

APPROVED
by JSC VTB Bank
General Shareholders Meeting

Minutes No. ____ dated _____.2015

Regulation on PJSC VTB Bank Supervisory Council

1. General Provisions

1.1. PJSC VTB Bank Supervisory Council shall perform general management of VTB Bank (hereinafter referred to as 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".

1.2. In performing its activities, the 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 (hereinafter referred to as the "Legislation"), the Bank's Charter 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 the expenses related to their responsibilities. The amount 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 shall not necessarily be the Bank's shareholder.

Members of the Bank's Management Board shall constitute not more than one fourth of the Supervisory Council. A person acting as President-Chairman of the Management Board cannot at the same time 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 Business" 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 the resolution of the Supervisory Council a senior independent director may be elected from the independent directors. Senior independent director acts as a counselor to the Chairman of the Supervisory Council contributing to the efficient organization of the Supervisory Council operations 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 is elected from and by the members of the Supervisory Council by a majority vote of the total membership of the Council. The Chairman of the Supervisory Council is 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 is entitled to re-elect the Chairman by a majority vote at any time.

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, his/her functions shall be performed by one of the Supervisory Council members chosen thereby.

1.6. The Supervisory Council is entitled to make decisions by absentee ballot (by poll). Such voting shall be made through ballot papers (i.e. without a joint presence of the Supervisory Council members to discuss matters on the agenda and make decisions on the motions).

1.7. Technical support of the Supervisory Council activities at and between the meetings is provided by the Executive Secretary of the Bank's Supervisory Council. The functions of the secretary of the Bank's Supervisory Council are 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 the Council's decision from its members and perform their activities subject to the regulations approved by the Supervisory Council.

2. Terms of Reference

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

- 1) setting priority lines of the Bank's development;
- 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) setting the cut-off date for compiling a list of persons eligible to participate in the General Shareholders Meeting, and making other decisions 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 subject to the Federal Law "On Joint-Stock Companies" and the Charter;
- 6) placing the Bank's bonds or equity 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 a procedure for their

determining and buy back prices subject to 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 Board members;
- 10) giving recommendations as to the amount of remuneration and compensation to be paid to members of the Statutory Audit Commission; and remuneration to the Bank’s auditing company;
- 11) giving recommendations as to dividend amount to be paid under shares and payment procedures;
- 12) using the Reserve Fund, and 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 this Charter, except for other by-laws, which are to be approved by the Bank’s executive bodies in compliance with the Charter;
- 14) opening and closing branches and representative offices of the Bank, as well as transforming the Bank’s branches into internal structural divisions of the Bank (Branch);
- 15) approving interested party transactions and major transactions related to property acquired or disposed by the Bank subject to the Federal Law “On Joint-Stock Companies” and the Charter;
- 16) preliminary approving the Bank’s annual report;
- 17) appointing and removing 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 delisting of shares and (or) equity securities of the Bank convertible into shares;
- 20) creating committees under the Bank’s Supervisory Council, approving regulations thereon, and considering performance reports of such committees; and
- 21) appointing and removing the Bank’s Corporate Secretary, approving the regulation thereof, assessing performance of the Bank’s Corporate Secretary and approving reports on his work;
- 22) approving risk management policy, considering annual reports of risk management status and efficiency;
- 23) approving regulation on internal control at the Bank;
- 24) approving regulation on the Bank’s division in charge of internal audit;
- 25) considering Action Plans and Performance Reports of the Bank’s division in charge of internal control and assistance to the governance bodies in ensuring efficient performance of the Bank;
- 26) considering Quarterly Reports of the Controller of the Bank’s professional activity in the securities market;
- 27) considering Quarterly Reports of the Controller of the Bank’s Specialized Depository;
- 28) Considering Quarterly Reports on the results of internal control over insider trading and market manipulation prevention;

- 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) decision-making 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 liquidity for covering risks with respect to the whole Bank and its separate business lines, as well as approving the material risk management procedure and monitoring of its implementation;
- 34) approving the rules of applying banking methodology for risk management and risk scoring model (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, off-balance claims and liabilities of the Bank, as well as stress-testing scenario 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 action 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) decision-making on the duties of the Supervisory Council members, their performance assessment and submission of the results thereof to the General shareholders meeting;
- 38) approving the Bank's HR policy;
- 39) approving the Bank's remuneration policy and monitoring of its implementation;
- 40) approving JSC VTB Bank Regulation on Procurement of Goods, Works and Services;
- 41) appointing and removing JSC VTB Bank Specialized Depository Controller;
- 42) approving the rules of organizing and exercising internal control over JSC VTB Bank Specialized Depository Controller; and
- 43) other issues as provided by the Federal Law "On Joint-Stock Companies" and the Bank's Charter.

2.2. No issues 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 for 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" and the Bank's Charter.

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 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 the procedures set by 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 decide on removal of any member (all members) of the Supervisory Council.

4. Procedure for 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.

The meeting of the Supervisory Council called at the request of the Supervisory Council, the Bank’s Statutory Audit Commission, auditing company, Management Board, as well as President-Chairman of the Board shall be held within 15 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 make a decision to convene such 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 (hereinafter referred to as the “Executive Secretary”) on behalf of the Chairman of the Supervisory Council shall inform President-Chairman of the 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 Board shall instruct heads of the involved Bank’s divisions on making the necessary arrangements.

4.5. Issues for consideration of the Supervisory Council are usually submitted to the Executive Secretary by the members of the Management Board, the Supervisory Council, the Bank’s Statutory Audit Commission, and the auditing company. Proposals for the agenda shall be accompanied by relevant documents.

Based on the questions received, the Executive Secretary shall form and agree with the Chairman of the Supervisory Council the meeting’s agenda and date.

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

5. Procedure for Absentee Ballot

5.1. 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 ballot papers, as well as the date when the absentee ballot results are to be announced, and shall order the Executive Secretary to prepare ballot papers and the materials required on 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). Simultaneously, ballot papers and other necessary materials on the issues concerned shall also be circulated. The notification shall specify the cut-off date for receiving ballot papers set by the Chairman of the Supervisory Council.

If the absentee ballot concerns approval of an interested party transaction or setting the price for property acquisition or disposal, members of the Supervisory Council deemed as interested 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.

5.4. A ballot paper shall include the following:

- wording of each motion and of a corresponding decision;
- voting options for each motion expressed as "for", "against" and "abstained";
- cut-off date for submitting the ballot paper to the Executive Secretary; and
- note that the ballot paper shall be signed by the Supervisory Council member.

5.5. The date of a meeting by absentee ballot shall be the cut-of date for submitting ballot papers.

The filled in ballot papers 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. In announcing the voting results, ballot papers with only one voting option marked shall be considered valid. Ballot papers that do not meet this requirement shall be considered void and are not taken into account in announcing the ballot results.

6. Procedure for Decision Making

6.1. Decisions at the Supervisory Council Meeting or by the absentee ballot shall be made by a majority vote of members attending the meeting or participating in the absentee ballot, except for the decisions on increasing the Bank's charter capital by placing additional shares (Bank securities convertible into shares), interested party transactions and major transactions, the price for acquired or disposed property or services on interested party transactions.

6.2. Decision to increase the Bank's charter capital by placing additional shares (Bank securities convertible into shares) shall require unanimous approval by all existing members of the Supervisory Council, and the votes of exiting Supervisory Council members are not taken into account.

6.3. Decision on major transactions involving property having a value ranging from 25 per cent to 50 per cent of the balance sheet value of the Bank's assets shall require unanimous approval by all existing members of the Supervisory Council.

If the Supervisory Council fails to unanimously approve a major transaction, its members can decide to submit such approval to the General Shareholders Meeting.

6.4. An interested party transaction within the terms of reference of the Supervisory Council shall be approved prior to its execution by a majority of the Supervisory Council members not interested in its execution and being independent according to Article 83 of the Federal Law "On Joint-Stock Companies".

If all Supervisory Council members are deemed interested and/or are not recognized as independent members, the transaction may be approved by the General Shareholders Meeting.

Any decision on setting the price for acquired or disposed property or services on interested party transactions shall be made subject to this Clause.

6.5. In decision making (both at the meeting and by the absentee ballot) each Supervisory Council member 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 failed to participate in the meeting or in the absentee ballot, tie vote means that the decision is not approved.

Any member who failed to attend the meeting of the Supervisory Council can participate in the meeting through audio- or video-conferencing, or submit its written opinion as to the issues on the agenda, which is to be eligible for counting with the quorum requirement met and voting results announced. Written opinion of the Supervisory Council member who is absent from the meeting shall be entered upon the Minutes.

7. Minutes of the Bank's 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;
- list of attendees;
- agenda of the meeting;
- issues put to the vote and voting results for each of them; and
- decisions made.

7.3. Minutes of the absentee ballot 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 his/her absence, by one of the members of the Supervisory Council and by the Executive Secretary thereof. Ballot papers are an integral part of the Minutes.

7.4. Minutes of the absentee ballot shall specify:

- date of the absentee ballot;
- time and place of preparing the Minutes;
- list of persons participating in the absentee ballot;
- agenda of the absentee ballot;
- issues put to the vote and voting results for each of them; and
- decisions made.

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

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

The Executive Secretary may deliver Extracts from the Minutes to heads of Bank structural divisions responsible for implementing the Supervisory Council decisions.

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 Liability of Supervisory Council Members

8.1. A member of the Supervisory Council of the Bank is entitled:

- 8.1.1. to demand convening a meeting (absentee vote) of the Supervisory Council;
- 8.1.2. to propose including issues into the agenda of the meeting (absentee vote) of the Supervisory Council;
- 8.1.3. to 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 according to the requirements of the legislation;
- 8.1.4. to familiarize himself/herself with the action plan of the Supervisory Council;
- 8.1.5. to 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 GSM.

A Supervisory Council member also has other rights provided by the legislation and the Bank's Charter.

8.2. A Supervisory Council member shall:

8.2.1. in performing his activities be guided by the legislation, the Bank Charter, the resolutions of the Bank's GSM, this Regulation and Bank by-laws approved by the GSM and the Supervisory Council;

8.2.2. not use his position and information on the Bank's activities for his personal benefit;

8.2.3. not disclose any available to him 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 making decisions for the benefit of certain shareholders and Bank employees;

8.2.6. promptly inform the Chairman of the Supervisory Council of any interest or conflict of interest caused by the decision made, to abstain from voting on the issues where he has a personal interest;

8.2.7. inform the Chairman of the Supervisory Council and (or) Corporate Secretary:

- on an intention to make a transaction with the Bank's shares or shares (shareholdings) of the companies controlled by the Bank on his own behalf;
- on acquisition/alienation of shares of the Bank or shares (shareholdings) of the companies controlled by the Bank (not later than the date of the relevant transaction);
- on his affiliates;
- on the legal entities in which he owns 20 or more percent of voting shares (stakes) independently or jointly with his affiliates;
- on the legal entities with the governing bodies where he and his affiliates are planning to take or hold positions (not later than 3 days after election (appointment) to such positions);
- on non-conformance of his business reputation to the requirements set by the Federal Law "On Banks and Banking Activities".

A Supervisory Council member also has other duties provided by the legislation and the Bank's Charter.

8.3. Independent member of the Supervisory Council shall refrain from actions which may result in his loss of independence. If there are circumstances arising after the election to the Supervisory Council, which result in loss of independence of a Supervisory Council member, he shall notify the Supervisory Board on such circumstances.

8.4. In case of a conflict, a senior independent director shall make an effort to resolve the conflict by interacting with the Chairman of the Supervisory Council, other members of the Supervisory Council and the shareholders of the Bank in order to ensure efficient and stable operation of the Supervisory Council.

8.5. When exercising their rights and duties, the members of the Supervisory Council shall act for the benefit of the Bank, exercising their rights and duties related to the Bank reasonably and in good faith.

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

Members of the Supervisory Council of the Bank shall be liable to the Bank or its shareholders for the losses caused by their actions (omission to act) violating the order of acquisition of the shares as specified in Chapter XI.1 of the Federal Law "On Joint Stock Companies".

At the same time the Supervisory Council members who voted against the decision that caused losses to the Bank or any shareholder, or did not participate in the vote shall not be liable.

8.7. In determining the cause and extent of liability of the Supervisory Council members, ordinary course of business and other circumstances relevant to the case shall be taken into account.

8.8. The Bank or shareholder(s) holding in aggregate at least one percent of the outstanding ordinary shares of the Bank, may apply to court against a member of the Supervisory Council for compensation for losses caused to the Bank in the case provided by the first paragraph of Clause 8.6 of this Regulation.

A Bank or a shareholder may apply to court against a member of the Supervisory Council for compensation of losses caused to the Bank in the case provided by the second paragraph of Clause 8.6 of this Regulation.

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