

- Review of quarterly reports on significant risks and on VTB Bank's capital adequacy, as well as on the results of stress testing at VTB Bank; approved/amended key parameters of quantitative indicators of the risk appetite of VTB Bank and of VTB Group.

REVIEW OF REPORTS AND PLANS:

- Reports on the activities of the Supervisory Council's committees;
- Report on the Bank's sponsorship and charitable activities for 2018; the plan for VTB Bank's expenses for sponsorship and charitable activities in 2020;
- Report on the work of the Bank's Corporate Secretary in 2018;
- Report on interaction between VTB Bank and its shareholders in 2018 and plans to work with shareholders in 2019;
- Report on the financial results and performance of VTB Group companies (quarterly);
- Progress report on the implementation of the Bank's Programme for the Divestment of Non-core Assets (quarterly).

INFORMATION TECHNOLOGY IN THE WORK OF THE SUPERVISORY COUNCIL

Since 2018, members of the Supervisory Council have been able to use a mobile electronic office that gives them access to materials from current and past meetings of the Supervisory Council and its committees, as well as information about decisions adopted, participants and other information required for the members of the Bank's Supervisory Council to perform their duties effectively, including financial statements, press reviews, Bank bylaws, etc.

In 2019, the Bank continued to streamline the activities of the Supervisory Council and to update the information and communication system by introducing new, expanded functionality to make it even easier and more convenient for members of the Supervisory Council to use the system.

EVALUATION OF THE WORK OF THE SUPERVISORY COUNCIL

According to the recognised best Russian and foreign practices of corporate governance, since 2012, VTB Bank has conducted an annual assessment of its corporate governance system. The assessment also includes a self-evaluation of the activities of the Supervisory Council based on a questionnaire completed by the members of the Council on the ground of the Methodology of the Bank's corporate governance system assessment approved by the Supervisory Council's Strategy and Corporate Governance Committee (minutes No 3 as of 2 September 2011, hereinafter the Methodology).

In accordance with the Methodology the Bank's corporate governance system is assessed with respect to nine components:

- The division of powers between management bodies;
- Organisation of the activities of the Supervisory Council;
- Approval of the Bank's Development Strategy and oversight over its implementation;
- Coordination of risk management;
- Prevention of conflicts of interest on the part of shareholders, members of the Supervisory Council, the Bank's executive bodies and its employees;
- Relations with affiliated parties;
- Determination of rules and procedures ensuring compliance with the principles of professional ethics;
- Coordination of the disclosure of information about the Bank;
- Monitoring the internal control system.

Based on the results of the corporate governance assessment conducted in 2019, the members of the Supervisory Council give it a high rating. The average score of the corporate governance assessment hasn't been changed in comparison with 2018 and was 3.91 points (97.8 % of the maximum value). Four components received the maximum score of 4 points: relations with affiliated parties; monitoring the internal control system; coordination of risk management; and prevention of conflicts of interest among shareholders, members of the Supervisory Council, the Bank's executive bodies and its employees. At the same time, the other assessed components of the Bank's corporate governance were also highly rated, receiving 3.7–3.9 points.


Based on the results of the assessment, the Bank prepared a report on the results of its assessment of the corporate governance system, including, among other things, the Bank's planned measures to improve its corporate governance system. The report was provisionally reviewed by the Supervisory Council's Strategy and Corporate Governance Committee, after which it was taken under advisement by the Supervisory Council.

COMPENSATION PAID TO MEMBERS OF THE SUPERVISORY COUNCIL

The amount of remuneration and compensation paid to the members of the Supervisory Council and the procedure for determining the amount thereof is defined in accordance with the Regulation on Remuneration and Compensation Paid to the Members of the Supervisory Council of VTB Bank, approved pursuant to the recommendation of the Supervisory Council's Staff and Remuneration Committee at the Bank's AGM (minutes No. 47 of 24 June 2016) and posted in the *Charter and bylaws* section on the Bank's website.

In accordance with a resolution of the General Meeting of Shareholders, the members of VTB Bank's Supervisory Council may receive remuneration and compensation for expenses incurred in the course of their duties during their term in office depending on their actual involvement in the work of the Supervisory Council and Supervisory Council committees.

In case of early termination, as well as the re-election of members of the Supervisory Council at an Extraordinary General Meeting of Shareholders, the remuneration of a newly elected or former member of the Supervisory Council is determined proportionate to the time spent as a member of the Supervisory Council, as Chairman of the Supervisory Council, as a member of a Supervisory Council committee or as the Chairman of a Supervisory Council committee during the corporate year.

 [Information on the activities of the Bank's Supervisory Council](#) (available in Russian language only).

THE AMOUNT OF REMUNERATION PAID TO MEMBERS OF THE BANK'S SUPERVISORY COUNCIL FOR THE CORPORATE YEAR HAS NOT CHANGED SINCE 2012 AND AMOUNTS TO¹:

| | % of base payment | RUB |
|---|-------------------|-----------|
| BASE PAYMENT | | |
| Remuneration for performing the duties of a member of the Supervisory Council | 100 | 4,600,000 |
| BONUSES FOR ADDITIONAL DUTIES | | |
| For chairmanship of the Supervisory Council | 30 | 1,380,000 |
| For chairmanship of a Supervisory Council committee | 20 | 920,000 |
| For membership in a Supervisory Council committee | 10 | 460,000 |

¹ Payment conditions: attendance in person or participation via video conferencing in at least half of the meetings held, as well as participation in at least half of absentee votes held by the Bank's Supervisory Council or a Supervisory Council committee.