

At VTB Bank's AGM on 5 June 2019, on the matter of the payment of remuneration to members of the Statutory Audit Commission who are not civil servants in the amount established by the bylaws of VTB Bank, it was decided:

- To pay remuneration to members of the Statutory Audit Commission of VTB Bank who are not civil servants:
 - For work as part of the Statutory Audit Commission of VTB Bank: RUB 916,690 each;
 - For chairing the Statutory Audit Commission of VTB Bank: RUB 275,007;
- To compensate members of the Statutory Audit Commission of VTB Bank who are not civil servants, during the performance of their duties, for all expenses associated with the performance of their duties as members of the Statutory Audit Commission of VTB Bank, namely: accommodations, travel and other fees and charges for various types of transport.

AMOUNT OF REMUNERATION PAID TO MEMBERS OF THE STATUTORY AUDIT COMMISSION FOR THE PERIOD OF 2016–2019, RUB

Indicator	2015	2016	2017	2018
For work in the Statutory Audit Commission	2,760,000	3,680,000	1,840,000	3,670,070
Compensation for expenses related to the performance of their duties as members of the Statutory Audit Commission	Not paid			

EXTERNAL AUDITOR

In order to audit and confirm the veracity of its annual financial statements, VTB Bank engages an independent, professional external auditor.

In accordance with the legislation of the Russian Federation, the external auditor is approved on the basis of an open tender to conduct the Bank's obligatory annual audit.

In March 2015, the Bank held an open tender to select an auditor to carry out its obligatory annual audit for the subsequent five years.


The tender procedure was governed by Federal Law No. 44-FZ of 5 April 2013 on the Contractual System for the Procurement of Goods, Works and Services for State and Municipal Needs.

Three auditors submitted tender bids: *Ernst & Young*, *KPMG* and *Pricewaterhouse Coopers*.

The selection of an auditor was carried out by a tender commission consisting of competent Bank employees, as well as a representative of the *Federal Agency for State Property Management*. The tender commission evaluated and compared the bids based on the following criteria:

- Contract price;
- The qualifications of each bidder.

The tender commission reviewed the bids and selected *Ernst & Young* as the winner, as it offered the best conditions for fulfilling the terms of the contract and was awarded the most points in the selection procedure.

 The Bank published information on the tender and tender documentation [on the official public procurement website](#) (available in Russian language only).

Ernst & Young LLC is the Russian subsidiary of *Ernst & Young*, one of the four largest auditing companies in the world. *Ernst & Young* has more than 30 years of successful practice in Russia and the CIS countries. Over the years, the company has established itself as a leading expert in the provision of audit and consulting services in Russia and other CIS countries.

VTB Bank's profit for 9M'2019 was audited during the reporting period. Auditing service contract was concluded between *LLC CATS*¹ and VTB Bank as a result of purchase from a single counterparty. The actual amount of remuneration was RUB 12,600 thousand.

INFORMATION ON THE ERNST & YOUNG LLC REMUNERATION

Reporting period for which the audit was carried out	Procedure for determining the amount of the auditor's remuneration	Actual amount of remuneration ² paid by the Bank, RUB thousand (including VAT)
FOR THE OBLIGATORY ANNUAL AUDIT OF THE BANK'S FINANCIAL STATEMENTS		
2015	Following an open tender for the selection of an auditor, as approved by the Supervisory Council	212.4
2016	Following an open tender for the selection of an auditor, as approved by the Supervisory Council	212.4
2017	Following an open tender for the selection of an auditor, as approved by the Supervisory Council	201.8
2018	Following an open tender for the selection of an auditor, as approved by the Supervisory Council	201.8
2019	Following an open tender for the selection of an auditor, as approved by the Supervisory Council	60.5
FOR THE PROVISION OF AUDIT SERVICES AS PART OF CONFIRMATION OF THE BANK'S PROFIT FOR THE FIRST HALF OF THE YEAR		
1H 2018	As a result of purchase from a single counterparty	11,210.0

¹ *LLC CATS* is a part of EY global network and member of *Ernst & Young Global Limited*.

² The actual amount of the auditor's remuneration paid for the date of writing the report. According to the auditing service contract payment is made in two phases for every auditing year: the first payment in the amount of 30% is made in November of the year for which accounting (financial) statements was audited, the second payment in the amount of 70% is made in June of the year following the reporting year.