

Information technology in the work of the Supervisory Council

In 2018, VTB Bank introduced a paperless system for the work of the Supervisory Council through the BoardMaps information and communication system. This software enabled the Bank to optimise the processes involved in preparing and holding meetings of the Supervisory Council by creating a unified communication space that meets all security requirements.

The system gives members of the Supervisory Council access to the materials from current and past meetings of the Supervisory Council, as well as information about decisions adopted, participants and other information required for the work of Supervisory Council members (financial reports, press reviews, Bank bylaws, etc.).

Evaluation of the work of the Supervisory Council

Since 2012, VTB Bank has conducted an annual assessment of its corporate governance system (including assessments of the work of the Supervisory Council and its committees).

The assessment methodology was developed on the basis of the provisions of the Russian Law on Joint-Stock Companies and the recommendations of the Russian Federation Central Bank and was approved by a decision of the Supervisory Council's Strategy and Corporate Governance Committee. 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.

In accordance with the methodology approved by the Supervisory Council's Strategy and Corporate Governance Committee, 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 2018, the members of the Supervisory Council continue to give it a high rating. The average score of the corporate governance assessment was 3.91 points (97.8% of the maximum value). Two components received the maximum score of 4 points: prevention of conflicts of interest among shareholders, members of the Supervisory Council, the Bank's executive bodies and its employees; and monitoring of the internal control system. At the same time, the other assessed components of the Bank's corporate governance were also highly rated, receiving 3.8–3.9 points out of a possible 4.

Members of the Supervisory Council had an attendance rate of 79.2% at in-person meetings in 2018, while written opinions on the issues under consideration were received from members who were not able to personally attend these meetings. The share of members of the Supervisory Council participating in absentee voting was 91.8%.

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 at a meeting of the Supervisory Council's Strategy and Corporate Governance Committee, after which it was taken under advisement by the Supervisory Council.

Committees of the Supervisory Council

The Supervisory Council has standing committees that support the effective implementation of the Council's managerial and supervisory functions and that provide preliminary detailed analysis and recommendations regarding the issues that the Council deems most important.

At the end of 2018, the Supervisory Council had the following committees:

- Audit Committee;
- Staff and Remuneration Committee;
- Strategy and Corporate Governance Committee.

The Supervisory Council committees are not governing bodies of the Bank and cannot act in the name of the Supervisory Council.