

APPROVED
by VTB Bank (PJSC)
General Shareholders Meeting
Minutes No.53 dated 05.06.2019

Regulation on VTB Bank (PJSC) Supervisory Council

1. General

1.1 VTB Bank (PJSC) Supervisory Council shall exercise general governance of VTB Bank (the "Bank"), except for the matters falling within the terms of reference of the General Shareholders Meeting subject to the Federal Law "On Joint-Stock Companies" and the Bank's Charter.

1.2. In performing its activities, the Supervisory Council is guided by the Federal Laws "On Banks and Banking Business", "On the Central Bank of the Russian Federation (Bank of Russia)", "On Joint-Stock Companies" and other federal laws, as well as other regulations of the Russian Federation, enactments of the Bank of Russia (the "Legislation"), the Bank's Charter, resolutions of the General Shareholders Meeting and this Regulation.

1.3. By a decision of the General Shareholders Meeting, existing members of the Bank's Supervisory Council can get remuneration and/ or compensation for expenses related to their responsibilities. The amounts of such remuneration and compensation shall be set by the General Shareholders Meeting.

1.4. Membership in the Supervisory Council may be given only to an individual. A member of the Supervisory Council may not necessarily be a shareholder of the Bank.

President - Chairman of the Management Board and the Board members shall constitute not more than one fourth of the Supervisory Council membership. A person acting as President - Chairman of the Management Board or a member of the Management Board cannot simultaneously be the Chairman of the Bank's Supervisory Council.

Members of and nominees to the Bank's Supervisory Council shall meet business reputation requirements specified in Article 16 of the Federal Law "On Banks and Banking Activities", and qualification requirements pursuant to federal laws.

Independent members of the Supervisory Council (independent directors) may be elected to the Supervisory Council of the Bank. Independence of a Supervisory Council member is determined according to the applicable legislation, requirements of the listing of the trade organizer, whose quoting list includes securities of the Bank, as well as the Bank's by-laws. Under a relative resolution of the Supervisory Council, a senior independent director may be elected from the independent directors. Senior independent director shall act as a counselor to the Chairman of the Supervisory Council contributing to the efficient work of the Supervisory Council and coordinating

cooperation of independent directors by arranging and moderating the meetings of the independent directors, when necessary, and by communicating with the shareholders of the Bank.

1.5. The Chairman of the Bank's Supervisory Council shall be elected from and by the members of the Supervisory Council by a majority vote out of the total membership of the Supervisory Council. The Chairman of the Supervisory Council shall be elected at the first meeting of the Supervisory Council in its new membership. Such meeting shall be called on the initiative of any member of the Supervisory Council.

The Supervisory Council may at any time re-elect its Chairman by a majority vote of the total membership of the Supervisory Council.

The Chairman of the Supervisory Council shall arrange its activities, call and run its meetings, see to it that minutes of the meetings are duly taken, and preside at the Bank's General Shareholders Meeting.

In the absence of the Chairman of the Bank's Supervisory Council, its functions shall be performed by one of the Supervisory Council members chosen thereby.

1.6. The Supervisory Council is entitled to take resolutions by absentee ballot (by opinion poll), including by electronic voting with the use of a special software application. Such voting shall be made through ballot papers (i.e., without a joint presence of the Supervisory Council members to discuss issues on the agenda and take resolutions on the motions).

1.7. Technical support of the Supervisory Council activities at and between the meetings shall be provided by the Executive Secretary of the Bank's Supervisory Council.

The functions of the Executive Secretary of the Bank's Supervisory Council shall be performed by the Bank's Corporate Secretary.

1.8. To perform its functions, the Bank's Supervisory Council is entitled to establish its committees with respect to different business lines. The committees under the Bank's Supervisory Council shall be formed by a relative resolution of the Bank's Supervisory Council out of its members. They shall be governed by the relative Regulations to be approved by the Supervisory Council.

2. Terms of Reference

2.1. Terms of reference of the Supervisory Council shall include the following:

- 1) Setting the Bank's priority business lines;
- 2) Convening annual and extraordinary General Shareholders Meetings of the Bank except as provided in Clause 8, Article 55 of the Federal Law "On Joint-Stock Companies";
- 3) Approving the agenda of the General Shareholders Meeting;
- 4) Determining the date for setting out (fixing) the persons eligible to participate in the General Shareholders Meeting, and taking other resolutions within the terms of reference of the Supervisory Council subject to the provisions of Chapter VII of

the Federal Law "On Joint-Stock Companies" on preparing and holding General Shareholders Meetings;

5) Increasing the Bank's charter capital by placing additional shares within the number and categories (types) of the authorized shares as stipulated by the Federal Law "On Joint-Stock Companies" and the Bank's Charter;

6) Placing the Bank's bonds or other issue-grade securities other than shares;

7) Setting the price for (appraising) property; securities offer prices (except for offer prices of bonds inconvertible into the Bank's shares) or the procedure of determination thereof as well as issue-grade securities buy back prices as stipulated by the Federal Law "On Joint-Stock Companies";

8) Repurchasing the Bank's shares and other securities subject to the Federal Law "On Joint-Stock Companies" or other federal laws;

9) Forming the Bank's Management Board, defining the number of its members, their election and early removal, appointment and early removal of President - Chairman of the Management Board, and setting the amount of remuneration and compensation to President - Chairman of the Management Board and the Management Board members;

10) Defining the remuneration for the auditor's services and recommendations as to the remuneration and compensation to be paid to members of the Bank's Statutory Audit Commission;

11) Giving recommendations as to dividend amount to be paid under shares and dividend payment procedure;

12) Using the Reserve Fund, identifying procedures for creating and using other funds of the Bank;

13) Approving the Bank's by-laws, except for those falling within the terms of reference of the General Shareholders Meeting subject to the Federal Law "On Joint-Stock Companies" and the Bank's Charter, and except for other by-laws, which are to be approved by the Bank's executive bodies in compliance with the Bank's Charter;

14) Opening and closing branches and representative offices of the Bank, as well as liquidation thereof, changing the status of branches into internal divisions of the Bank (branch);

15) Resolving on entering into or a further approval of related party transactions and major transactions as required by the Federal Law "On Joint-Stock Companies" and the Bank's Charter;

16) Preliminary approving the Bank's annual report;

17) Approving and resolving to remove the head of the Bank's division in charge of internal audit;

18) Approving the Bank's Registrar, terms of agreement to be signed with it, and termination thereof;

19) Filing an application for listing of Bank shares and/or Bank equity securities convertible into the Bank's Shares;

20) Establishing committees of the Supervisory Council, approving by-laws regulating their competence, working procedures, membership, appointment and dismissal of the committees' chairman and members;

21) Appointing and removing the Bank's Corporate Secretary, approving the regulation on the Bank's Corporate Secretary, assessing of the Corporate Secretary's performance and approving Corporate Secretary performance reports;

- 22) Approving regulations on risk and capital management, considering annual reports on risk and capital management status and efficiency;
- 23) Approving regulations on internal control at the Bank;
- 24) Approving regulations on the Bank's division in charge of internal audit;
- 25) Approving action plans and considering performance reports of the Bank's division in charge of internal audit;
- 26) Considering quarterly reports of the Controller of the Bank's professional activity in the securities market;
- 27) Approving regulations on dividend policy;
- 28) Considering quarterly reports on the results of internal control over counteracting illegal use of insider and market manipulation;
- 29) Assessing the Bank's corporate governance system;
- 30) Approving the Bank's Corporate Governance Code;
- 31) Approving the Bank's Code of Ethics;
- 32) Resolving on participation and termination of the Bank's participation in subsidiary companies;
- 33) Approving the Bank's risk and capital management strategy, including maintenance of equity (capital) adequacy and sufficient liquidity to cover risks, both for the Bank as a whole and for its separate business lines, as well as approving the significant risk management procedure and monitoring its implementation;
- 34) Approving the rules of applying banking methodology for risk management and risk scoring models (to the extent provided by Article 72.1 of the Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)"), including assessment of assets and liabilities, the Bank's off-balance sheet claims and liabilities, as well as stress-testing scenarios and results thereof;
- 35) Approving the conflict of interest prevention procedure, financial capability recovery plan in the case of material deterioration in the Bank's financial standing, the plan aimed at providing business continuity and/or operational recovery of the Bank in the case of any exceptions or emergencies;
- 36) Assessing compliance by the Bank's sole and collective executive bodies with the policies and procedures approved by the Supervisory Council based on the reports made by the Bank's division in charge of internal audit;
- 37) Resolving on the duties of the Supervisory Council members, assessing their performance and submitting the results thereof to the Bank's General Shareholders Meeting;
- 38) Approving the Bank's HR policies;
- 39) Approving the Bank's remuneration policy and monitoring its implementation;
- 40) Approving the Bank's procurement policies with regard to goods, works and services;
- 41) Defining the Bank's position as to performance, amendment or early termination by the Bank's subsidiary (with at least 5 per cent of consolidated asset value or at least 5 per cent of consolidated revenue (according to the recent financial statements of the Bank)) of a transaction/ a group of related transactions involving property totaling over 25 per cent of the balance sheet value of the subsidiary's assets as at the recent reporting date;
- 42) Approving the Bank's financial and economic plan (budget);

43) Considering reports on the system of quality management of the Bank's products (services);

44) Approving principles and approaches to the Bank's risk management, internal control and internal audit;

45) Approving procedures and time frames for disclosing insider information (certain types thereof) of the Bank, which is not included into the list of insider information approved by the Bank of Russia;

46) Setting out terms and conditions for performing operations in financial instruments by persons referred to in Clauses 7 and 13, Article 4 of the Federal Law "On Counteracting Illegal Use of Insider Information and Market Manipulation and Amending Certain Legislative Acts of the Russian Federation", included into the Bank's Insider List, and persons related thereto;

47) Other issues as provided for by the Federal Law "On Joint-Stock Companies" and the Bank's Charter.

2.2. No issue falling under the terms of reference of the Supervisory Council can be transferred to the Bank's Management Board or President - Chairman of the Management Board.

3. Procedure of Establishing the Supervisory Council

3.1. The number of Supervisory Council members shall be defined by the General Shareholders Meeting subject to the Federal Law "On Joint-Stock Companies".

Supervisory Council members are elected by cumulative voting, in which the number of votes each shareholder owns is multiplied by the number of nominees to be elected members of the Bank's Supervisory Council, and each shareholder can either give all of such votes to one nominee, or distribute them between two or more nominees.

The nominees getting the majority of shareholders' votes shall be deemed elected members of the Supervisory Council.

3.2. Supervisory Council members shall be elected by the General Shareholders Meeting in compliance with procedures set out in the Federal Law "On Joint-Stock Companies" and the Bank's Charter, and serve as such till the next annual General Shareholders Meeting.

If the annual General Shareholders Meeting is not held within the period specified in the Bank's Charter, the responsibilities of the Supervisory Council shall be deemed terminated, except for responsibilities for preparing, convening and holding the annual General Shareholders Meeting.

3.3. There is no limit to the number of times the Supervisory Council members can be re-elected.

The General Shareholders Meeting may resolve to terminate the powers of any of the Bank's Supervisory Council members ahead of time.

4. Procedure of Holding the Supervisory Council Meetings

4.1. Meetings of the Supervisory Council are called by the Chairman of the Supervisory Council on its own initiative, at the request of any member of the Supervisory Council, the Bank's Statutory Audit Commission, auditing company, Management Board, as well as President -Chairman of the Board, and a head of the Bank's division in charge of internal audit.

The meeting of the Supervisory Council called at the request of the Supervisory Council, the Bank's Statutory Audit Commission, the Bank's auditor, Management Board, as well as President-Chairman of the Board, and a head of the Bank's division in charge of internal audit, shall be held within fifteen days from the date of the request. The request shall be accompanied by relevant documents.

4.2. The Management Board shall provide adequate working environment for the Supervisory Council.

4.3. The quorum for a valid meeting of the Bank's Supervisory Council shall be one half of its elected members.

Should the number of the Supervisory Council members become less than the quorum requirement, the Supervisory Council shall be obliged to convene an extraordinary General Shareholders Meeting to elect new members of the Supervisory Council. The remaining members can only resolve to convene this extraordinary General Shareholders Meeting.

4.4. When preparing for a meeting of the Supervisory Council or the absentee ballot, the Executive Secretary of the Supervisory Council on behalf of the Chairman of the Supervisory Council shall inform President-Chairman of the Management Board on the date and agenda of the meeting, and the list of arrangements necessary for the meeting to be held.

President – Chairman of the Management Board shall instruct heads of the Bank's divisions involved to make the necessary arrangements.

4.5. Issues to be considered by the Supervisory Council are usually submitted to the Executive Secretary by the members of the Management Board, President-Chairman of the Management Board, the Bank's Statutory Audit Commission, and the Bank's auditor. Proposals for the agenda shall be accompanied by relevant background materials.

Based on the issues proposed, the Executive Secretary shall form and agree with the Chairman of the Supervisory Council the meeting's agenda and its date.

The Executive Secretary shall distribute the notification on the meeting, the agenda and all relevant background materials among the Supervisory Council members not later than 15 days before the date of the meeting (the above materials may be distributed via regular mail, fax, with a special messenger or electronically, including via a special software application).

4.6. When taking resolutions, members of the Supervisory Council who are present at its meeting may express their opinions (thus voting on the issues of the

Agenda) by raising their hands, or by electronic voting with the use of a special software application.

5. Procedure of Absentee Ballot Voting

5.1 A decision to hold a meeting by the absentee ballot shall be made by the Chairman of the Supervisory Council on its own initiative, as well as at the request of persons entitled to request convocation of the Supervisory Council meeting listed in Clause 4.1 hereof. The Chairman of the Supervisory Council shall form the list of issues brought to the absentee ballot, set the cut-off date for receiving filled-in ballot papers (the stop date for electronic voting via a special software application), and shall order the Executive Secretary to prepare ballot papers and the materials required for the issues put to the vote.

5.2. The notification on the absentee ballot, ballot papers and other necessary materials are sent by the Executive Secretary to each Supervisory Council member (the documents specified may be distributed via regular mail, fax, with a special messenger or electronically, including via a special software application). The notification shall specify the cut-off date for receiving ballot papers (the stop date for electronic voting via a special software application) set by the Chairman of the Supervisory Council.

If the absentee ballot concerns approval of a related party transaction or setting the price for property acquisition or disposal, members of the Supervisory Council deemed as related parties (subject to the Federal Law "On Joint-Stock Companies") shall not receive ballot papers and are notified on the reason why they are restrained from voting.

5.3. Notification on the absentee ballot is sent to the Supervisory Council members not later than 1 day before the cut-off date for receiving ballot papers (before the stop date for electronic voting via a special software application).

5.4. A ballot paper shall include the following:

- Wording of each motion and of a corresponding resolution;
 - Voting options for each motion expressed as "for", "against" and "abstained";
- and
- A note that the ballot paper shall be signed by the Supervisory Council member.

5.5. The date of a Supervisory Council meeting by absentee ballot shall be the cut-off date for submitting ballot papers (the stop date for electronic voting via a special software application).

The filled in ballot papers received as hard copies or as electronic documents bearing a digital signature via a special software application, and submitted not later than the deadline set shall be the basis for the Minutes. The Minutes shall be drawn up in compliance with the procedure set in Section 7 hereof.

5.6. A ballot paper may be made as a hard copy or as an electronic document bearing a digital signature via a special software application.

If any member of the Supervisory Council votes via a special software application and also submits to the Bank a filled in ballot paper and if there are any discrepancies between the voting variants, the hard copy of the ballot paper shall be taken into account in vote counting.

In announcing the voting results, ballot papers with only one voting option marked shall be considered valid. Ballot papers, including those submitted as electronic documents bearing a digital signature via a special software application, that do not meet the above requirement shall be considered void and are not taken into account in announcing the ballot results.

6. Procedure of Taking Resolutions

6.1. Resolutions at the Supervisory Council Meeting or by the absentee ballot shall be taken by a majority vote of members attending the meeting or participating in the absentee ballot, unless otherwise provided by the Federal Law "On Joint-Stock Companies" and the Bank's Charter.

Resolutions on the items specified in paragraphs 1, 7, 11, 19, 27 and 41, Clause 2.1 hereof, as well as recommendations regarding a voluntary or mandatory offer received by the Bank, and on items related to the submission to the Bank's General Shareholders Meeting of issues referred to in paragraphs 1, 2, 3, 6, 7 and 20, Clause 13.2 of the Bank's Charter, shall be taken by a majority of all of the elected Supervisory Council members, without the exiting members.

6.2. In taking resolutions at the Supervisory Council meeting or by absentee ballot, each member of the Supervisory Council is entitled to one vote. None of the members may transfer their vote to another person, including another Supervisory Council member. In case of a tie vote, the Chairman of the Supervisory Council shall have a casting vote. If the Chairman of the Supervisory Council does not participate in the Supervisory Council meeting or in absentee ballot voting, a resolution with a tie vote shall be deemed not taken.

Any member of the Supervisory Council who fails to attend the Supervisory Council meeting can participate in such a meeting through a conference- or a video-conference call, and can also submit its written opinion as to the issues the agenda, which is to be eligible for the quorum and vote counting.

A written opinion may be made as a hard copy or as an electronic document bearing a digital signature via a special software application.

If any member of the Supervisory Council expresses its written opinion via a special software application and also submits to the Bank a hard-copy written opinion and if there are any discrepancies between the voting variants, the hard copy of the written opinion shall be taken into account in vote counting.

Written opinions of any Supervisory Council member who is absent from the meeting shall be attached to the Minutes of that meeting.

7. Minutes of the Supervisory Council

7.1. Minutes of the Supervisory Council meeting shall be formalized within three days after the meeting and signed by the Chairman of the Supervisory Council, who is responsible for the accuracy of the Minutes, and by the Executive Secretary.

7.2. Minutes of the Supervisory Council meeting shall specify:

- Place and time of the meeting held;
- Date and time of drafting the Minutes;
- List of attendees;
- Agenda of the meeting;
- Motions put to the vote and voting results for each of them, and
- Resolutions taken.

7.3. Minutes of the absentee ballot voting shall be executed within three days after the results of absentee ballot are announced and signed by the Chairman of the Supervisory Council or, in the absence thereof, by one of the Supervisory Council members acting as the Supervisory Council Chairman as resolved by the Supervisory Council, and by the Executive Secretary. Ballot papers are an integral part of the Minutes.

7.4. Minutes of the absentee ballot shall specify:

- Date of the absentee ballot;
- Date, time and place of drafting the Minutes;
- List of persons participating in the absentee ballot voting;
- Agenda of the absentee ballot;
- Motions put to the vote and voting results for each of them, and
- Resolutions taken.

7.5. The Executive Secretary shall safe-keep the original Minutes of the Supervisory Council meetings.

7.6. Extracts from the Minutes of the Supervisory Council meetings shall be signed by the Executive Secretary.

The Executive Secretary may deliver extracts from the Minutes to heads of the Bank's divisions responsible for implementing the Supervisory Council resolutions.

Under instruction of President-Chairman of the Management Board, copies of and extracts from the Minutes of the Supervisory Council may be delivered to other divisions of the Bank, as well as certain corporates and individuals that are not the Bank's shareholders.

8. Rights, Duties and Liabilities of the Supervisory Council Members

8.1. Members of the Supervisory Council are entitled to:

- 8.1.1. Demand convening a meeting (absentee vote) of the Supervisory Council;
- 8.1.2. Propose issues to be put on the agenda of the meeting (absentee vote) of the Supervisory Council;

8.1.3. Discuss the issues of the Bank's activity at the meetings of the Supervisory Council, to make proposals and vote on every issue of the agenda at the meeting of the Supervisory Council as required by the legislation;

8.1.4. Request and promptly receive information and documents needed by members of the Bank's Supervisory Council for performing their duties and making decisions, including accounting and other documents of the Bank, and copies thereof.

8.1.5. Get familiar with the action plan of the Supervisory Council;

8.1.6. Receive remuneration for performing the duties and/ or to get reimbursement for the expenses related to performing functions of the Supervisory Council member according to the legislation and resolutions of the General Shareholders Meeting.

The Supervisory Council members may also have other rights provided by the legislation and the Bank's Charter.

8.2. Members of the Bank' Supervisory Council must:

8.2.1. Be guided, in performing their activities, by the applicable legislation, the Bank's Charter, resolutions taken by the General Shareholders Meeting, this Regulation and the Bank's by-laws approved by the General Shareholders Meeting and the Supervisory Council;

8.2.2. Not use their powers and information on the Bank's activities for their personal benefit;

8.2.3. Not disclose any available to them confidential and insider information on the Bank's activities comprising business, commercial and banking secret and any other secret protected by the law;

8.2.4. Comprehensively participate in the operations of the Supervisory Council;

8.2.5. Act for the benefit of the Bank and avoid taking resolutions for the benefit of certain shareholders and the Bank employees; assess possible risks and negative consequences for the Bank when taking resolutions;

8.2.6. Promptly inform the Chairman of the Supervisory Council of any interest or conflict of interest caused by the adopted resolution, to abstain from voting on the items where they have any personal interest;

8.2.7. Inform the Chairman of the Supervisory Council and/ or Corporate Secretary about:

- An intention to execute a transaction with the Bank's shares or shares (shareholdings) of the companies controlled by the Bank on their own behalf;

- Acquisition/disposal of the Bank's shares or shares (stakes in the charter capital) of the companies controlled by the Bank (not later than the execution date of the relevant transaction);

- Their affiliated or related persons;

- Legal entities where they, their spouses, parents, children, brothers and sisters (whether full- or half-blooded), adoptive parents and adopted children, and/ or entities under their control, are controlling persons or entitled to give any binding instructions;

- Legal entities with the governance bodies where they, their spouses, parents, children, brothers and sisters (whether full- or half-blooded), adoptive parents and adopted children, and/ or persons under their control are planning to take or hold positions (within 3 days after election (appointment) to such positions);

- Any actual or proposed transaction, they come to know, where they can be recognized as related parties;
- Incompliance of their business reputation with the requirements set out in the Federal Law “On Banks and Banking Activities”.

The Supervisory Council members may also have other duties provided by the legislation and the Bank’s Charter.

8.3. An independent member of the Supervisory Council should refrain from actions which may result in the loss of independence. If there are circumstances arising after the election to the Supervisory Council, which result in loss of independence of any Supervisory Council member, they shall notify the Supervisory Board on such circumstances.

8.4. In case of any conflict, the senior independent director shall make an effort to settle the conflict by interacting with the Chairman and other members of the Supervisory Council, as well as with shareholders of the Bank to ensure efficient and stable performance of the Supervisory Council.

8.5. When exercising their rights and duties, members of the Bank’s Supervisory Council act for the benefit of the Bank, reasonable and in good faith.

8.6. Members of the Supervisory Council shall be liable to the Bank for the losses caused to the Bank by their faulty actions (omissions thereof), unless causes for liability are established by the federal laws.

Members of the Supervisory Council shall be liable to the Bank or its shareholders for the losses caused by their faulty actions (omissions thereof) violating the procedure of acquiring shares as specified by Chapter XI.1 of the Federal Law “On Joint-Stock Companies”.

At the same time, the Supervisory Council members who voted against the resolution that caused losses to the Bank or to any shareholder or, acting in good faith, did not participate in the voting, shall not be held liable.

8.7. When defining the grounds for and scope of liability of the Supervisory Council members, consideration shall be given to ordinary business environment and other material circumstances.

8.8. The Bank or its shareholder(s) holding in aggregate at least one per cent of the outstanding ordinary shares of the Bank may file a claim against any member of the Supervisory Council to be reimbursed for losses caused to the Bank subject to the first paragraph of Clause 8.6 hereof.

The Bank or any of its shareholders may file a claim against any member of the Supervisory Council to be reimbursed for losses caused to the Bank subject to the second paragraph of Clause 8.6 hereof.

8.9. Government representatives in the Supervisory Council together with other members of the Supervisory Council shall be liable under this Regulation.