**INFORMATION BASED ON THE "COMPLY OR EXPLAIN" PRINCIPLE»**

JSCB «Turonbank» voluntarily follows the corporate governance recommendations approved by the minutes of the meeting of the Commission on Improving the efficiency of Joint-Stock Companies and improving the corporate governance System dated 31.12.2015 No. 9, based on the decision of the General Meeting of Shareholders dated 25.06.2016 No. AC-1/10, demonstrating its commitment to fair and transparent business introduction.

In accordance with paragraph 8 of the Corporate Governance Code, if it is impossible to comply with certain recommendations of the Code, the joint-stock company discloses its reasons in detail in the mass media, following the international principle of "comply or explain".

At the same time, JSCB «Turonbank» discloses the reasons for non-compliance with certain recommendations of the Code:

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| **Codex recommendations** | **Explanation** |
| * 1. According to the recommendations of the Code, the Company's Charter should set a specific date for holding the annual General meeting of Shareholders. | In paragraph 48 of the Charter of JSCB «Turonbank», in accordance with Article 58 of the Law "On Joint-Stock Companies and Protection of Shareholders 'Rights", it is stated that the annual general meeting is held no later than 6 months after the end of the financial year. A specific date is not set due to the fact that it may fall on a holiday or weekend, and it may also be necessary to hold a regular meeting earlier or later than the set date for corporate actions. |
| * 2. Publication of information subject to mandatory disclosure about AO with translation into English, Russian and state languages on the website | The site is fully provided with information that is subject to mandatory disclosure in Russian and the state language. Currently, we are working on developing a version of the site in English. |

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