

APPROVED
by the resolution of the Board of
Directors of RBC OJSC
dated June 17, 2011
(Minutes No. 22 dated June 17, 2011)

REGULATIONS
on internal control over the financial and business activities
of RBC OJSC

1. GENERAL PROVISIONS

- 1.1. These Regulations on the internal control over the financial and business activities (hereinafter, the “Regulations”) of RBC Open Joint-Stock Company (hereinafter, the “Company”) have been approved in accordance with the applicable laws and the Company’s Articles of Association (hereinafter, the “Articles of Association”).
- 1.2. These Regulations shall define the concept, purposes and procedures for the Company’s internal control (hereinafter, “internal control”), the functions of the Audit and Oversight Division (hereinafter, the “Audit and Oversight Department”) related to the supervision of the Company’s compliance with internal control procedures.

2. DEFINITION OF INTERNAL CONTROL, ITS MAIN PURPOSES, AREAS AND PROCEDURES

- 2.1. Internal control means a process exercised by the Board of Directors, executive and supervisory bodies, officers and other employees of the Company, aimed at providing reasonable guarantees for the Company’s accomplishment of set goals.
- 2.2. Main purposes of internal control:
 - 2.2.1. efficiency of the Company’s business activities;
 - 2.2.2. reliability and accuracy of all types of the Company’s reports;
 - 2.2.3. compliance with requirements of law and the Company’s internal documents.
- 2.3. The purposes of exercising internal control:
 - 2.3.1. timely discovery and analysis of risks related to the Company’s activities;
 - 2.3.2. ensure the accuracy of financial data, management and the Company’s reports;
 - 2.3.3. implement the Company’s financial and business plans;
 - 2.3.4. ensure the integrity of the Company’s assets, and efficient use of the Company’s resources;
 - 2.3.5. provide assistance in the creation of the best organizational structure within the Company;
 - 2.3.6. compliance with requirements of applicable legal acts and internal procedures implemented at the Company.
- 2.4. Areas of internal control:
 - 2.4.1. assess the efficiency of the Company’s organizational structure;
 - 2.4.2. control the main areas of financial and business activities of the Company, analyze the results of such activities;
 - 2.4.3. control the Company’s compliance with financial regulations and implementation of decisions adopted by the Company’s management bodies and executives;
 - 2.4.4. ensure sufficient reliability of the accuracy of the Company’s financial statement and its compliance with the procedures for preparing such statement, as well as compliance with accounting requirements in the Company;
 - 2.4.5. control the implementation of the budget of the Company and its structural divisions;
 - 2.4.6. oversee the compliance of the Company’s agreements with third parties with the financial and business interests of the Company;
 - 2.4.7. oversee the compliance of internal documents and draft resolutions of the Company’s management bodies with the financial and business interests of the Company.
- 2.5. Internal control procedures:
 - 2.5.1. determine the purposes and tasks that are interrelated, but not contradictory at different management levels of the Company.
 - 2.5.2. distribution and delegation of key powers and responsibilities within the Company, ensure efficient cooperation between the Company’s departments and employees;

- 2.5.3. determine and analyze potential risks for the Company that could prevent it from attaining the purposes of its activity;
 - 2.5.4. organize the system for collecting, processing and transferring information, including the drafting of reports and notices that contain operational, financial and other information about the Company's activities, as well as determine efficient means of communication that ensure vertical and horizontal cooperation within the Company;
 - 2.5.5. notify all of the Company's employees about their responsibilities in matters of internal control;
 - 2.5.6. determine the criteria for assessing the work efficiency of the Company's departments, officers and other employees;
 - 2.5.7. use of adequate means of reporting on events, operations and transactions;
 - 2.5.8. check the integrity of assets;
 - 2.5.9. approval and implementation of operations only by those individuals vested with the respective powers;
 - 2.5.10. properly document internal control procedures;
 - 2.5.11. divide key responsibilities between the Company's employees, including responsibilities for the approval of operations, reporting on operations, issuing, storing and receiving resources, and for the analysis and examination of operations;
 - 2.5.12. designate access of members of the Company's executive and supervisory bodies, as well as other Company employees to certain resources and information, determine responsibility for unauthorized access;
 - 2.5.13. regulate the criteria for determining the quality of the internal control system.
- 2.6. A person acting as the sole executive body of the Company shall be accountable for the organization of internal control within the Company. Department heads and other employees of the Company shall be accountable in accordance with their functions for the development, recording, implementation, monitoring and development of internal control in their respective areas.
- In order to perform the functions related to internal control in the Company's operations, special jobs may be introduced and special departments may be formed.

3. ASSESSMENT OF INTERNAL CONTROL SYSTEM'S STATE AND FUNCTIONING

- 3.1. The Audit and Compliance Committee of the Company's Board of Directors shall evaluate the efficiency of the internal control system within the Company.
- 3.2. The immediate evaluation of the adequacy, sufficiency and efficiency of the internal control system, as well as supervision over compliance with internal control procedures shall be carried out by a separate department in the Company – the Audit and Oversight Department.
- 3.3. For the abovementioned purposes, the Audit and Oversight Department shall carry out the following activities related to oversight of the compliance with internal control procedures:
 - 3.3.1. organize audits and internal investigations related to the Company's key financial and business activities, including those performed in tandem with other departments of the Company;
 - 3.3.2. analyze and sum up results of audits and internal investigations (including those conducted by other departments of the Company) related to the Company's key financial and business activities;
 - 3.3.3. coordinate activities of the Company's departments related to internal control measures;
 - 3.3.4. record violations discovered while exercising internal control and submit information on such violations to the Audit and Compliance Committee of the Company's Board of Directors and executive bodies;

- 3.3.5. supervise the rectification of violations uncovered as a result of audits and internal investigations;
- 3.3.6. analyze the results of Company audits, exercise control over the development and implementation of measures intended to rectify violations uncovered as a result of audits;
- 3.3.7. prepare proposals on improving internal control procedures;
- 3.3.8. develop documents regulating activities of the Audit and Oversight Department.

4. ORGANIZATION OF THE AUDIT AND OVERSIGHT DEPARTMENT'S OPERATIONS

- 4.1. The Audit and Oversight Department and its employees shall be governed by the current legislation, the Articles of Association, these Regulations and other internal documents of the Company.
- 4.2. The Audit and Oversight Department shall be led by the head of the Audit and Oversight Department, who is appointed (dismissed) by the Company's Board of Directors. The Company's General Director shall conclude an employment contract with the head of the Audit and Oversight Department on behalf of the Company.
- 4.3. The Company's Board of Directors shall determine the amount of remuneration payable to the head of the Audit and Oversight Department.
- 4.4. The Company's Board of Directors shall approve the requirements for Audit and Oversight Department candidates and the procedure for their appointment.
- 4.5. The employees of the Audit and Oversight Department shall use the information obtained during the performance of their functions strictly in the interests of the Company and in compliance with the Company's internal documents.
- 4.6. The head of the Audit and Oversight Department shall be vested with the following powers:
 - 4.6.1. to distribute obligations among employees and organize the work of the Audit and Oversight Department;
 - 4.6.2. to convene and hold meetings and consultations to discuss issues that fall within the authority of the Audit and Oversight Department;
 - 4.6.3. to request from the bodies and departments of the Company all necessary documents and information;
 - 4.6.4. to request from the Company's employees explanations and commentaries which are necessary to monitor compliance with the internal control procedures;
 - 4.6.5. to require the Company's employees to provide information about the implementation of decisions approved by the Company's management bodies and other executives following inspections and internal investigations of the Company's financial and business operations;
 - 4.6.6. upon approval by the Company's executive body or its proxy to engage employees of the Company's other divisions to conduct inspections and internal investigations;
 - 4.6.7. to submit proposals on incentives for the Company's employees;
 - 4.6.8. to submit proposals to hold accountable employees for violations committed;
 - 4.6.9. to notify the Audit and Compliance Committee of the Board of Directors and the sole executive body about internal control violations;
 - 4.6.10. to perform other functions specified in the Regulations on the Audit and Oversight Department.
- 4.7. While performing its functions, the Audit and Oversight Department shall prepare statements, conclusions, reports, recommendations and other documents to be signed by the head of the Audit and Oversight Department. These documents shall be submitted to the Audit and Compliance Committee of the Board of Directors and the sole executive body of the Company.

- 4.8. The Audit and Oversight Department shall submit annual reports to the Audit and Compliance Committee of the Board of Directors and the sole executive body of the Company.
- 4.9. While monitoring the compliance with internal control procedures, the Audit and Oversight Department shall collaborate with management bodies and divisions of the Company by receiving the explanations, information and documents necessary to perform its functions in line with the established procedure.