

Joint Stock Company “Savings Bank” Belarusbank
Minsk

APPROVED

by the General Meeting of
Shareholders of Belarusbank

28.12.2017, Minutes No.6.2

CODE OF CORPORATE GOVERNANCE
OF JOINT STOCK COMPANY
“SAVINGS BANK “BELARUSBANK”
AND BANK HOLDING

(with subsequent amendments and addenda as of 28.08.2020)

List of addenda and amendments:

- * 1. Addendum 1 to the Code of Corporate Governance of Joint Stock Company “Savings Bank “Belarusbank” and the bank holding
Approved by the General Meeting of Shareholders of Belarusbank
February 1, 2019 (Minutes No.2.1).
- 2. Addendum 2 to the Code of Corporate Governance of Joint Stock Company “Savings Bank “Belarusbank” and the bank holding
Approved by the General Meeting of Shareholders of Belarusbank
August 28, 2020 (Minutes No.№ 5.1).

SECTION 1
GENERAL PROVISIONS

The Code of Corporate Governance of Joint Stock Company “Savings Bank “Belarusbank” and the bank holding (hereinafter “The Code”) is a set of rules and recommendations to be followed by Belarusbank (hereinafter “The Bank”) and bank holding companies in carrying out their activities to ensure efficient protection of the rights and interests of shareholders, information transparency, a high level of business ethics, improvement of the corporate governance system, improvement of the efficiency of the Bank and bank holding companies, strengthening of the reputation of the Bank and keeping up the loyalty of shareholders, investors, partners, clients, employees of the Bank and bank holding companies.

The principles and norms set out in the Code are mandatory and are to be treated as a guide for their everyday professional activities

by all of the Bank's employees regardless of their position, as well as members of the Supervisory Board of the Bank;

by all employees of bank holding companies, as well as members of supervisory boards of subsidiary companies of the Bank after they decide in favor of their companies being subject to those principles.

For the purpose of this Code, bank holding companies are subsidiary unitary enterprises of the Bank, subsidiary business entities of the Bank and unitary enterprises and economic entities founded by them.

For the purpose of this Code, an investor is a subject of civil law who, for the purpose of receiving profit (income) and (or) obtaining other significant results invests his/her own, borrowed or raised funds in issue-grade securities (shares, bonds).

The Code is based on the OECD Principles of Corporate Governance, recommendations of the Basel Committee on Banking Supervision, the Law of the Republic of Belarus on Business Entities, The Banking Code of the Republic of Belarus, Instruction on the corporate governance in a bank, Joint Stock Company "Belarus Development bank", non-bank credit and finance institution approved by Resolution of the Board of the National Bank of the Republic of Belarus No.557 dd 30.10.2012, the Code of Rules for Corporate Governance recommended by the Ministry of Finance of the Republic of Belarus, guidelines for the organization of corporate governance in joint stock companies with a state share approved by Resolution of the Economy Ministry of the Republic of Belarus and the State Property Committee of the Republic of Belarus, Charter of Joint Stock Company "Savings Bank "Belarusbank" (hereinafter – "Bank Charter", Regulation on the Supervisory Board of Belarusbank approved by the General Meeting of Shareholders of the Bank on 18.10.2016 (Minutes No.7.3) (hereinafter – "Regulation on the Supervisory Board").

Corporate governance means general management of the Bank's activities by the General Meeting of Shareholders and the Supervisory Board, and includes the complex of relations with the Bank's executive bodies and other parties concerned (employees, lenders, depositors, other customers, counterparties, partners, including international financial organizations) aimed at the achievement of goals and implementation of the Bank's development strategy, maintenance of its financial sustainability and longevity as a profitable financial organization.

The approaches described in the Code lay the foundation for internal procedures and rules contributing to the implementation the principles set out in herein.

The decisions made by the Bank's shareholders and managers should not be in conflict with the rules established by the Code.

SECTION 2 BELARUSBANK'S MISSION

2.1. The Bank's position in the financial community.

Belarusbank is the largest systemically important bank of the Republic of Belarus, part of the banking system of the country.

*The mission of the Bank is defined in the Strategic Development Plan (Development Strategy) of Joint Stock Company "Savings Bank "Belarusbank" (Belarusbank) (hereinafter – the Bank's Development Strategy).

The Bank's Development Strategy is based on the Program for Social and Economic Development of the Republic of Belarus, the Main Guidelines for the Monetary Policy of the Republic of Belarus and the Strategy of the development of the financial market of the Republic of Belarus.

Belarusbank traditionally aims to meet the demand of the public for banking products. Due to the extensive network the Bank's services are available for every resident of the Republic of Belarus.

As one of the leading universal credit institutions of the country, the Bank provides loans to the real sector of the economy, contributes to the implementation of government programs and large-scale investment projects in the Republic of Belarus.

Vision of the Bank: the Bank strives for the ongoing development and maintenance of the No.1 position in the domestic market, the promotion of its image of a reliable partner in international markets, open for cooperation on any level.

The Bank is a highly efficient profitable company of the financial sector of the Republic of Belarus which diversifies its risks and revenues, which is the best at identifying the values and needs of clients and offering services with due regard to the individual peculiarities of clients and the development of the financial market. The Bank regards its employees as the main value and invests in their professional development.

SECTION 3 PRINCIPLES OF CORPORATE GOVERNANCE

The system of corporate governance of Belarusbank is based on the following principles:

- guarantee of the rights and interests of shareholders;
- effective management and control over the Bank's activities;
- effective dividend policy;
- full-right cooperation and partnership;
- mutual trust and a high level of corporate culture in relationships with the Bank's employees;
- fair practice, transparency, solid business reputation and intolerance towards any kind of corruption and fraud (compliance principles);
- timely prevention, detection and resolution of corporate conflicts.

3.1. The principle of guaranteeing the rights and interests of shareholders.

The corporate behavior practices of Belarusbank are aimed at ensuring equal and fair treatment of all shareholders.

The Bank guarantees to all shareholders a proper and equitable exercise of rights provided for by the legislation and the Charter of Belarusbank, as well as protection of their interests, in particular, keeping in secret under the laws the information on the number of shares owned by the Bank's shareholders and on the amount of dividends accrued and paid.

In accordance with the legislation the Bank provides reliable ways of accounting for share rights. Shareholders are entitled to freely dispose of any shares they own at their own discretion and to take any action which is not in conflict with the legislation.

Each shareholder, depending on the category and type of the shares owned, in accordance with the legislation and the Charter of the Bank has the right to:

- participate in the Bank's management;

- receive a share of the Bank's profit;

- obtain the volume of information sufficient to assess the Bank's activities on a timely and regular basis;

- receive a portion of the Bank's assets or their value after settlements with lenders upon liquidation of the Bank;

- other rights provided for by the legislation and the Charter of the Bank.

The right of shareholders to participate in the Bank's management is exercised by means of resolutions on the Bank's activities taken by the general meetings of shareholders, in particular, by means of the election of the Supervisory Board members. Any shareholder may entrust another shareholder or a third person with representing its interests.

The Bank enables its shareholders to timely and regularly obtain reliable information about its financial and business activities and their results, to get access to materials in order to prepare for the General Meeting of Shareholders by using all sorts of information distribution channels.

The Bank attaches great importance to shareholder and investor confidence and undertakes to develop and improve its activities in order to increase the profit and value of the Bank's assets.

Shareholders should not abuse the rights granted to them and take any actions that may cause harm to other shareholders or the Bank.

To protect the rights and interests of minority shareholders, the General Meeting of Shareholders sets up the Committee for Cooperation with Minority Shareholders. The said committee is a consultative body that has the right to give recommendations to the governing bodies of the Bank with regard to the exercise of rights and legal interests of minority shareholders.

3.2. The principle of effective management and control over the Bank's activities.

The Bank regularly develops and approves the *Bank's Development Strategy setting out the guidelines for the Bank's activities aimed at the implementation of its strategic goals and tasks. The strategy is communicated to all employees of the Bank.

Each level of the Bank's organizational structure has its areas of responsibility and accountability. Powers and duties are defined both for members of the Board and other managers of the Bank and its employees.

The basic principles of internal control is its comprehensive (covering all areas of activities), and multi-level nature (which means that control spreads from the level of performer to management levels within the system of the Bank's executive management).

The General Meeting of Shareholders elects the Revision Commission which controls the financial and economic activities of the Bank. The Revision Commission annually revises the results of the financial and economic activities of the Bank for the year under report. Following the annual revision, the Revision Commission presents its opinion to the General Meeting of Shareholders.

The Bank appoints an executive responsible for risk management in the Bank and bank holding and an executive responsible for internal control in the Bank and bank holding. Those persons coordinate the activities of the Banks structural units engaged in risk management and internal control accordingly.

The internal control in the Bank is exercised by the Supervisory Board, Audit Committee, Management Board, Chairperson of the Board, committees of the Management Board, structural units of the Bank and employees of all levels, including the internal control and internal audit units and the executive responsible for internal control in the Bank and bank holding.

The Bank's reports are verified by an external audit company (or an auditor registered as an individual entrepreneur).

The Supervisory Board and top executives make an effective use of the results provided by the internal control and internal audit units, audit company (or an auditor registered as an individual entrepreneur), Revision Commission (inspector).

All levels of the Bank's management recognize the primary importance of the auditing functions and take measures to ensure the independence of the internal audit unit.

The Bank's activities are supervised and controlled by the National Bank of the Republic of Belarus authorized to do so by the legislation.

3.3. The principle of effective dividend policy.

Payment of dividends is based on reliable information as to whether there are conditions for accrual and payment of dividends based on the actual financial condition of the Bank. A dividend fund is set up to accumulate and pay dividends to the Bank's shareholders.

The Bank complies with the dividend policy of Belarusbank approved by the General Meeting of Shareholders. The decision on the amount of profit to be paid out as dividends, amount of dividends and payout dates is made by the General Meeting of Shareholders depending on the Bank's performance *in accordance with the dividend policy of Belarusbank.

Dividends to shareholders are paid out in cash, and upon resolution of the General Meeting of Shareholders they may be paid out in securities and other assets according to the established procedure. The Bank's shareholders are entitled to receive the accrued but unclaimed dividends regardless of the dates of their accrual.

3.4. The principle of full-right cooperation and partnership.

Belarusbank is interested in establishing long-term partnership relations with customers: both with large companies, small and medium-sized businesses and individuals. The most comfortable conditions of customer service, the absolute availability of banking services to all categories of customers are ensured due to the implementation and use of modern technologies and advanced high-quality banking products.

The Bank's corporate governance system ensures the protection of rights and legal interests of depositors, other clients and counterparties of the Bank, inter alia by guaranteeing equal opportunities for the exercise of their rights stipulated by the legislation of the Republic of Belarus and the Charter of the Bank, and full and timely fulfillment of the bank's obligations to them.

The Bank guarantees compliance with the regulatory requirements with regard to secrecy of transactions, accounts and deposits, including the existence of a bank account, its owner, number and other account details, amount of funds in accounts and deposits, as well as secrecy of data connected with specific transactions, transactions without opening an account, transactions on accounts and deposits, and assets in custody.

The Bank treats its competitors with respect and does not use illegal methods of obtaining commercial information.

The Bank takes an active part in discussing legislative initiatives aimed at enhancing bank regulations, corporate governance, other areas of activity and public life. The Bank and its representatives are members of various public organizations, associations and other non-profit entities.

Belarusbank is an active participant in charity and sponsorship activities. It does not only finance charity projects as an institution, but also gives its employees an opportunity to render voluntary charity assistance.

3.5. The principle of mutual trust and a high level of corporate culture in relationships with the Bank's employees.

Belarusbank builds relations with its employees on the principles of long-term cooperation, mutual respect and steadfast performance of mutual obligations. By all their actions the Bank's employees must show and confirm their respect for each other and for the contribution each of them makes to the common business.

The Bank treats its personnel as a key universal strategic resource that can ensure long-term competitive advantages and leadership in the financial services market.

The Bank has developed the Code of Professional Ethics for Belarusbank's Holding Employees reflecting the main professional standards and corporate values, ethical norms and rules of behavior for the Bank's employees.

The internal and external communication is based on professionalism, correctness, good will, openness and mutual respect. The communication between employees and managers is based on the principle of subordination: interaction with the top executives is usually maintained through an immediate manager.

Belarusbank welcomes an active participation of employees in the Bank's life, which contributes to the development of corporate culture and internal cooperation.

The Bank takes measures to protect health, labor and ensure safety of its employees creating all the necessary conditions for their professional growth and social welfare.

3.6. The principle of fair practice, transparency, solid business reputation and intolerance towards any kind of corruption and fraud (compliance principles).

One of the top priorities of the bank is its solid business reputation. In this connection the Bank strictly bans any persons acting on behalf of the Bank or in the interests of the Bank, directly or indirectly, personally or via intermediacy, from participating in corrupt actions regardless of business practices common in any given country. While conducting its business, the Bank offers bona fide treatment to its clients, counterparties and partners and discloses information about its activities in the financial market and commodity market in accordance with the regulatory requirements.

The Bank's anti corruption and fraud policy is defined by the Supervisory Board.

The Bank maintains an effective anti money laundering, anti terrorism financing and anti proliferation financing system.

The bank's information policy is defined by the Supervisory Board.

The main principles of information disclosure are regularity, timeliness, accessibility for shareholders and other parties concerned, reliability and completeness, as well as a balance between openness of the Bank and the protection of its interests.

Information disclosed by the Bank complies with the globally accepted requirements to information quality, such as significance, relevance, compatibility, authenticity, which enables a shareholder and a client to take a balanced decision.

The Bank strives to provide free and easy access to the disclosed information for all parties concerned, including shareholders. For that purpose the Bank uses all available sources, such as press conferences, business meetings, mass media, Internet, information distributed at points of the provision of services, reply to information requests by mail, fax or other media.

Information that constitutes bank secret and (or) other secret protected by the law in accordance with the legislation is not subject to disclosure.

3.7. The principle of timely prevention, detection and resolution of corporate conflicts.

The Bank recognizes that corporate conflicts can be prevented and resolved with the help of strict and unconditional compliance with the applicable legislation by the Bank and fair and reasonable behavior in relationships between the Bank and shareholders, as well as customers, partners and employees.

The Bank seeks to detect corporate conflicts at the earliest stages of their development and takes every possible action for their pre-trial settlement on the basis of negotiations, mutual trust and respect.

The Bank's policy with regard to the conflict of interests is defined by the Supervisory Board.

The Bank's internal regulations define and, taking into account the nature of each conflict of interests that has arisen or the conditions that have caused it,

implement actions aimed at the avoidance of the conflict of interests and the conditions that may cause it and the management of the conflict of interests.

The Bank keeps a record of its affiliated persons, insiders and persons connected with them in accordance with the legislation and the internal regulations of the Bank.

The Bank controls the use of insider information to prevent its illegal use and avoid any harm to shareholders, customers, the Bank itself and its business reputation.

SECTION 4 THE BANK'S CORPORATE GOVERNANCE STRUCTURE

The corporate governance structure of the Bank is based on a division of powers between the governing bodies. It distinguishes between general management by shareholders and the Supervisory Board, and management of the Bank's day-to-day operations by its executive bodies.

The Bank is managed according to the procedure provided for by the legislation and the Charter of the Bank.

The management bodies of the Bank include the General Meeting of Shareholders, Supervisory Board, Management Board, Chairperson of the Board.

The Bank's Supervisory Board reports to the General Meeting of Shareholders.

The Chairperson of the Board (sole executive body) and the Management Board of the Bank (collegial executive body) report to the General Meeting of Shareholders and the Supervisory Board.

4.1. The principles of organizing and holding of the General Meeting of Shareholders.

The General Meeting of Shareholders is the supreme management body of the Bank. Any shareholder of the Bank who participates in the General Meeting of Shareholders exercises his/her right to participate in the management of the Bank.

The competence of the General Meeting of Shareholders, the procedure of calling and holding the meeting, as well as the decision-making process are regulated by the legislation and the Charter of the Bank.

The General Meeting of Shareholders may be ordinary (annual) and extraordinary.

The ordinary annual General Meeting of Shareholders meeting is summoned by the Bank's Supervisory Board every year following the end of the reporting year. The extraordinary General Meeting of Shareholders is held upon decision of the Bank's Supervisory Board on the basis of its own initiative, the request of another governing body of the Bank, the request of the Revision Commission, audit company (or an auditor registered as an individual entrepreneur) and shareholders in accordance with the Charter of the Bank.

For the purpose of proper observance of the shareholders' right to participate in the General Meeting of Shareholders and assurance of equal treatment of all shareholders, the Bank organizes the General Meeting of Shareholders on the basis of the following principles:

an advance notice of the General Meeting of Shareholders is given to shareholders;

the place and time of the General Meeting of Shareholders are determined in such a way that shareholders have a real opportunity to take part in the meeting;

shareholders are given the right to make proposals on the agenda;

shareholders are given an opportunity to get acquainted with the list of persons who have the right to participate in the General Meeting of Shareholders, agenda and materials of the General Meeting of Shareholders;

shareholders are provided with sufficient for decision-making volume of information about each items on the agenda in an easily understandable form;

shareholders have the right to participate in the General Meeting in person or to issue a proxy to another person so that he/she can participate in the meeting.

Each shareholder has the right to speak on the items of the agenda, to voice his/her opinion and ask questions. The ordinary General Meeting of Shareholders is attended by members of executive bodies and officers of the Bank who can answer shareholders' questions so that they can make balanced and reasonable decisions.

Decisions made by the General Meeting of Shareholders are made public at the meeting or communicated to its participants through a publication on an official website of the Bank in the Internet.

The Supervisory Board and the Management Board are to secure the rights of shareholders to the fullest extent possible, provided for by the legislation and the Charter of the Bank.

The issues falling under the exclusive competence of the General Meeting of Shareholders may not be handed over for resolution by any other governing bodies of the Bank.

4.2. The principles of organizing the activities of the Bank's Supervisory Board and its duties.

The Supervisory Board of the Bank is a governing body responsible for general management of the Bank.

The competence of the Supervisory Board, the procedure of its election and organization of its activities are defined by the legislation, Charter of the Bank and the Regulation on the Supervisory Board of the Bank.

The Supervisory Board is elected annually by the General Meeting of Shareholders through a cumulative voting which makes it possible to take into account of the opinion of minority shareholders.

The members of the Supervisory Board are persons (except representatives of the state) with the relevant professional qualification and business reputation, who have an untarnished reputation and a high professional qualification and a high professional qualification. They must enjoy shareholders' confidence and be able to duly perform their duties and make a real contribution to the Bank's management.

The Supervisory Board of the Bank includes at least *three* independent directors. An independent director must comply with the legislative requirements to independent directors.

Members of the Supervisory Board must have knowledge, skills and experience required to make decisions and to effectively perform their functions, such as:

- to determine major areas of the Bank's activities;
- to approve an annual financial and economic plan and to control its fulfillment;
- to approve the Bank's investment program;
- to make decisions on participation in mergers of legal entities, on establishment and closure of representative offices and branches of the Bank, on establishment of other legal entities, as well as on participation in them;
- to make decisions on reorganization or liquidation of the Bank;
- to determine the recommended amount of dividends and their payout dates;
- *to ensure the establishment of the corporate management of the Bank, the risk management system and the internal control system, the remuneration and compensation system, to avoid the conflict of interests in the Bank's activities and eliminate the conditions that may cause it*;
- to resolve other issues with regard to the Bank's activities and development in accordance with the Charter of the Bank.

Members of the Supervisory Board must perform their functions in good faith, complying with the legislation and always acting in the interests of the Bank and its shareholders.

Members of the Supervisory Board must act so as to eliminate the possibility of any external influence aimed at provoking them to make a decision to the detriment of the Bank's interests. Members of the Supervisory Board must refrain from any action that may result in a conflict between their interests and the interests of the Bank. Members of the Supervisory Board must not disclose or use any confidential information about the Bank in their personal interests or in the interests of third persons.

The meetings of the Bank's Supervisory Board are held as may be necessary. They are conducted predominately with personal attendance of members if a quorum is present. They are called by the Chairperson of the Supervisory Board upon his/her own initiative, as well as upon the request of the Revision Commission, the Chairperson of the Board, the Management Board, and members of the Supervisory Board.

The procedure of the disclosure of information about the activities of the Supervisory Board is set forth in the Regulation in the Supervisory Board of the Bank.

The Supervisory Board of the Bank sets up the Audit Committee, the Risk Committee, the Nomination and Remuneration Committee, all headed by independent directors, and the Strategy Committee. The Supervisory Board of the Bank may also establish other committees for preliminary consideration of the most important issues that fall under the competence of the Supervisory Board.

The main task of the committees set up by the Supervisory Board of the Bank is the qualitative preparation of resolutions of the Supervisory Board with regard to

issues within their competence by means of a detailed study of such issues and preparation of the relevant recommendations.

Members of the Supervisory Board and committees set up by the Supervisory Board have the right to receive from the Chairperson of the Board, the Management Board, the Revision Commission, structural units and officers of the Bank documents and information required for the realization of functions and powers of the Supervisory Board, and to get acquainted with the documents of the Bank.

Members of the Supervisory Board receive a remuneration. The amount of remuneration and payout procedure are determined by the General Meeting of Shareholders.

4.3. The principles of organizing the activities of the Bank's executive bodies and their duties.

The executive bodies of the Bank include the Management Board of the Bank (the collegial executive body) and the Chairperson of the Board (the sole executive body).

The legislation lays down certain qualification requirements to the professional experience, business reputation, knowledge, duration of managerial service, as well as the rights, duties and liabilities of the Management Board members.

The Management Board members are elected by the Bank's Supervisory Board. The Chairperson of the Board is appointed by the Supervisory Board subject to the approval of the President of the Republic of Belarus.

The competencies between the collegial and sole executive bodies are distributed in accordance with the Charter of the Bank.

The Chairperson of the Board is Head of the Bank and the Bank's Management Board. The Chairperson of the Board is responsible for the day-to-day management of the Bank and its activities.

The Management Board reports to the General Meeting of Shareholders and the Bank's Supervisory Board. It arranges the implementation of their decisions. The Management Board is summoned by the Chairperson of the Board as may be necessary. The Management Board's decisions are mandatory for all employees of the Bank.

The competence of the Bank's executive bodies includes all issues related to the day-to-day management of the Bank, except for issues falling under the exclusive competence of the General Meeting of Shareholders and (or) the Supervisory Board of the Bank.

The executive bodies of the Bank must ensure due compliance with fair business principles.

Members of the Bank's Management Board undertake to serve the interests of the Bank and to manage the Bank in such a way as to ensure the receipt of dividends by shareholders and development opportunities for the Bank itself.

The Management Board approves current and long-term plans for the Bank. The Management Board approves the Bank's income and expenditure budget and the investment program.

For the purpose of timely resolution of issues connected with the day-to-day activities of the Bank the Management Board may establish permanent commissions and committees of the Bank and give them the corresponding powers.

In exercising their rights and functions the Chairperson of the Board and members of the Management Board must act in the interests of the Bank, exercise their rights and functions in good faith and in a reasonable way and refrain from any action that may result in a conflict between their interests and the interests of shareholders, creditors, depositors, other customers and the persons concerned.

4.4. Corporate Secretary.

The Corporate Secretary ensures compliance with the legislation in the framework of his/her functions and powers, the Charter of the Bank, this Code and other internal regulations of the Bank which guarantee the realization of rights and legal interests of shareholders. The Corporate Secretary contributes to the development of corporate governance practices in the Bank and coordinates the execution and improvement of corporate governance processes.

The Corporate Secretary is appointed by the resolution of the Supervisory Board of the Bank. The Corporate Secretary is subordinate and reports to the Supervisory Board. The activities of the Corporate Secretary are regulated by the Regulation on the Corporate Secretary approved by the Supervisory Board of the Bank.

SECTION 5 PRINCIPLES, GOALS AND TASKS OF CORPORATE GOVERNANCE OF BANK HOLDING COMPANIES

5.1. The principles of corporate governance of bank holding companies (“the Principles”) determine requirements towards the organization of their corporate governance.

5.2. The goal of corporate governance of bank holding companies is to ensure effective cooperation between the Bank and bank holding companies for the purpose of the implementation of the bank holding development strategy.

5.3. The tasks of 3 corporate governance of bank holding companies are as follows:

realization of the interests of the Bank as the founder or bank holding companies;

maintenance of a uniform approach towards corporate governance in bank holding companies;

transparency of corporate governance in bank holding companies;

increase in the value and investment potential of the Bank and bank holding companies through the improvement of the corporate governance system in bank holding companies.

5.4. The main principles of corporate governance of bank holding companies are as follows.

5.4.1. Compliance with the corporate values of bank holding companies, ethical norms and the rules of professional conduct, business ethics and social grace

in accordance with the Code of Professional Ethics for Belarusbank's Holding Employees.

5.4.2. Approval of the development strategy and the main financial, economic and production targets of affiliated unitary enterprises, affiliated entities and their unitary enterprises by the Management Board of the Bank. Control over the achievement of the approved targets of bank holding companies by the Management Board of the Bank.

5.4.3. Participation of the Supervisory Board of the Bank in the formation of the governing bodies of bank holding companies. Approval of the amount of remuneration of the members of such bodies.

The Supervisory Board of the Bank (the Strategy Committee) controls the implementation of the development strategies of bank holding companies.

The Bank interacts with bank holding enterprises by means of the participation of the Bank's representatives as defined in the internal regulations of the Bank.

5.4.4. Methodological support of corporate governance systems of bank holding companies by the Corporate Secretary of the Bank. If necessary, the Corporate Secretary of the Bank provides consultations to secretaries of supervisory boards of affiliated entities on the activities of the supervisory board of an affiliated entity, the arrangement and conduct of meetings, the minutes, etc. The Corporate Secretary of the Bank may take part in meetings of supervisory boards of affiliated entities.

5.4.5. Establishment and operation of the internal control system which takes into account the approach and requirements to the organization of the internal control system in the bank holding.

Bank holding companies ensure the formation of an effective internal control system compliant with the scale and complexity of their business, with a clear distribution of powers and duties among its participants.

*The internal control system of the bank holding includes a system of decision approval and delegation of powers, control over bank holding enterprises, inspection of affiliated entities, inspection of affiliated unitary enterprises of the Bank, follow-up control of corrective actions.

The executive responsible for internal control in the Bank and bank holding ensures coordination of activities connected with the organization of the internal control system in the bank holding.

5.4.6. The creation and operation of risk management system and the relationship between the Bank and bank holding companies in the process of bank holding risk management is regulated by the Risk Management Policy of the Bank and bank holding of Belarusbank. As the parent organization of the bank holding, the Bank defines the rules of the organization of the risk management system of the bank holding companies in its Policy.

5.4.6-1. The formation and operation of the remuneration and compensation system of bank holding companies that would stipulate the dependence of the size of remunerations and compensations on the performance*.

5.4.7. Information exchange between the Bank and bank holding companies shall be carried out by means of submission:

of a risk level report of a bank holding company to the executive responsible for risk management in the Bank and bank holding;

of an internal control system report of a bank holding company to the executive responsible for internal control in the Bank and bank holding;

of management statements about the performance of bank holding companies to the Supervisory Board of the Bank.

5.4.8. The principles and concepts of the Bank's compliance system apply to all bank holding companies.

SECTION 6 FINAL PROVISIONS

This Code shall enter into force on the date of its approval by the General Meeting of Shareholders.

The traditions of corporate behavior are constantly evolving. As corporate governance system is developed and improved, the Bank undertakes to review the provisions of this Code taking into account the interests of the Bank's shareholders and other parties concerned, as well as when there are changes in the legislation, the Charter of the Bank, corporate behavior standards shaped by Belarusian and international corporate practices. The Bank will introduce the relevant changes into this Code and other local acts of the Bank for a subsequent implementation of corporate governance principles in its day-to-day activities.

To ensure the execution of the Code and to create mechanisms of its improvement, the Bank publishes the Code as a separate document on the Bank's website: www.belarusbank.by.

Guided by the interests of shareholders, creditors, customers, business partners and counterparties, the Bank constantly monitors its activities as to their compliance with the provisions of this Code.

The Code becomes effective from 28.12.2017.

As this Code becomes effective, the following documents shall cease to be in force:

The Code of Corporate Governance of Joint Stock Company "Savings Bank "Belarusbank" approved by the General Meeting of Shareholders on 05.06.2009 (Minutes No.8.3);

Addendum No.1 to the Code of Corporate Governance of Joint Stock Company "Savings Bank "Belarusbank" approved by the General Meeting of Shareholders on 21.03.2013 (Minutes No.1.2);

Addendum No.2 to the Code of Corporate Governance of Joint Stock Company "Savings Bank "Belarusbank" approved by the General Meeting of Shareholders on 26.03.2014 (Minutes No.2.2).

Investments and Securities Department

Corporate Secretary

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