

Approved by
VTB Bank
Supervisory Council
(Minutes No.2 dated
26.02.2020)

**VTB Bank (public joint stock company)
Code of Ethics**

Moscow 2020

1. Introduction

1.1. VTB Bank (PJSC) Code of Ethics (hereinafter referred to as the “Code”) is aimed at defining the set of principles and rules of business conduct and ethics applicable at VTB Bank (hereinafter referred to as “VTB” or the “Bank”), which are also binding for VTB Bank Supervisory Council members and VTB employees (hereinafter referred to as the “Employees”), and designed to increase VTB capitalization, its financial stability and efficiency.

1.2. In its business practice, VTB shall take into consideration socially important aspects of its activities and commitments to shareholders, clients, business partners, society and the state (hereinafter referred to as the “parties involved”).

1.3. In the instances where ethical standards to be introduced by this Code are higher than those defined by the applicable business practice and law, VTB shall adhere to the provisions hereof.

1.4. VTB Supervisory Council members and all VTB employees are bound to follow the standards and guidelines set by this Code when acting on behalf of VTB, irrespective of their location and no matter whether their employment by VTB is full or only part-time.

2. Mission, Vision, and Values

2.1. Mission¹

We help people implement their plans with better financial solutions.

We are the team of professionals working for our clients and the entire country.

2.2. Vision²

A universal financial group with dynamic and sustainable growth aiming to be a first choice financial partner for its clients and satisfy their needs in more convenient and modern ways.

2.3. Values³

2.3.1. VTB values serve as a liaison between all areas of the Bank’s business and basic corporate culture. Values mean the day-to-day guidelines for making decisions and taking actions and relate to relationships with clients, business partners and the Bank’s employees.

2.3.2. In the course of VTB development and evolutionary market requirements values may be modified and updated.

¹ Mission defines an organization’s purpose, a reason for its existence.

² Vision answers the question, how the organization shall develop to implement its mission and how the organization would like to see itself in the future.

³ Values are daily mindsets and guidelines on the behaviors and actions common for all employees.

We value our clients

- We prioritize client needs
- We trust our clients and are trying to earn the confidence
- We listen to our clients

We work as a team

- We respect and trust each other
- We support each other and help our colleagues grow
- We achieve common objectives

We take responsibility for the result

- We focus on the result rather than the process
- Each of us takes responsibility to contribute into common objectives
- We talk openly about our failures and success

We take the initiative

- We are passionate about what we do
- We are proactive when solving common tasks
- We go beyond the job description

We are continuously improving

- We are open to changes
- We change ourselves first
- We are not afraid to experiment

3. Conflicts of Interest

3.1. A conflict of interest is a situation where an indirect or direct personal interest⁴, actual or potential benefit for an employee/ member of VTB Bank Supervisory Council affects or may affect its faithful and efficient discharge of the obligations provided for in the Bank documents and/or legislation and could have adverse impact on the Bank, clients, and partners.

3.2. To prevent a conflict of interest, members of the Supervisory Council and employees shall follow to the principles below:

3.2.1. Restrain from any actions and decisions that may pose a conflict of interest;

3.2.2. Avoid a conflict of interest and situations that may be perceived as a conflict of interest;

⁴ A personal interest means an opportunity to gain revenue in money, other property, including interests, services of material nature, results of completed works or any benefits (advantages) by an employee/ member of the Supervisory council and/or its representatives including without limitation blood or in-law relatives to it (parent, spouse, child, brother, sister as well as brother, sister, parent, child of a spouse, and spouse of a child), citizens or organizations with whom an employee/ member of the Supervisory Council and/or its representative as well as a blood or in-law relative to it have property, corporate, and other close relationship.

3.2.3. Follow the principles of professional ethics and requirements of the Bank's internal documents;

3.2.4. Refrain from using information obtained in the course of their duties as well as the Bank's resources in personal interests.

3.3. A conflict of interest is settled based on the principles below:

3.3.1. Obligation to report an actual conflict of interest or a situation and circumstances resulting in a potential conflict of interest to an authorized person⁵;

3.3.2. Individual analysis of each conflict of interest and its settlement;

3.3.3. Confidential settlement of a conflict of interest;

3.3.4. Balancing interests of the Bank, members of the Supervisory Council and Bank employees when settling a conflict of interest;

3.3.5. Protection of a person reporting a conflict of interest from possible negative consequences due to such report.

3.4. To prevent a conflict of interest, members of the Supervisory Council have to:

3.4.1. Refrain from actions that will, or may potentially, pose a conflict of interest;

3.4.2. Refrain from voting on agenda items if the participation in voting might pose a conflict of interest, and in case in which the nature of the discussed issue or specific nature of a conflict of interest so require, be absent during discussion of such issue;

3.4.3. Timely report to the Chairman of the Supervisory Council of interest or a conflict of interest when making decisions, refrain from voting on the items when personal interest is present;

3.4.4. Report to the Chairman of the Supervisory Council and/ or Corporate secretary the information listed in the Regulation on VTB Bank Supervisory Council.

3.5. Members of the VTB Bank Supervisory Council shall not receive gifts or any preferences from persons interested in decision-making by the Supervisory Council and benefit (take advantage) directly or indirectly.

3.6. In case of a conflict of interest, the senior independent director⁶ shall make efforts to resolve the conflict through interaction with the Chairman of the Supervisory Council, other members of the Supervisory Council, Corporate secretary and Bank shareholders to ensure efficient and stable functioning of the Supervisory Council.

3.7. Employees are required, in a timely manner, to inform the Bank in accordance with the Bank regulations on potential and/or actual conflicts of

⁵ Authorized person, with a view to applying the Code's provisions, is:

- in case a Bank employee is involved in a conflict-of-interest situation – a line manager defined, including without limitation, by the Bank documents on assignment of responsibilities of employees and/ or managers;
- in case a member of the Supervisory Council is involved in a conflict-of-interest situation – the Chairman of the Supervisory Council.

⁶ In accordance with paragraphs 1.4, 8.4. of the Regulation on VTB Bank Supervisory Council in case the senior independent director was elected from among the independent directors.

interest and any available information that might, directly or indirectly, pose a conflict of interest.

4. Relationships with Clients, Business Partners and State Authorities

4.1. VTB relations with its shareholders, clients, depositors, lenders, business partners and representatives of state or municipal authorities and members of the Supervisory Council are built on the principles of utmost honesty and mutual respect, business transparency, good faith, professionalism, mutual trust and respect, equality and openness, client-oriented approach, strict observance of commitments, full disclosure of information under the applicable law, and negotiations prevailing over proceedings. VTB seeks to employ all communication channels (methods of communication) possible, including press conferences, business meetings, publications, TV and radio broadcasting, as well as Internet to ensure free access of all interested parties to the information disclosed by VTB.

4.2. Employees shall do their best to mitigate risks of any VTB client or business partner. The Bank values its reputation and is constantly strengthening the image of a safe and reliable partner. VTB brand remains the best guarantee of reliability and commitment to the common cause for the Bank's employees, clients and business partners. That said, mitigation of risks of any VTB client or business partner shall not increase VTB risks.

4.3. VTB seeks to use own experience and the world's best practices for development of new products and their implementation on the financial market. By developing and getting new knowledge, VTB provides significant advantages to its clients facilitating their business growth.

4.4. VTB seeks to maximize efficiency of processes and procedures. Precise wording of a task, carefully chosen instruments for its solution, wise use of resources are the main methods by which VTB achieves the highest result.

4.5. VTB is set to always meet its contract obligations and values its business relationships. VTB holds negotiations to enter a contract on the principles of mutual respect and benefit. In building its business relations, VTB aspires to attain high quality standards and offer a wide range of professional services. In the event of a dispute VTB shall tend to reach a mutually accepted and fair solution.

4.6. VTB is striving to strictly comply with recognized principles and standards of international law and legislations of VTB operating countries, provisions of this Code and the Bank's other by-laws and regulations. VTB bears responsibility to shareholders for its business performance, to clients, for the quality of banking services, to business partners, for due exercise of its commitments, to society and the state, for respect for people, their rights and freedoms, and for contribution to the Russian economy.

4.7. VTB seeks to fully comply with the AML/CTF/CPF legislation of the Russian Federation and to have business with reliable clients and contracting partners engaged in legal activities with legal sources of income.

4.8. Supervisory Council members and VTB employees shall give their most careful consideration and timely respond to all claims against VTB made by its shareholders, clients, depositors, lenders, business partners and representatives of state or municipal authorities.

5. Relationships with Competitors

5.1. VTB shall build its relations with competitors on the principles of fair play and mutual respect. VTB views its competitors as another driving force of its development.

5.2. VTB shall build its relations with competitors based on the legislation of its operating countries, taking into account the existing rules of business practice and business conduct.

5.3. In the event of any dispute or controversy with its competitors, VTB shall try to settle it through negotiations and seek a compromise solution.

6. Relationships with Employees

6.1. VTB shall build its relations with employees on the principles of long-term cooperation, mutual respect and strict observance of bilateral commitments.

6.2. VTB shall also prohibit any employment discrimination based on political affiliation, religion, nationality, gender or any other grounds when hiring, remunerating or promoting its employees.

6.3. VTB shall always show respect and care for employees. VTB shall not allow any unfair privilege or benefit when hiring or promoting employees, or granting material incentives to them.

6.4. VTB shall create all necessary conditions to facilitate the employees' professional development and ensure their social well-being.

6.5. VTB considers its team an essential component of long-term and sustained growth. Therefore, VTB provides for health protection activities envisaged by the Russian legislation and also offers a number of additional healthcare-related social programs.

6.6. VTB strives to prevent any unlawful actions by third parties against VTB. VTB focuses on improving working environment to ensure efficient and safe labor conditions for its employees.

6.7. The employees shall prevent any situation, which might result in damage to the Bank's goodwill or any other tangible or intangible interests.

6.8. VTB shall encourage further development of risk management culture. When performing their functions, the employees shall focus on the potential risks. They are advised to inform the Bank in accordance with the relevant by-laws of any threat of such risks which may result in losses for VTB.

6.9. The employees shall maintain confidential information in full compliance with the applicable Russian law, this Code and other VTB by-laws; they shall neither disclose such information nor shall they disseminate in any other way confidential information about VTB or its subsidiaries. They shall not use confidential information in their own interest or in the interest of their affiliates, save to the extent that such disclosure is directly allowed or is mandatory under the applicable law.

7. Corporate Identity

7.1. VTB finds its image most instrumental in attaining the objectives and solving the tasks set. Therefore, one of the most important professional duties of all employees, irrespective of their positions, is their day-to-day effort to comply with corporate culture and maintain their image of an employee.

7.2. Irrespective of communication level, type, or method, an employee should be polite, amicable, responsive and tolerant to possible impoliteness by any client or business partner.

7.3. The employees are expected to abide by labor discipline. When under certain circumstances an employee happens to violate labor discipline, he/she shall immediately report to his/her direct superior. The employee shall do its best to avoid any such circumstances.

7.4. The employees are advised to follow the business dress code matching VTB image and recommended by VTB. Employees should not look provocative or untidy.

8. VTB and Community

8.1. VTB views itself as an integral part of the community where it operates and where it strives to develop strong relations based on the principles of respect, trust, integrity and justice.

8.2. VTB is aware of nature protection as one of its major tasks. The Bank shall try to treat the environment with due care, in particular, through economic use of resources (power, paper, fuel, etc.) in compliance with the applicable standards and taking into account internationally recognized principles of environmental protection.

8.3. VTB shall define the priorities of providing support to the people living in its operating regions in accordance with its strategy and capabilities, taking into account national priorities and local needs.

9. Preservation of VTB Property

9.1. The employees shall reasonably and efficiently use VTB property and prevent its improper use or loss. VTB property is intended to assist the employees in performing their functions.

9.2. In order to protect and properly use VTB property it is recommended that the Bank's employees:

- handle the property with reasonable care in order to prevent it from being stolen, damaged or misused;
- promptly notify their direct superior of any actual or potential theft, damage or misuse of VTB property;
- protect IT systems, databases, communication channels and written materials from any inadvertent and unauthorized access by third parties; and
- use VTB property, as well as its software and communication networks only for legitimate business purposes and strictly within their competence.

10. Accounting and Financial Reporting

10.1. Complete, true and accurate information contained in the accounting records and financial statements are key elements of VTB efficient and transparent performance. It is also a major source of data for making strategic and business decisions in VTB activities.

10.2. Acting within their responsibilities, the employees shall make accurate, complete, fair and timely records and prepare reports on VTB performance. They shall not disclose inaccurate, incomplete or late statements to any parties involved.

10.3. Any Bank employee, who becomes aware of any violation of the accounting or reporting principles, including any embezzlement or unaccounted VTB property, shall promptly notify his/her direct superior and the Internal Audit Department thereof.

11. Anti-Corruption

11.1. VTB is committed to high ethical standards of running open and fair business to improve corporate culture, follow the best practices of corporate governance and maintain its impeccable business reputation.

11.2. VTB Supervisory Council members and employees are prohibited to take part, either directly or indirectly, personally or via third parties, in any corrupt practices, offer or receive bribes, abuse powers or perform undue influence peddling to simplify administrative and other procedures or to obtain benefits in the form of money, values, other property or monetized services, as well as other property rights for themselves or any third parties.

11.3. The employees filling the posts of President-Chairman of the Management Board, First Deputy President-Chairmen of the Management Board, Deputy President-Chairmen of the Management Board or the Chief Accountant may not be employed in the case of close relationship (parents, spouse, children, brothers and sisters, as well as brothers, sisters, parents and children of the spouse) with any Bank employee, if their work activities are under direct control on his/her behalf.

11.4. Gifts and business entertainment expenses provided on behalf of VTB or gifts received by Supervisory Council members and VTB employees in connection with their official duties from any third parties and organizations shall conform to the current business practice and the Russian law.

12. Prevention of Illegal Use of Insider Information and Market Manipulation

12.1. VTB strives to prevent, identify and stop any illegal use of insider information and (or) market manipulation.

12.2. The Bank, Supervisory Council members and the Bank's employees shall, within their competence, do their best to protect insider information and prevent its illegal use or disclosure.

12.3. Any VTB employee who becomes aware of any illegal use of insider information and (or) market manipulation, shall promptly notify thereof his/her direct superior, Compliance Control Division of Compliance Control and Financial Monitoring Department and the Controller of professional securities market participant.

12.4. In accordance with the procedure prescribed by the Russian law and VTB by-laws VTB Supervisory Council members and employees shall notify VTB of any VTB securities they own and of any transactions with VTB.

13. Information Disclosure

13.1. VTB shall disclose information about its performance in strict compliance with the applicable Russian law and international standards on the principles of its authenticity, regularity, promptness, and a balance between the need to ensure VTB transparency and the need to safeguard commercial interests.

13.2. The volume of information disclosed to clients and business partners shall be defined by the specifics of services offered to them in compliance with the applicable Russian law, this Code, and other VTB by-laws and regulations.

13.3. VTB Supervisory Council members and employees shall distribute any information about the Bank to mass media representatives in compliance with the applicable law and VTB by-laws.

14. Compliance with Legislation

14.1. Each Supervisory Council member and employee shall honor the legislation of the country of his/her employment.

14.2. In performing their employment duties, the Bank's employees shall comply with the obligations imposed by the legislations of the Bank's operating countries.

15. Recommendations on Ethical Issues

15.1. In case of any doubt in implementing this Code, the employees are advised to act with utmost responsibility and discuss any ethical problems involved with their direct superiors. If they fail to reach an acceptable solution in the course of such discussion, the employee may notify the HR Department of such issue in order to get further explanation.

15.2. Any employee may obtain advice from a representative of the HR Department in charge of ethical issues. Such representatives are expected to give recommendations and take measures according to this Code.

16. Violation of this Code

16.1. Illegal actions or actions violating this Code committed by VTB Supervisory Council members or employees may result in sanctions of regulating and supervising agencies against the Bank.

16.2. All issues or reports of the Supervisory Council members and employees related to actual or potential violations of law or this Code shall be given most careful and objective consideration in accordance with the Bank's regulations and the Russian law.

16.3. In accordance with the Bank's by-laws, the employees may report on the facts or reasonable suspicions of violations of the Russian law, the Bank's by-laws and regulations, including any abuse, corruption, fraud or other acts which may cause material damage to or loss of VTB goodwill, in particular, to the "Violation and Abuse Hotline."⁷

16.4. Violations of this Code shall be considered on a case-by-case basis with due regard to all relevant circumstances. The employee who has violated this Code shall be given the right to state their view of the situation before any final decision on appropriate actions is made.

⁷ In accordance with the Rules of Notifying the Bank of Actual or Potential Violations ("Violation and Abuse Hotline") brought into force by the Bank's Directive No.607 dated 13.09.2012.