOSPITALLERS**, accounting reports and balance sheets with the corresponding appendices to them, financial plans, as well as information on the availability, receipt and sale of the credited inventory items and other data necessary for lending and settlements;

65.3. receive from enterprises, associations, organizations and institutions draft plans for capital construction and contract works, title lists of construction projects and other materials necessary for the analysis of the economic efficiency of capital investments, financing and lending, as well as for the implementation of financial control;

65.4. check the availability and correctness of the preparation and approval of design and estimate documentation for construction, installation, repair, commissioning and other works, acts and invoices for the work performed, to make control measurements of the work performed and to control the calculations for the finished objects;

65.5. perform verification of monetary and settlement documents, accounting records, reporting and operational-statistical materials of enterprises, associations, organizations and institutions;

65.6. check the use for the intended purpose by enterprises, associations, organizations and institutions of loans issued by the **SBO OF HOSPITALLERS** and funds received in the **SBO OF HOSPITALLERS**, as well as the availability, storage



conditions and safety of inventory items that are collateral for loans to the **SBO OF HOSPITALLERS**;

65.7. check the fulfillment of contractual obligations by enterprises, associations, organizations and institutions and their compliance with the payment rules, the timeliness of drawing up and submitting settlement documents to the bank, their marketability, as well as the safety of unpaid goods held in safe custody of buyers;

65.8. require, if necessary, the heads of enterprises, associations, organizations and institutions and their higher authorities to take measures to improve the economic and financial activities of enterprises, associations, organizations and institutions;

65.9. write off in an undisputed manner from the accounts of enterprises, associations, organizations and institutions, as well as their higher-level bodies (with centralized calculations) the amounts of depreciation deductions accrued on the balance sheets, but not made on time, intended for financing capital repairs, and own funds (profit, depreciation deductions, and others) intended for financing capital construction.

66. In relation to enterprises, associations and organizations that do not fulfill their obligations to the **SBO OF HOSPITALLERS** and allow violations of financial, cash, settlement or credit discipline, the **SBO OF HOSPITALLERS** has the right to:

66.1. terminate all or part of the lending, except in cases provided for by the legislation of the **ORDER OF THE HOSPITALLERS**;

66.2. recover ahead of time the loan in case of unsecured debt, the use of credits is not the intended purpose or in contravention of the rules of lending, selling or consuming the inherent values without applying the proceeds to repay debt collection **ORDER OF THE HOSPITALLERS**, poor storage of inventory, which is the collateral for the **SBO OF HOSPITALLERS** loans, evasion of banking supervision, as well as in cases of termination of lending companies, associations or organizations;

66.3. transfer enterprises, associations and organizations to credit under the guarantee of a higher organization;

66.4. introduce a special lending regime in accordance with the established procedure;

66.5. prohibit, in accordance with the current legislation, the expenditure of cash from the proceeds to enterprises, associations and organizations that violate cash discipline.

67. In accordance with the current legislation, the **SBO OF HOSPITALLERS** has the right to stop financing and long-term lending of construction and to apply other sanctions against enterprises, associations, construction sites, contractors and other organizations that allow mismanagement in construction, violation of financial and design and estimate discipline.

68. The **SBO OF HOSPITALLERS** is entitled to recover in court all loans that were given to individual borrowers if the loans are not used for the intended purpose or of non-payment over 6 months of regular payments, with a foreclosure on a house built at the expense of the **SBO OF HOSPITALLERS** loans, and in necessary cases on other non-borrowers.

69. The **SBO OF HOSPITALLERS** claims arisen in connection with the onset of the period or late payments, or in connection with the early recovery of loans granted to companies, associations and organizations, the **SBO OF HOSPITALLERS** produces recovery without recourse to fixed-term commitments for a period upon presentation or credit agreement, but with a special loan accounts - on the basis of the statement of commitment.

69.1. If there is a long-term, more than 60 days, overdue debt on loans secured by the pledge of inventory items, the **SBO OF HOSPITALLERS** has the right, after satisfying claims for wages and payments to the budget, to direct the proceeds from the sale of these values directly to repay the debt.

69.2. In the absence of funds in the debtor's account, the recovery may also be applied to the unencumbered inventory items belonging to the debtor, with the exception of fixed assets and other property, which, in accordance with the current legislation, cannot be levied.

69.3. Selling unencumbered assets of the debtor are made via bailiff: in collection of overdue debt on notarial writ, for early recovery of debt in the court order issued on the basis of a court decision or by order of the authorities of the arbitration.

70. In full or partial repayment of the debt of the **SBO OF HOSPITALLERS**, all the debtor's funds due to it from the **SBO OF HOSPITALLERS** for any reason may be counted.

71. The **SBO OF HOSPITALLERS** may exercise the right of offset by repayment of debt, which has not yet occurred, if the company, Union, or organization

faced liquidation of its business or stopped payment on its obligations and in cases where the **SBO OF HOSPITALLERS** has the right to make the early recovery of outstanding loans or the recovery of outstanding amounts on any other grounds.

72. the **SBO OF HOSPITALLERS** has the following powers of supervision and regulation of banks:

72.1. banks issuing licenses to carry out banking transactions and check their charters; denial installed in force in the territory of the **ORDER OF THE HOSPITALLERS** of cases in the issuance of these licenses, as well as their opinion, maintain and publish a registry of registered banks;

72.2. setting economic standards for banks, including:

72.2.1. the minimum size of the authorized capital

72.2.2. the maximum ratio between the amount of the bank's authorized capital and the amount of its assets;

72.2.3. balance sheet liquidity indicators;

72.2.4. the minimum amount of mandatory reserves deposited in the **SBO OF HOSPITALLERS**;

72.2.5. the maximum amount of risk per borrower;

72.2.6. restrictions on the size of currency and exchange rate risks;

72.2.7. restrictions on the use of attracted deposits for the purchase of shares of legal entities;

72.3. determination of the procedure for the formation of mandatory insurance funds by banks to compensate for possible losses of customers;

72.4. appointment and implementation of inspections of banks ' activities in accordance with the procedure established by the **SBO OF HOSPITALLERS**, assignment of such inspections to audit organizations;

72.5. setting for banks the volume and timing of submission of accounting and banking statistical reports, as well as other information necessary for the analysis of the state of the economy;

72.6. establishing uniform rules for accounting, bank statistical reporting, as well as performing cash and other operations in banks;

72.7. giving banks mandatory instructions to eliminate violations of the legislation on banks in force on the territory of the **ORDER OF THE HOSPITALLERS** and the economic standards established by the **SBO OF HOSPITALLERS**;

72.8. issuing licenses to audit organizations to conduct audits of banks' activities;

72.9. registration of the specified audit organizations in accordance with the procedure established by the **SBO OF HOSPITALLERS**.

73. There are powers of the **SBO OF HOSPITALLERS** to apply measures of influence to banks for violations committed:

73.1. In the event of default of Bank regulations **SBO OF HOSPITALLERS**, and in identifying their violations of economic standards and other binding acts adopted by the **SBO OF HOSPITALLERS**, with the failure of banks reporting or submitting inaccurate, distorted reporting, as well as banks in summing up the results of the year with a loss and appearance in connection with this threat to the interests of depositors and creditors of the banks, upon detection of other systematic abuses by the **SBO OF HOSPITALLERS** banks makes the founders and managers of banks requirements:

73.1.1. to carry out measures for the financial recovery of this bank;

73.1.2. to replace the head of the bank;

73.1.3. to reorganize or liquidate the bank.

73.2. In connection with the identified violations, the **SBO OF HOSPITALLERS** has the independent right to:

73.2.1. collect a fine of one percent of the authorized capital from the bank for committed violations. The said fine is collected from the **SBO OF HOSPITALLERS'** bank in an undisputed manner from the account of the bank that committed the violation, within two months after the notification is sent to it stating the grounds for collecting the fine. For unjustified debiting of funds from the account the **SBO OF HOSPITALLERS** pays a fine to the relevant bank in the amount of five percent of the unreasonably debited amount;

73.2.2. increase the rate of mandatory reserves for the bank that committed the violation;

73.2.3. appoint a temporary administration to manage the bank for the period necessary for its financial recovery;

73.2.4. to revoke the license to carry out banking transactions.

The procedure for applying these measures of influence is established by the **SBO OF HOSPITALLERS**.

### **XI. Organizational structure of the SBO OF HOSPITALLERS**

74. The **SBO OF HOSPITALLERS** with all its institutions and business associations is a united centralized system.

74.1. In the capitals of countries, in regional and regional centers, centers of autonomous regions and autonomous districts, the **SBO OF HOSPITALLERS** may have its own branches in district centers, cities and other localities-offices and agencies.

74.2. The **SBO OF HOSPITALLERS** offices manage the activities of the **SBO OF HOSPITALLERS** agencies, located on the territory of the respective countries, territories, regions, Autonomous regions and Autonomous districts.

75. The structure and number of employees of the Central apparatus of the **SBO OF HOSPITALLERS** is approved by the authorized body.

### **XII. Management of the SBO OF HOSPITALLERS**

#### **76. ORGANIZATIONAL STRUCTURE OF THE SBO OF HOSPITALLERS**

76.1. The controls collection of the **ORDER OF THE HOSPITALLERS**.

Authorities of the **SBO OF HOSPITALLERS** are:

(a) The General Assembly composed of the members of **GRAND PRIORY, the CHANCERY OF THE ORDER OF THE HOSPITALLERS, and GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS;**

(b) The Board of Directors;

(c) Audit Committee;

(d) The Board;

77. The **SBO OF HOSPITALLERS** forms a Board consisting of the Chairman of the Board appointed by the competent authority, the Vice Chairman of the Board and

Board members are appointed by the President in consultation with the authorized body. The Board of the **SBO OF HOSPITALLERS** is located in the head office.

77.1. The Chairman of the Board of the **SBO OF HOSPITALLERS** is included in the prescribed order in the **GRAND COLLEGE of PATRIMONY OF THE ORDER OF THE HOSPITALLERS**.

78. The **SBO OF HOSPITALLERS** organizes its work on the basis of a combination of collegiality and unity of command in discussing and resolving all issues related to the management of the **SBO OF HOSPITALLERS**.

79. The Chairman of the Board of the **SBO OF HOSPITALLERS** directs all the activities of the **SBO OF HOSPITALLERS** and is personally responsible for the performance of the tasks assigned to the **SBO OF HOSPITALLERS**.

80. Chairman of the Board of the **SBO OF HOSPITALLERS**:

80.1. issues orders, other acts and claims of the user on all issues of the **SBO OF HOSPITALLERS** on the basis of and pursuant to the laws of the **ORDER OF THE HOSPITALLERS**, other decisions of the **GRAND PRIORY and MAGISTERIUM**, orders and orders of the authorized body and the present Charter;

80.2. approves, in consultation with the authorized body, the rules for the cash execution of the **ORDER OF THE HOSPITALLERS'** budget of the **SBO OF HOSPITALLERS**;

80.3. in accordance with applicable law disposes of all the **SBO OF HOSPITALLERS** property and funds, issues powers of attorney, establishes the procedure for the signing of the obligations and the issuance of powers of attorney on behalf of the **SBO OF HOSPITALLERS**, and also provides representation in all the activities of the **SBO OF HOSPITALLERS** in the bodies of the **GREAT PRIORY** and abroad;

80.4. creates, reorganizes and liquidates the institutions of the **SBO OF HOSPITALLERS** and the enterprises and organizations subordinated to it, transfers these enterprises and organizations to the economic calculation;

80.5. approves the staffing table of the central office of the **SBO OF HOSPITALLERS**, as well as the standard structures and standard staff of the **SBO OF HOSPITALLERS** institutions and its subordinate enterprises and organizations;

80.6. establishes the number and salary funds of employees of the institutions of the **SBO OF HOSPITALLERS** and enterprises and organizations subordinate to it within the limits of the labor plan;

80.7. appoints officials of the **SBO OF HOSPITALLERS** according to the established nomenclature and dismisses them, establishes official and personal salaries in accordance with the current legislation, encourages distinguished employees, imposes disciplinary penalties;

80.8. approves the regulations on the structural divisions of the central office of the **SBO OF HOSPITALLERS**, as well as on the institutions of the **SBO OF HOSPITALLERS**;

80.9. assigns duties to the Vice Chairman of the Board of **SBO OF HOSPITALLERS** sets the degree of responsibility of his deputies and heads of structural subdivisions of the Central apparatus of the **SBO OF HOSPITALLERS** for the state of Affairs in assigned work area.

80.10. Chairman of the Board of the **SBO OF HOSPITALLERS** may entrust the resolution of certain matters within its competence, the heads of the structural subdivisions of the Central apparatus of the **SBO OF HOSPITALLERS**, and managers of the **SBO OF HOSPITALLERS** firms and other institutions.

81. To ensure the proper discharge of the **SBO OF HOSPITALLERS** tasks in the field of lending, financing, payment and cash handling and other tasks Chairman of the Board of the **SBO OF HOSPITALLERS**:

81.1 permits within the equity of the result approved by the cash plan, the temporary release of money into circulation in excess of the cash plan, the emission result or decrease the set tasks for the withdrawal of money from circulation at the expense of available cash resources and / or increase their job withdrawal of money from circulation;

81.2. sets the maximum norms for spending cash from the proceeds of enterprises, associations, organizations and institutions;

81.3. defines the order of execution of the **SBO OF HOSPITALLERS** loan plans approved by the **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**;

81.4. establishes for certain branches of the national economy the procedure for crediting enterprises, associations and organizations;

81.5. decides, in accordance with the current legislation, on the postponement of repayment of loan arrears;

81.6. authorizes payments to repay foreign loans received by the **ORDER OF THE HOSPITALLEERS** within the limits of the amounts approved by the currency plan and within the time limits established by intergovernmental agreements;

81.7. submits to the authorized body for approval the amounts of interest rates and commission fees on active and passive transactions with the **SBO OF HOSPITALLEERS**, as well as interest rates on operations of the **ORDER OF THE HOSPITALLEERS** savings banks.

81.8. Chairman of the Board entitled to provide compensation to each of the members of the Board and of the Audit Committee on any or all obligations that arose as a result of their direct participation in the activities of the **SBO OF HOSPITALLEERS**; provided, however, that to obtain such reimbursement from the **SBO OF HOSPITALLEERS**, a member of the Board, the Audit Committee:

81.8.1. had to act in the best interests of the **SBO OF HOSPITALLEERS** to achieve the purposes specified in this Section in respect of the matter for which such member seeks such compensation;

81.8.2. in respect of the matter for which such member seeks compensation, he has not intentionally committed any wrongdoing or negligence.

82. The Board of the **SBO OF HOSPITALLEERS** exercise control over the compliance of institutions and the **SBO OF HOSPITALLEERS** business entities of the **ORDER OF THE HOSPITALLEERS**, of other decisions of the **GRAND PRIORY OF THE ORDER OF THE HOSPITALLEERS** and **MAGISTERIUM**, resolutions and orders of the authorized body, this Charter, orders, instructions and other acts of the **SBO OF HOSPITALLEERS**.

82.1. The Board of the **SBO OF HOSPITALLEERS** at its meetings considers:

82.1.1. the main issues of the organization of lending and payments, regulation of monetary circulation, finance, accounting, reporting, internal control and other issues of the **SBO OF HOSPITALLEERS**;

82.1.2. the **SBO OF HOSPITALLEERS** draft loans and cash plans, plans of foreign exchange receipts and the **SBO OF HOSPITALLEERS** payments transactions, and takes measures to ensure the implementation of these plans;



82.1.3. questions to guide the work of the **SBO OF HOSPITALLERS** institutions, savings banks of the **ORDER OF THE HOSPITALLERS** and subordinate to the **SBO OF HOSPITALLERS** enterprises and organizations;

82.1.4. the issues of recruitment, training and use of personnel;

82.1.5. the most important projects of the orders, instructions and other acts of the **SBO OF HOSPITALLERS**;

82.1.6. The **SBO OF HOSPITALLERS** annual report and balance, the consolidated annual report of savings banks of the **ORDER OF THE HOSPITALLERS**;

82.1.7. records of the governing offices of the **SBO OF HOSPITALLERS**, heads of structural subdivisions of the Central apparatus of the **SBO OF HOSPITALLERS**, as well as Chairman of the Board of savings banks of the **ORDER OF THE HOSPITALLERS**.

82.2. Decisions of the Board of the **SBO OF HOSPITALLERS** are implemented, as a rule, by orders of the Chairman of the Board of the **SBO OF HOSPITALLERS**. In case of disagreement between the Chairman and the Chairman of the Board implement the decision, reporting about the disagreements to the competent authority.

83. Country (host country) Department of the **SBO OF HOSPITALLERS** a board consisting of the manager of the branch (chairman of the board), his deputies and members of the board appointed by the Chairman of the Board of the **SBO OF HOSPITALLERS**.

83.1. The functions of the board of the Country (host country) Department of the **SBO OF HOSPITALLERS** are determined by the Chairman of the Board of the **SBO OF HOSPITALLERS**.

84. Country (host country) Department of the **SBO OF HOSPITALLERS** offices are defined by the Chairman of the Board of the **SBO OF HOSPITALLERS**.

85. The appointment and role of departments and heads of agencies of the **SBO OF HOSPITALLERS** is installed by the **SBO OF HOSPITALLERS**.

## **86. Composition of the Board of the SBO OF HOSPITALLERS**

86.1. The Management Board consists of at least three (3) members or more, unless the General Meeting changes the number of members of the Management Board by making a decision to reduce or increase, but not less than the number established by the current legislation. The Board consists of the Chairman, the Deputy(s) of the Chairman and other Board members. Members of the Management Board may be reappointed.

86.2. The Chairman of the Board is entitled to negotiate on behalf of the **SBO OF HOSPITALLERS** any civil contract, the relevant legislation of the **ORDER OF THE HOSPITALLERS**, and/or to transfer such powers to his deputies and employees of the **SBO OF HOSPITALLERS**, provided that if such contracts require the approval of the Board of Directors or General Meetings of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** in accordance with the present Charter, that such approval has already been received.

86.3. The Chairman of the Management Board is also authorized to sign any documentation issued by the **SBO OF HOSPITALLERS**, to sign financial, banking and accounting documents, as well as to exercise other powers provided for by the legislation of the **ORDER OF THE HOSPITALLERS**.

86.4. During the period when the Chairman of the Management Board is absent due to vacation, business trip, illness or other valid reasons, he may appoint one of the members of the Management Board as Acting Chairman of the Management Board on the basis of the relevant order.

## **87. Absence or incapacity of members of the Management Board**

87.1. Subject to the requirements of the Charter in the event that one or more members of the Board miss(es) for other reasons cannot perform their duties, the Chairman of the Board (or a Deputy(s) of the Chairman of the Board designated by the Chairman in case of absence or for other reasons, when he could not carry out these functions) cannot perform these functions until such members of the Board will not

provide its presence, or not able to perform their duties, or while such members of the Board are replaced in accordance with this Section.

## **88. Vacant positions in the Board of the SBO OF HOSPITALLERS**

88.1. If there is a vacancy in the Management Board, the Chairman of the Management Board appoints a successor, whose candidacy is approved at the next meeting of the Board of Directors.

## **89. Responsibilities of the Board of the SBO OF HOSPITALLERS**

89.1. The Management Board is authorized to carry out daily management of the activities of the **SBO OF HOSPITALLERS**. The Board establishes and organizes its work and acts in accordance with the legislation of the **ORDER OF THE HOSPITALLERS** and this Charter and in accordance with the internal policies and procedures of the **SBO OF HOSPITALLERS**.

89.2. The Chairman of the Management Board has the general authority to represent the **SBO OF HOSPITALLERS** to third parties.

## **90. Reporting on decisions of the Management Board**

90.1. Without prejudice to other provisions of this Charter the Management Board reports to the Board of Directors on matters determined by the internal policies and procedures of the **SBO OF HOSPITALLERS**.

## **91. BOARD OF DIRECTORS OF the SBO OF HOSPITALLERS**

### **91.1. Composition and appointment of the Board of Directors**

91.1.1. The Board of Directors consists of at least five (5) members, including the Chairman.

91.1.2. The members of the Board of Directors are elected at the General Meeting for a term of three (3) years.

91.1.3. Members of the Management Board and employees of the **SBO OF HOSPITALLERS** may not be members of the Board of Directors. Members of the Board of Directors may be reappointed.

91.1.4. **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**, whose representative is not a member of the Board of Directors may appoint an Observer to the Board of Directors and report of his appointment all the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**.

91.1.5. An Observer may participate in meetings of the Board of Directors with the right of an advisory vote.

## **91.2. Chairman of the Board of Directors**

91.2.1. Chairman of the Board of Directors is elected from among candidates proposed by the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, and **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**.

91.2.2. The Chairman of the Board of Directors is elected for a term of three (3) years and may be reappointed.

## **91.3. Termination of powers of a member of the Board of Directors**

91.3.1. A member of the Board of Directors may resign at any time by submitting a written notice to the Chairman of the Board of Directors at least 45 days before the date of resignation.

91.3.2. The functions of any member of the Board of Directors terminate upon the occurrence of his death, bankruptcy, restriction of his civil rights, recognition of incapacity or resignation.

#### **91.4. Vacant positions in the Board of Directors**

91.4.1. If the number of members of the Board of Directors becomes less than five (5) during the period between General Meetings and the Board of Directors forms a vacancy following the resignation of a member of the Board of Directors, the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**, who proposed the resignation of such member of the Board of Directors, may offer successor, whose candidacy must be approved at the next General Meeting.

91.4.2. The Board of Directors may temporarily approve a new member of the Board of Directors proposed an appropriately from the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**, a simple majority of votes until the next General Meeting.

#### **91.5. Participation in another bank**

91.5.1. Members of the Board of Directors may not be members of the Management Board, the Board of Directors or the Audit Committee of any other competing credit and financial organizations.

### **92. MEETINGS OF THE BOARD OF DIRECTORS OF THE SBO OF HOSPITALLERS**

#### **92.1. Meetings of the Board of Directors**

92.1.1. The Board of Directors meets in the main the **SBO OF HOSPITALLERS** office of the **ORDER OF THE HOSPITALLERS** or any other place and is convened by the Chairman of the Board of Directors on its own initiative or at the request of at least two members of the Board of Directors, at the request of the Board, the external auditor or competent authority governing the securities market. The Board of Directors

meets monthly. The Board of Directors appoints the Secretary of the Board to keep the minutes of the meetings of the Board of Directors.

## **92.2. Convocation of meetings of the Board of Directors of the SBO OF HOSPITALLERS**

92.2.1. Chairman of the Board of Directors convenes meetings of the Council and informs all the members of the Board of the date, place, time and agenda of the meeting, at least five (5) days before the meeting, excluding the day of the notice and the day of the meeting. In exceptional cases and with the consent of all members of the Board of Directors, a meeting of the Board of Directors may be called without the above-mentioned notice.

92.2.2. The **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**, may request the Chairman of the Board of Directors to convene a meeting of the Board. If the Board of Directors is convened within fifteen (15) days from the date of submission of such request the President of the Council, the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** is authorized to convene a meeting of the Board of Directors.

## **92.3. Methods of holding the meeting**

92.3.1. If it's not prohibited by the legislation of the **ORDER OF THE HOSPITALLERS**, the members of the Board of Directors may participate in Board meetings by telephone conference, IP Telephony, e-mail or similar communications equipment by which all persons participating in the meeting can hear each other. Participation is organized in such a way that the meeting is adopted as a personal presence at such meeting.

#### **92.4. Ways to approve decisions**

92.4.1. The Board of Directors may make decisions by correspondence, telephone conferences, IP Telephony, e-mail and any other means of communication, provided that the Board of Directors has approved such decisions in writing and the relevant notifications have been received by all members of the Board of Directors.

#### **92.5. Duly convened meetings**

92.5.1. Meetings of the Board of Directors are considered to be held properly if they are convened in accordance with the Charter and 2/3 of the total number of members of the Board of Directors are personally present.

#### **92.6. Voting of the members of the Board of Directors**

92.6.1. Each member of the Council has one vote. Unless otherwise stipulated in these Articles of Association, decisions and recommendations to the General Meeting are adopted by a majority vote (simple majority) of the members of the Board of Directors present at a duly convened meeting of the Board of Directors.

#### **92.7. Minutes of meetings of the Board of Directors**

92.7.1. Decisions of the Board of Directors are recorded in the form of Minutes by the Secretary appointed by the Board in accordance with the Charter. The minutes indicate the agenda, the names of the members of the Board of Directors present, and the number of votes received on each decision. The original minutes of the meetings of the Board of Directors signed by the Chairman of the Board of Directors and Secretary of the Council who present at the meeting. Each member of the Board of Directors present at the meeting also signs a facsimile copy of the minutes.

92.7.2. The minutes of the meeting of the Board of Directors are drawn up in French and Russian.

92.7.3. Copies of the minutes of the meetings of the Board of Directors are sent to the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, and **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** at their written request.

### **93. Responsibilities of the Board of Directors of the SBO OF HOSPITALLERS**

#### **93.1. General responsibilities of the Board of Directors**

93.1.1. Even if the Articles of Association indicate otherwise, it is the responsibility of the Board of Directors to oversee the Management Board, the general state of affairs in the **SBO OF HOSPITALLERS** and the related business activities of the **SBO OF HOSPITALLERS**. The Board of Directors provides assistance and advice to the Management Board whenever it deems it necessary or desirable, and whenever the Management Board seeks advice. The Board of Directors organizes its work, and operates in accordance with the legislation of the **ORDER OF THE HOSPITALLERS** and the present Charter and in accordance with internal policies and the **SBO OF HOSPITALLERS** procedures.

#### **93.2. The main policies of the SBO OF HOSPITALLERS**

93.2.1. The Board of Directors determines the main policies of the **SBO OF HOSPITALLERS** in accordance with the basic principles established by the General Meeting. These policies should include the implementation of the recommendations of the **INTERNATIONAL TREASURY MONETARY ONE** and the **Basel Committee on Banking Supervision**.

#### **93.3. Exclusive competence of the Board of Directors**

The exclusive competence of the Board of Directors includes the following powers:



93.3.1. defining the strategic goals of the **SBO OF HOSPITALLERS** and forming its policy;

93.3.2. determination and approval of the internal policy for all types of activities of the **SBO OF HOSPITALLERS**;

93.3.3. approval of the internal auditor and his remuneration;

93.3.4. appointment and removal of members of the Board of the **SBO OF HOSPITALLERS** in accordance with the Charter;

93.3.5. approval of the terms and conditions of remuneration of the members of the Board of the **SBO OF HOSPITALLERS**;

93.3.6. approval of the organizational structure of the **SBO OF HOSPITALLERS**;

93.3.7. establishment and / or liquidation of branches, savings banks and representative offices of the **SBO OF HOSPITALLERS**;

93.3.8. review of the results and taking measures based on the results of audits;

93.3.9. study of the balance sheet and profit statement in order to verify their compliance with the books and documents of the **SBO OF HOSPITALLERS**;

93.3.10. study of the explanatory notes of the Management Board and the recommendations of the Management Board on the distribution of profit and loss coverage;

93.3.11. submission of the annual financial report of the **SBO OF HOSPITALLERS** and other documents for consideration by the General Meeting;

93.3.12. approval of the standards for the presentation of the **SBO OF HOSPITALLERS** to third parties in accordance with this Charter.

93.3.13. approval for the sale, lease or other disposition of property in the amount equal to 20% or more of the total value of the assets of the **SBO OF HOSPITALLERS**, including but not limited to the following:

93.3.13.1. sale of immovable property registered in the name of the **SBO OF HOSPITALLERS**;

93.3.13.2. purchase of immovable property in accordance with the needs of the **SBO OF HOSPITALLERS**;

93.3.13.3. renting of immovable property belonging to the **SBO OF HOSPITALLERS**;

93.3.13.4. purchase of immovable property encumbered by obligations in the event of its liquidation;

93.3.14. convocation and preparation for annual and extraordinary General Meetings;

93.3.15. the recommendations of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** on the size of dividends on shares and the procedure for their payment;

93.3.16. approval of the issuance of loans and the conclusion of other interested transactions between the bank and its insiders within the limits set by the **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**;

93.3.17. control over the execution of decisions of the General Meeting;

93.3.18. approval of any transactions for an amount equal to 20% or more of the total book value of the assets of the **SBO OF HOSPITALLERS** as of the date of making such a decision;

93.3.19. submission of recommendations to the General Meeting on the amount, terms and procedure for increasing or decreasing the number of Shares;

93.3.20. election of the Secretary of the Board of Directors;

93.3.21. submission of recommendations to the General Meeting on the reorganization of the **SBO OF HOSPITALLERS**;

93.3.22. other powers provided for by the legislation of the **ORDER OF THE HOSPITALLERS**, which fall under the exclusive competence of the Board of Directors.

#### **93.4. Delegation of authority by the Board of Directors**

93.4.1. The Board of Directors may, by a unanimous decision of all its members, delegate to the Management Board certain decision-making powers (with the exception of powers delegated to the Board by the General Meeting and powers related to the exclusive powers of the Board of Directors). Any delegation by the Council under this Section may be revoked only by a unanimous vote of all members of the Council. The revocation of such powers does not affect the validity of decisions taken in accordance with such delegated powers until the moment of their revocation.

93.4.2. The Board of Directors carries out its activities collectively, provided, however, that the Board of Directors may delegate specific Supervisory authority to certain members of the Board of Directors on a permanent or temporary basis, and with the additional proviso that such members of the Board of Directors acting on its behalf, are not empowered to take decisions on matters within the competence of the **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**.

### **93.5. The parties concerned**

93.5.1. Unless otherwise provided in this Charter, the Board member will not vote at Council meetings on any decision concerning the matter in which he has a direct or indirect material interest or commitment that are or may come into conflict with the interests of the **SBO OF HOSPITALLERS**, including the following items:

93.5.1.1. the decision relates to the transfer to such a member of a guarantee, security or compensation in respect of money lent or an obligation assumed by such a member for the benefit of the **SBO OF HOSPITALLERS** or for the benefit of any of its branches or subsidiaries;

93.5.1.2. the decision is related to the provision to a third party of a guarantee, security or compensation in respect of the obligation of the **SBO OF HOSPITALLERS**, or any of its branches or subsidiaries, in respect of which this member of the Board of Directors is responsible in whole or in part, whether alone or together with others, under a guarantee or compensation or by providing security;

93.5.1.3. the interest arises from the purchase or commitment to purchase any securities of the **SBO OF HOSPITALLERS** or any of its subsidiaries or through, or the intention to become a party to the guarantee or secondary guarantee offers of the **SBO OF HOSPITALLERS** or any of its subsidiaries of such securities for subscription, purchase or exchange;

93.5.1.4. the decision in any way related to retirement benefit scheme, approved or conditionally approved before the approval of the tax authorities for tax purposes; or

93.5.1.5. the decision is in any way related to the transactions provided for in the Technical Assistance Agreement, or to loans or other forms of credit provided by the

**GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** in favor of the **SBO OF HOSPITALLERS**.

**94. BOARD OF the SBO OF HOSPITALLERS**

**94.1. Appointment of the Board of the SBO OF HOSPITALLERS**

94.1.1. According to the requirements of the vote, the Board appointed by the Board of Directors from among candidates proposed by a member of the Board of Directors, which is **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS, GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**.

94.1.2. The **SBO OF HOSPITALLERS** in the face of a member of the Board of Directors is appointed to act on behalf of the Board of Directors contracts with Board members that define their rights, duties and responsibilities and conditions of employment and the termination of the contract in accordance with the requirements of this Charter and laws of the **ORDER OF THE HOSPITALLERS**.

**95. MEETINGS OF THE BOARD OF THE SBO OF HOSPITALLERS**

**95.1. Meetings of the Board of the SBO OF HOSPITALLERS**

95.1.1. The Management Board meets on days determined by itself, but at least once a month, as well as whenever it is called by the Chairman of the Management Board. All Board meetings are held at the office of the **SBO OF HOSPITALLERS** in the city or at any other place of the Board's choice. The Management Board appoints a person to keep the minutes of the Management Board meetings. The minutes are kept in English, French and Russian.

**95.2. Voting of the Board of the SBO OF HOSPITALLERS**

95.2.1. Decisions at a meeting of the Board by a simple majority of votes, provided that the presence of the Chairman or Deputy(s) of the Chairman and the Board members.

### **95.3. Personal interest of the members of the Management Board**

95.3.1. In the case when the interests of the **SBO OF HOSPITALLERS** contradict personal interests or duties of a Board member, the Board member abstain from participating in such matters and ask that kind of conflict of interest was recorded in the minutes of the Board meeting at which such matters are addressed, provided that such transaction in which the Board member has a personal interest, approved by the Board of Directors.

95.3.2. A member of the Management Board may not, without the consent of the Board of Directors, work in any other business or participate as a partner or member in the management bodies of any other company.

96. Organization and holding of the General meeting of the **GRAND PRIORY, the CHANCERY OF THE ORDER OF THE HOSPITALLERS, GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS.**

#### **96.1. Terms of General Meetings**

96.1.1. **GRAND PRIORY, the CHANCERY OF THE ORDER OF THE HOSPITALLERS, GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** hold annual General meetings and Extraordinary General Meetings. Annual General Meetings must be held no later than 1 April of each year following the reporting year after the receipt of the independent external auditor's report. The Annual General Meeting is held independently of all other meetings of the **GRAND PRIORY, the CHANCERY OF THE ORDER OF THE HOSPITALLERS, and GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS.** Extraordinary General Meetings are convened in accordance with this Section.

## **96.2. Venue of the General Meeting.**

96.2.1. General Meetings of **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, and **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** may be held:

96.2.1.1. in the Cathedral building of the **GRAND PRIORY**; or

96.2.1.2. in any other place outside of the Cathedral building of the **GRAND PRIORY**, as decided by the authorized persons of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**.

## **96.3. Notice of the General Meeting**

96.3.1. Notice of the date, venue, time, agenda and modalities for the participation of trusted entities in the Collection are sent to the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** and specialist Registrar by email, Fax, courier or registered mail at least thirty (30) days before the date of the General Meeting, excluding the day of the notice and the day of the Assembly.

## **96.4. Chairman of the General Meeting**

96.4.1. The Chairman of the General Meeting is elected at each General Meeting from among the members of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**, or their authorized representatives present at such a meeting.

## **96.5. The Chairman of the General Meeting**

96.5.1. The Board of Directors is the main responsible body for convening General Meetings.

96.5.2. The **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**, may convene an Extraordinary General Meeting and can submit their questions for inclusion in the agenda. Such a request to convene a general meeting must be submitted to the Board of Directors, which convenes an Extraordinary General Meeting in compliance with the requirements provided for in the Sections of the Articles of Association above.

96.5.3. The Board of the **SBO OF HOSPITALLERS** has the right to convene an Extraordinary General Meeting with the participation of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, and **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** and can offer their questions for inclusion in the agenda. Such a request to convene a general meeting must be submitted to the Board of Directors, which convenes an Extraordinary General Meeting in compliance with the requirements provided for in the Section of the Articles of Association above.

96.5.4. Competent authority of **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** regulating the securities market has the right to convene an Extraordinary General Meeting in case of violation of the **SBO OF HOSPITALLERS** legislation regulating the securities market.

## **96.6. Agenda of the Annual General Meeting**

96.6.1. The agenda of the Annual General Meeting contains, among other things, the following issues:

96.6.1.1. approval of the written Annual Report of the Management Board on the affairs of the **SBO OF HOSPITALLERS** and the activities carried out in the previous year;

96.6.1.2. approval of the financial statements, balance sheet, profit and loss statement of the **SBO OF HOSPITALLERS** employees for the previous year;

96.6.1.3. distribution of profits and distribution of dividends;

96.6.1.4. approval of the annual budget (financial plan) and the report on its implementation;

96.6.1.5. election of members of the Board of Directors and / or early release of members of the Board of Directors in accordance with the Sections of the Charter and determination of their remuneration;

96.6.1.6. appointment of members of the Audit Committee in accordance with the Sections of the Charter;

96.6.1.7. release of members of the Management Board, the Audit Committee and the Board of Directors for any or all obligations that arose as a result of their management and supervision of the activities of the **SBO OF HOSPITALLERS** in the previous year in accordance with the Sections of the Charter;

96.6.1.8. allocation and withdrawal of funds from the reserves of the **SBO OF HOSPITALLERS** and other trust funds;

96.6.1.9. appointment of an independent internationally recognized external auditor and determination of the terms and amount of his remuneration;

96.6.1.10. other matters that fall within the competence of the General Meeting in accordance with the legislation of the **ORDER OF THE HOSPITALLERS**.

96.6.2. The Chairman of the General Meeting has no right, at his own discretion, to exclude issues from the agenda or to change the agenda;

### **96.7. Issues not included in the agenda**

96.7.1. The decision on the issue not on the agenda cannot be made in the General Meeting, except when the members of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** represented at the General Meeting and none of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** had no objection to this decision.

### **96.8. Competence of meetings**

96.8.1. Unless otherwise provided by legislation of the **ORDER OF THE HOSPITALLERS**, the General Meeting shall be valid if it is carried out in accordance



with this Section of the Charter, and if for membership, registered members of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**, or their authorized representatives have the right to vote.

#### **96.9. Refusal to notify the General Meeting**

96.9.1. Decisions may be taken without a formal convening of the General Meeting, if the members of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** and they are all entitled to take such a decision, and not one of those present had no objection to the holding of the General Meeting and the inclusion in the agenda of certain issues, provided that all the members of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** unanimously voted for such decisions.

#### **96.10. Methods of holding the General Meeting**

96.10.1. If it is not prohibited by the legislation of the **ORDER OF THE HOSPITALLERS**, the members of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** are unable to participate in the meeting by telephone conference or similar communications equipment by which all persons participating in the General Meeting can hear each other. Such a participation in the General Meeting is adopted as a personal presence in that meeting.

#### **96.11. Resolutions of the General Meeting adopted by absentee voting**

96.11.1. The General Meeting may take a decision in the form of absentee voting (by poll.) as stipulated by the legislation of the **ORDER OF THE HOSPITALLERS**. Such General Meeting may decide on any matters prescribed by Charter, except for the

issues specified in paragraphs solutions of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, and **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**. Decisions of the General Meeting adopted by ballot are deemed approved if the voting was authorized persons from **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, and **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**. Absentee voting is carried out using voting ballots, as provided for in the Charter. In absentee voting, ballots submitted by members of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** in the **SBO OF HOSPITALLERS**, must be certified or certified by a Specialized Registrar. Specialized Registrar notifies the members of **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** on the results of the vote within 30 days after the decision.

#### **96.12. Minutes of the General Meeting**

96.12.1. The Chairman of the General Meeting appoints a Secretary who keeps the minutes of the meeting during the General Assembly, the original of the Protocol is signed by the Chairman of the General Meeting, the Secretary of the General Meeting and with the Specialized Registrar who is present at such meeting, provided that each of the members of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** who are present at the meeting, confirm the contents of the Protocol by signing facsimile copies of the Protocol. The Board members file the Minutes in the minute's book, which is kept at the head office of the **SBO OF HOSPITALLERS**. The protocol should be in French and Russian. Copies of the minutes of each meeting are sent to each member of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, and **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**.

### **96.13. Attendance list for the General Meeting**

96.13.1. Attendance list containing the names of individuals representing members of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** at the General Meeting and the number of Shares submitted by each of them specialized and signed by the Registrar, are made before the opening of the meeting and are available during the meeting.

### **96.14. Appointment of External Auditors**

96.14.1. In accordance with these Articles of Association, the General Meeting appoints an independent, internationally recognized external auditor to audit the annual financial statements and the report on the activities of the **SBO OF HOSPITALLERS** prepared by the Management Board and for submission of a written report containing an opinion on the above. The General Meeting approves the auditor's remuneration at any time.

## **XIII. Responsibility of the SBO OF HOSPITALLERS for its operations**

97. In case of improper issuance of the **SBO OF HOSPITALLERS** cash or improper crediting to the accounts of the **SBO OF HOSPITALLERS**, it is responsible for damage caused by customers within incorrectly issued or credited amounts, unless it is determined that the incorrect issuance or transfer of funds made by the fault of the customers.

97.1. In all other cases, the liability of the **SBO OF HOSPITALLERS** to the client is limited to the fine provided for in the Regulation on Penalties for Violation of the Rules for performing Settlement operations.

## **XIV. Accounting and reporting of the SBO OF HOSPITALLERS and audit of the activities of its institutions**

98. The rules for keeping records and organizing document flow in the institutions of the **SBO OF HOSPITALLERS** are established by the **SBO OF HOSPITALLERS**.

99. The annual report and balance sheet of the **SBO OF HOSPITALLERS** are submitted to the authorized body for approval no later than April 30 of the following reporting year.

100. the **SBO OF HOSPITALLERS** debit balance is uncollectible to debt, shortages and losses of inventory owned by the **SBO OF HOSPITALLERS**, obsolete, worn out, and unfit for further use of equipment and vehicles, as well as expenses for discontinued and unrealized capital work done with the permission of the Chairman of the Board of the **SBO OF HOSPITALLERS**, with the exception of cases when such cancellation can be made only with the permission of the authority.

101. Audit of the **SBO OF HOSPITALLERS** institutions is carried out by the audit office of the **SBO OF HOSPITALLERS**. The organization of the audit apparatus, its subordination, the order and frequency of audits of the institutions of the **SBO OF HOSPITALLERS** are established by the **SBO OF HOSPITALLERS**. The responsibility for the organization and state of the audit work in the system of the **SBO OF HOSPITALLERS** is borne by the chief auditor of the **SBO OF HOSPITALLERS**. The Chief Auditor of the **SBO OF HOSPITALLERS** is a member of the Board of the **SBO OF HOSPITALLERS**.

102. The auditors of the **SBO OF HOSPITALLERS** have the right to receive from enterprises, associations, organizations and institutions certificates and copies of documents on the operations of the audited institutions of the **SBO OF HOSPITALLERS**.

## **XV. Notices and other communications**

### **103. Notifications**

103.1. All notices of convocation of meetings and other communications concerning the matters set forth in this Charter shall be made in Russian, English, French and delivered to all parties involved in person or by registered mail, by courier, by tested telex or fax. The notification will be considered received and valid:

103.2. on the day of delivery, if delivered in person, by registered mail or courier service, or

103.3. in the case of a facsimile transmission or a tested telex on the next business day after it was sent, provided that the confirmation of the facsimile transmission, the telex return response or the signature of the recipient is received.

103.4. Any notice to any member of the Board of Directors, the management Board, the Audit Committee addressed to the **SBO OF HOSPITALLERS** with address the **SBO OF HOSPITALLERS**. Any notice to a member of the Board of Directors, the management Board, the Audit Committee addressed as the **SBO OF HOSPITALLERS** to the address or Fax/telex numbers that is recorded in documents as the **SBO OF HOSPITALLERS** in respect of such member. For this purpose, each such member is required to provide an address, telephone number, facsimile/ telex number to the **SBO OF HOSPITALLERS** and to keep the **SBO OF HOSPITALLERS** informed of any changes in this regard.

## **XVI. The Audit Committee**

### **104.1. Composition and appointment of the Audit Committee**

The Audit Committee consists of at least three (3) independent members of the Board of Directors appointed by the General Meeting for a one-year term. Members of the Audit Committee may not be members of the Management Board, as well as members of the Management Board and the Board of Directors of any other banks. **GRAND PRIORY, the CHANCERY OF THE ORDER OF THE HOSPITALLERS, GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** may also select an Observer to the Audit Committee to assist in the performance of audit duties and approve it at the General Meeting. An observer may participate in the meetings of the Audit Committee with the right of an advisory vote.

## **104.2. Powers of the Audit Committee**

104.2.1. The Audit Committee is convened by the Bank's Board of Directors or two members of the Audit Committee at least once a quarter.

104.2.2. The main responsibilities of the Audit Committee are as follows:

104.2.2.1. Ensuring the establishment and maintenance of appropriate accounting procedures and internal control systems in the **SBO OF HOSPITALLERS**;

104.2.2.2. Development of recommendations to the General Meeting on the appointment of external auditors and, if necessary, initiation of special audits with the participation of **ORDER OF THE HOSPITALLERS**, involvement of experts to assist the Audit Committee;

104.2.2.3. Supervising compliance with the legislation, including the regulations of the **ORDER OF THE HOSPITALLERS**, and submitting a report on this issue to the Board of Directors;

104.2.2.4. Development of an annual and, if necessary, quarterly Audit Plan and preparation of an Audit Report in accordance with the requirements of the legislation of the **ORDER OF THE HOSPITALLERS** and their approval by the Board of Directors;

104.2.2.5. Performing other duties as required by the legislation of the **ORDER OF THE HOSPITALLERS** and the regulations of the **ORDER OF THE HOSPITALLERS**.

## **104.3. Appointment and approval of the Internal Auditor**

104.3.1. The Board of the **SBO OF HOSPITALLERS** proposes a candidate for the Internal Auditor (s) that is approved by the Board of Directors. The Internal Auditor (s) reports directly to the Board of Directors.

## **104.4. Powers of the Internal Auditor**

104.4.1. Internal Auditor of the **SBO OF HOSPITALLERS** must perform his or her duties in accordance with the requirements of the legislation of the **ORDER OF**

**THE HOSPITALLERS**, normative legal acts of the **ORDER OF THE HOSPITALLERS** and internal policies of the **SBO OF HOSPITALLERS**. Internal Auditor of the **SBO OF HOSPITALLERS** must carry out an internal audit to assess the adequacy and effectiveness of the internal control system of the **SBO OF HOSPITALLERS**, as well as to monitor the performance of officials of the **SBO OF HOSPITALLERS** of their duties in accordance with existing standards, monitor compliance with legislation and other issues in accordance with Bank standards. The Internal Auditor prepares and submits its reports to the Audit Committee and the Board of Directors.

## **XVII. Financial statements of the SBO OF HOSPITALLERS**

### **105.1. Fiscal year of the SBO OF HOSPITALLERS**

105.1.1. The fiscal year of **SBO OF HOSPITALLERS** coincides with the calendar year. The first fiscal year begins on the date of registration of the **SBO OF HOSPITALLERS**.

### **105.2. Financial statements of the SBO OF HOSPITALLERS**

105.2.1. The Board prepares its financial statements of the **SBO OF HOSPITALLERS** in accordance with the requirements of the legislation of the **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** and in accordance with the internal rules and policies of the **SBO OF HOSPITALLERS**. The financial records of the **SBO OF HOSPITALLERS** are kept in ECU. The financial statements of the **SBO OF HOSPITALLERS** are prepared in XAU, Gold ECUs, Gold Soviet Rubles, Gold US Dollars, Gold Yuan, US Dollars, and EUROS on the basis of conversion to financial records at the exchange rate at the balance sheet date. The annual financial statements of the Bank prepared in English, French, Russian, and those financial statements that are required by the legislation of the **ORDER OF THE HOSPITALLERS** in French and/or Russian languages, and must comply with the

legislation of the **ORDER OF THE HOSPITALLERS**, and can be prepared in accordance with generally accepted international accounting principles. In addition, the Management Board submits the annual financial statements, as well as the report on the activities of the **SBO OF HOSPITALLERS**, for review to an independent internationally recognized external auditor.

105.2.2. The annual financial reports of the **SBO OF HOSPITALLERS** are signed by all members of the Management Board. If there is no signature, the reason for its absence is indicated in such financial statements.

### **105.3. Submission of annual financial reports to the Board of Directors**

105.3.1. Until the fifteenth of March of each year the Board submits the following documents for consideration by the Board of Directors: annual financial report of the **SBO OF HOSPITALLERS**, a written report of the management Board on the activities of the **SBO OF HOSPITALLERS** during this period, the proposal of the Board of placement of profits or coverage of losses (if applicable) of the **SBO OF HOSPITALLERS** on the distribution of dividends, as well as a report on these positions from an independent internationally recognized external auditor of the **SBO OF HOSPITALLERS**.

105.4. Submission of annual financial reports to the **GRAND PRIORY, the CHANCERY OF THE ORDER OF THE HOSPITALLERS, GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**.

105.4.1. Copies of the annual financial report of the **SBO OF HOSPITALLERS**, the written report of the Management Board on the activities of the **SBO OF HOSPITALLERS** for this period, the proposal of the Management Board to place profits or cover losses (if applicable) of the **SBO OF HOSPITALLERS** and the distribution of dividends, and report on these positions from an internationally recognized independent external auditor of the **SBO OF HOSPITALLERS**, as well as a copy of the report of the Board of Directors on such documents are submitted to **GRAND PRIORY, the CHANCERY OF THE ORDER OF THE HOSPITALLERS, GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** at



their request no later than, less than twenty (20) days before the date of the Annual General Meeting.

105.5. Publication in the mass media and submission of annual financial reports

105.5.1. The Board publishes an annual financial reports of the **SBO OF HOSPITALLERS** after the audit, the external auditor in the media no later than one hundred twenty (120) days after the end of each fiscal year of the **SBO OF HOSPITALLERS** and presents data on the annual financial statements to the **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS** within three (3) days after publication in the media.

**XVIII. Publication in the mass media and submission of annual financial reports**

**106.1. Presentation of the SBO OF HOSPITALLERS**

106.1.1. Representation of the **SBO OF HOSPITALLERS** to third parties to be in compliance with this Charter and to the extent established by the legislation of the **ORDER OF THE HOSPITALLERS**.

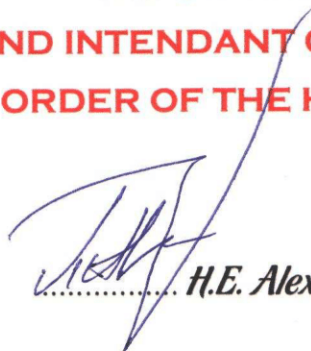
106.1.2. The members of the Board of Directors authorized to represent the **SBO OF HOSPITALLERS** to third parties only to the extent established by the legislation of the **ORDER OF THE HOSPITALLERS**.

106.1.3. General authority to represent the **SBO OF HOSPITALLERS** is assigned to the Chairman of the Board.

106.1.4. Standards of Performance of the **SBO OF HOSPITALLERS** to third parties are approved by the Board of Directors in the Procedure of authorized signatures of **GRAND PRIORY**, the **CHANCERY OF THE ORDER OF THE HOSPITALLERS**, and **GRAND INTENDANT OF PATRIMONY OF THE ORDER OF THE HOSPITALLERS**.

The document Approved by:

**THE GRAND MAGISTERIUM  
AND GRAND INTENDANT OF PATRIMONY  
OF THE ORDER OF THE HOSPITALLERS**

  
..... *H.E. Alexander N. Paramonov*

**THE INTERNATIONAL TREASURY MONETARY ONE  
DEPUTY CHIEF TREASURER**

By the decision of Sovereign, information is not provided  
По Решению Суверена информация не предоставляется

