

OPEN JOINT-STOCK COMPANY ALFA-BANK

**APPROVED
BY THE GENERAL MEETING OF
SHAREHOLDERS**

(Minutes No. ____ of _____ 2006)

**STATUTE
ON THE EXECUTIVE BOARD
OF OPEN JOINT-STOCK COMPANY
ALFA-BANK**

MOSCOW 2006

I. GENERAL

1.1. This Statute on the Executive Board of OPEN JOINT-STOCK COMPANY ALFA-BANK (hereinafter "Alfa-Bank") defines the procedure of formation of the Executive Board, its competence, the times and procedure of the calling and conduct of its meetings, its decision making procedure, as well as the rights, duties, and responsibilities of Executive Board members (hereinafter "the Statute").

1.2. The Executive Board of the Bank, under the Federal Law on Joint-Stock Companies and the Charter of the Bank, shall be a collegiate executive body of the Bank managing the day-to-day operation of the Bank.

The competence of the Executive Board shall cover all matters pertaining to the management of the day-to-day activities of the Bank with the exception of matters within the competence of the General Meeting of Shareholders or the Board of Directors of the Bank.

The distribution of authority between the Executive Board and the Chairman of the Executive Board shall be established by the Charter of the Bank and this Statute.

1.3. The procedure of election and terms of office of Executive Board members and the competence of the Executive Board and the Chairman of the Executive Board as a sole executive body of the Bank shall be regulated by the Charter of the Bank and this Statute.

1.4. Executive Board members shall be elected by the Board of Directors of the Bank for a term of two (2) years. The Board of Directors may also decide on the early termination of the offices of either the Executive Board as a whole or its separate members.

Executive Board members shall be accountable to the Board of Directors and the General Meeting of Shareholders of the Bank.

1.5. The Executive Board may comprise, in addition to the Chairman of the Executive Board, his deputies, and Chief Executive Officer, also heads of Businesses (business lines) and heads of departments performing the most important functions of the Bank, banking operations, and transactions.

1.6. Candidate members of the Executive Board must meet the qualifying requirements set by federal laws and the Bank of Russia regulations adopted in conformity with them.

The candidacies of Executive Board office seekers shall be submitted to the Bank of Russia for approval according to the procedure established by it.

1.7. Executive Board members shall not hold offices in other institutions which are credit institutions, insurance companies, professional members of the market of securities, as well as leasing companies or entities affiliated to the Bank.

1.8. In accordance with the with the Compensation Policy of the Bank, approved by the Board of Directors of the Bank, the compensation to the Executive Board members shall be established by the compensation committee comprising the Chairman of the Board of Directors, the Chief Executive Officer, and the Chairman of the Executive Board.

1.9. The rights and duties of the members of the Executive Board of the Bank shall be defined in accordance with Russian Federation laws, the Charter of the Bank, this Statute, and the employment contract signed by each of them with the Bank.

The contract with Executive Board Chairman shall be signed by Chairman of the Board of Directors on behalf of the Bank; early termination of this contract shall also be within the competence of the Board of Directors.

1.10. Inasmuch as no conflict with the Federal law on Joint Stock Companies occurs, labor regulation rules stipulated by the Labor Code of the Russian Federation for management of organizations shall apply to the members of the Executive Board of the Bank.

1.11. The Executive Board shall be governed in its activities by Russian Federation laws, Bank of Russia regulations, the Charter of the Bank, resolutions of the General Meeting of Shareholders and the Board of Directors of the Bank, this Statute, and in-house regulations of the Bank.

II. COMPETENCE OF THE EXECUTIVE BOARD

- 2.1. The following issues are referred to the competence of the Executive Board.
- a) organize and manage the day-to-day activities of the Bank;
 - b) ensure that resolutions of the General Meeting of Shareholders and of the Board of Directors of the Bank are implemented;
 - c) define the personnel policies of the Bank and control their implementation;
 - d) manage the activities of branches, representative offices, lending/check cashing offices, and other departments of the Bank;
 - e) organize the development of new kinds of banking services and take decisions on the introduction of such services;
 - f) establish the procedure for prompt regulation of interest rates on the credit and debit operations of the Bank;
 - g) ensure the Bank's compliance with Russian Federation laws;
 - h) approve the decision-making procedure in respect of Bank operations which relate to credit arrangements, investment of capital, and other kinds of financing of Russian and foreign customers;
 - i) determine the main terms and conditions of attracting deposits and credit arrangements;
 - j) determine the Bank's headcount, the organizational structure of the Bank, the organizational structure and number of its branches and representative offices, lending/check cashing offices, and other internal departments, as well as the administrative and development expenses of the Bank;
 - k) define banking risk management and profitability maximization policies;
 - l) approve the Lending Policy and control the compliance of credit arrangements with the Lending Policy and credit risk strategy; and develop policies and procedures for credit risk identification, measurement, monitoring, and control; grant credit products with maturities exceeding 5 years;
 - m) take regulatory decisions in the event of deviation from the Bank's established credit process;
 - n) take decisions regarding classification of the Bank loans so as to create loan loss provisions in instances stipulated by Bank of Russia regulations and in-house regulations of the Bank;
 - o) define and approve lending limits and terms and conditions in order to limit the probability of Bank losses or worsening of the liquidity situation as a result of transactions with related parties ;
 - p) approve the procedure of writing off creditor liabilities to the Bank's income;
 - q) make decisions on the opening of lending/check cashing and supplementary offices of the Bank;
 - r) confirm nominees for the offices of chief accountant and deputy chief accountant of the Bank, and manager, deputy manager, chief accountant, and deputy chief accountant of a Bank branch;
 - s) deal with internal control matters, namely:
 - allocate responsibility for the implementation of Board of Directors resolutions and the Bank strategy and policies with regard to the internal control organization and implementation ;
 - delegate the authority to develop internal control rules and procedures to heads of appropriate structural units and control the implementation thereof;
 - assess whether the Bank activities conform to in-house documents regulating the operation of its internal controls and whether the contents of these documents are consistent with the nature and scope of the Bank activities;
 - allocate duties to departments and employees responsible for specific directions of internal control (forms, modes of execution);
 - create efficient systems of information transmission and exchange to ensure that the interested users receive the information they need;
 - review the results of checks of the internal control system; and
 - establish a control system to ensure elimination of violations and drawbacks detected in internal controls and to assess the effectiveness of corrective actions;

t) make decisions on the conduct of banking operations and other transactions the procedure and processes for which are not specified by in-house documents of the Bank, and also in the event of deviations from the procedure and processes of banking operations and transactions established by in-house documents of the Bank;

u) approve statutes on Bank committees and other collegiate bodies;

v) approve the list of potential counterparties of the Bank in Russia, the CIS, and the Baltic States; and

w) deal with other matters that are not within the competence of the General Meeting of Shareholders and the Board of Directors of the Bank.

2.2. The Executive Board may delegate its powers with respect to specific matters within its competence to the Chairman of the Executive Board, his deputies, committees and other collegiate bodies of the Bank, as well as to heads of Businesses, other Headquarter units, and directors of the Bank.

III. CHAIRMAN OF THE EXECUTIVE BOARD

3.1. The management of the day-to-day activities of the Bank shall be the responsibility of the sole executive body, the Chairman of the Executive Board of the Bank.

3.2. The Chairman of the Executive Board shall be elected and relieved of office by the Board of Directors of the Bank.

3.3. The Chairman of the Executive Board of the Bank shall have deputies, appointed by the Chairman of the Executive Board. The Chairman of the Executive Board shall allocate responsibilities to his deputies.

3.4. The Chairman of the Executive Board shall:

a) manage Bank activities in accordance with its Charter;

b) chair the meetings of the Executive Board and manage its work;

c) solve all issues pertaining to the day-to-day activities of the Bank, save matters which are within the competence of the General Meeting of Shareholders, the Board of Directors, and the Executive Board of the Bank;

d) act on behalf of the Bank and in the interests of the Bank without a power of attorney;

e) represent the interests of the Bank and speak on behalf of the Bank in government offices, public authorities, courts, law-enforcement, financial, administrative and other institutions, in relations with natural persons and legal entities of all forms of ownership;

f) dispose of the Bank property in accordance with the Russian Federation laws;

g) sign contracts, including employment contracts, and make transactions envisaged by Russian Federation laws, generally accepted principles and customs of business practice, international law, international treaties of the Russian Federation, and laws of other states;

h) approve the manning schedule of the Bank, its branches, representative offices, lending/check cashing offices, and internal departments ;

i) approve statutes on Bank branches, representative offices, lending/check cashing and subsidiary offices, and internal departments , as well as the procedure of approval of job descriptions of Bank employees;

j) approve the Bank By-laws, statutes on payment of compensation and bonuses to the Bank employees, other in-house documents regulating labor relations, and ensure that they are observed by Bank employees and officers;

k) issue directives binding on all Bank employees within his competence ;

l) issue orders and instructions pertaining to day-to-day Bank activities, including the opening of branches, representative offices, lending/check cashing offices, and other internal departments, the amendment of provisions of subparagraph "i" of this paragraph, and the change of Bank details and operating procedure of internal departments of the Bank;

l) hire, transfer to other positions, and dismiss Bank employees and apply to them disciplinary penalties and incentive measures, in accordance with the Russian Federation labor laws;

m) assign duties to his deputies;

n) grant powers of attorney on behalf of the Bank;

o) approve the Bank in-house regulations that determine the operating procedures and functional duties of the Bank departments and individual employees in the banking operations and transactions;

p) be personally responsible for organizing the work and creating conditions for protection of state secrets in the Bank and for compliance with statutory restrictions on access to information constituting a state secret; and

q) define the list of information constituting a commercial secret of the Bank and the procedure of handling it.

3.5. In the absence of the Chairman of the Executive Board of the Bank his duties shall be performed by the Deputy Chairman of the Executive Board of the Bank, on the grounds of the order issued by the Chairman of the Executive Board of the Bank.

3.6. In accordance with the Federal Law on joint Stock Companies, other acts of law of the Russian Federation and this Statute, the Chairman of the Board shall be responsible for organization, condition, accuracy and reliability of the Bank accounting, timely submission of the annual report and other financial reporting to relevant institutions, as well as information about the bank activities provided to shareholders, creditors and mass media.

IV. EXECUTIVE BOARD BY-LAWS

4.1. The Executive Board of the Bank shall perform its work at Executive Board meetings, the procedure of which shall be defined by the Charter of the Bank and this Statute.

The Chairman of the Executive Board shall organize the meetings.

4.2. Executive Board meetings shall be held on a weekly basis. The Executive Board secretary shall notify Executive Board members of the time and place of the next meeting.

4.3. Executive Board meetings shall not be held if more than one-third of Executive Board members are absent for valid excuses; not more than one-third of the Executive Board members may be on holiday at the same time.

4.4. Preparation of materials for consideration and decision making at the Executive Board meetings shall be performed by the member of the Executive Board, the head of a business/department submitting the issue for discussion to the Executive Board meeting. The prepared materials (a hard copy or in electronic form) shall be sent to Executive Board members not later than five hours prior to the beginning of the Executive Board meeting through the Deputy Chairman of the Executive Board/head of the business supervising the issue subject to discussion.

Issues for special consideration shall be submitted to the Executive Board meeting through the Executive Board Chairman.

4.5. The Chairman and members of the Board of Directors, heads of businesses/departments of the Bank, and other persons may take part in the Executive Board meetings as invitees by decision of the Executive Board Chairman.

4.6. The Executive Board shall be authorized to consider any issue within its competence and take decisions thereupon.

4.7. An Executive Board meeting shall be competent if attended by at least two-thirds of all Executive Board members.

4.8. The Chairman of the Executive Board shall chair the Executive Board meetings and manage its work, and in his absence the Chief Executive Officer of the Bank who is an Executive Board member, or an Executive Board member appointed by the Chairman of the Executive Board shall chair the Executive Board meetings and manage its work.

4.9. Executive Board decisions shall be passed by simple majority of vote. Each member of the Executive Board shall have one vote. In a tied vote, the Executive Board Chairman's vote shall be deciding.

The voting right of an Executive Board member shall not be transferred to another person, including Executive Board members.

4.10. In case of dissent with the decision taken by the Executive Board, Members of the Executive Board shall have the right to submit their dissenting opinions to the Board of Directors of the Bank.

4.11. The Chairman of the Executive Board shall appoint a secretary who shall

organize the work of the Executive Board, document its decisions, and perform the clerical work. The Secretary shall be a part of the Executive Secretariat of the working bodies of the Bank.

4.12. Executive Board decisions shall be documented by the Executive Board secretary and signed by the Chairman of the Executive Board.

Executive Board decisions that require subsequent implementation shall be documented by the Executive Board secretary in the form of excerpts according to the form attached as an Appendix hereto.

Excerpts from an Executive Board decision shall be signed by the Chairman of the Executive Board.

4.13. The Executive Board secretary shall bring Executive Board decisions to the notice of appropriate responsible parties, all Executive Board members, and heads of interested departments.

V. RIGHTS, DUTIES, AND RESPONSIBILITIES OF EXECUTIVE BOARD MEMBERS

5.1. Executive Board members shall enjoy all the rights granted to them by Russian Federation laws and Bank by-laws and regulations.

5.2. Executive Board members as they exercise their rights and discharge their duties shall act in the interests of the Bank in good faith and judiciously. Among other things, they shall:

- refrain from actions leading to a conflict of interests between them, shareholders, creditors, depositors and other customers and stakeholders, and in the event of such a conflict, bring it to the notice of the Board of Directors;
- ensure that banking operations and other transactions are carried out according to Russian Federation laws, the Charter of the Bank, and its in-house documents;
- allocate duties to heads of departments, monitor their execution, and promptly adjust them in accordance with changes in the operating environment of the Bank;
- organize a system for collecting, processing, and furnishing financial and operational data concerning the Bank performance required for informed managerial decision making, including information about all significant bank exposures;
- furnish information about the Bank activities to members of the Board of Directors of the Bank; and
- keep secret the information about the operations, accounts, and deposits of Bank customers and correspondents, as well as other information constituting a commercial secret of the Bank in accordance with its in-house documents.

5.3. Members of the Executive Board of the Bank, subject to Russian Federation law and the Charter of the Bank, shall be responsible to the Bank for improper execution of their duties and for losses caused with their culpable commission/omission, and shall be responsible to the Bank or its shareholders for losses caused with their culpable commission/omission violating the established order of share acquisition.

5.4. The Bank or a shareholder (shareholders) owning at least one percent of issued ordinary shares of the Bank shall have the right to file a claim against Executive Board members for damages caused to the Bank in accordance with the established order.

5.5. Executive Board members shall bear material liability for any damage caused to the Bank in accordance with the Russian Federation labor legislation.