



## API Voting Recommendations for Annual General Meeting

Company: VTB Bank (Public Joint-Stock Company) (VTBR)

Meeting date: May 23, 2018

Record date: April 28, 2018

### Company Overview

VTB Group comprises Russian and foreign commercial banks, insurance, leasing and other companies controlled by the Group. The group is structured as a strategic holding company with a single development strategy, brand, centralized financial management and risk management.

The Group's operations in Russia are conducted via VTB Bank and a number of subsidiary banks: VTB 24 (until January 1, 2018) and Post Bank. On January 1, 2018, the Group completed the merger of VTB 24 into VTB Bank and started serving the clients of both banks under the single VTB brand.

The Bank's shareholding structure as of December 31, 2017 was as follows:

The authorized capital of VTB Bank (PJSC) is 651,033,883,623 Russian rubles 38 kopecks. It consists of ordinary and preference shares:

Type of stock	Quantity, pcs	Par value, rubles
Preference shares	12,960,541,337,338	0.01
Type 1 preference shares	21,403,797,025,000	0.01
Type 2 preference shares	3,073,905,000,000	0.1

Share capital structure:

Ordinary shares owned by Russia's Federal Agency for State Property Management (Rosimushchestvo): 12.1%;

Ordinary shares in free float: 7.8%;

Type 1 preference shares (owned by Russia's Ministry of Finance): 32.9%

Type 2 preference shares (owned by Deposit Insurance Agency Group): 47.2%.

Structure of the share capital represented by ordinary shares:

Russia's Federal Agency for State Property Management (Rosimushchestvo): 60.9%;

Institutional investors: 37.6%;

Individual investors: 1.5%.

No.	AGM agenda item	API recommendation
1.	<a href="#">Approval of the annual report of VTB Bank (PJSC)</a>	<b>FOR</b>
2.	<a href="#">Approval of the annual accounting (financial) statements of VTB Bank (PJSC)</a>	<b>FOR</b>
3.	<a href="#">Approval of the profit allocation of VTB Bank (PJSC) for the year 2017</a>	<b>FOR</b>
4.	<a href="#">Amount, terms and form of dividend payment for the year 2017 and setting the dividend record date</a>	<b>FOR</b>
5.	<a href="#">Payment of remuneration to the Supervisory Council members other than state employees for the service on the Supervisory Council in the amount determined by the by-laws of VTB Bank (PJSC)</a>	<b>FOR</b>
6.	<a href="#">Payment of remuneration to the Statutory Audit Commission members other than state employees for the service on the Statutory Audit Commission in the amount determined by the by-laws of VTB Bank (PJSC)</a>	<b>FOR</b>
7.	<a href="#">Determining the size of the Supervisory Council of VTB Bank (PJSC)</a>	<b>FOR</b>
8.	<a href="#">Election of the Supervisory Council members of VTB Bank (PJSC)</a>	API recommends voting <b>FOR</b> <b>Igor Repin</b> (an API-supported independent director)*
9.	<a href="#">Determining the size of the Statutory Audit Commission of VTB Bank (PJSC)</a>	<b>FOR</b>
10.	<a href="#">Election of the Statutory Audit Commission members of VTB Bank (PJSC)</a>	API recommends voting <b>FOR</b> on all candidates
11.	<a href="#">Approval of the auditor of VTB Bank (PJSC)</a>	<b>FOR</b>
12.	<a href="#">Approval of the new version of the Regulation on Preparing, Convening and Holding General Shareholders Meetings of VTB Bank (PJSC)</a>	<b>FOR</b>
13.	<a href="#">Withdrawal of VTB Bank (PJSC) from the Association of Russian Banks</a>	<b>ABSTAINED**</b>

\* The API recommends that the shareholders vote for the independent director Igor Repin supported by the API.

\*\* The API recommends voting ABSTAINED on this agenda item due to the complete lack of information (rationales, opinions, etc.) on this issue in the meeting reference materials.

In-depth review of the Annual General Meeting agenda:

1-2.	AGM agenda item	API recommendation
1.	<a href="#">Approval of the annual report of VTB Bank (PJSC)</a>	<b>FOR*</b>
2.	<a href="#">Approval of the annual accounting (financial) statements of VTB Bank (PJSC)</a>	<b>FOR</b>

\* The API believes it necessary to note that the Bank has not revealed the individual remuneration of the Management Board members in the annual report as it was expected to do according to best corporate governance practices. The annual report discloses fairly detailed KPIs and the achievement of targets, while the correlation between the remuneration and the achievement of KPIs is not disclosed. For example, the amount of remuneration to Management Board members increased from RUB 361.8 million to RUB 1,399.8 million, although TSR, one of VTB Bank's KPIs, was not achieved in 2017. A portion of the annual bonus is paid with a 3-year delay; furthermore, it is not clear what portions of the total amount (RUB 1.4 billion) are attributable to past and future periods. We recommend that the Supervisory Council pay attention to the need to disclose the remuneration of Management Board members, its fixed and variable portions, including the short-term and long-term components, as well as the payments of cash-settled share-based remuneration and the correlation between payments and relevant KPIs.

**AGENDA ITEMS 1-2 DETAILS:**

The annual report of VTB Bank (PJSC) for 2017 presents information on the main results of VTB Group's business and financial performance, development priorities, a summary of the Supervisory Council's activity and a review of compliance with recommendations for corporate governance, internal control, risk management, interaction with shareholders, etc.

The accuracy of data provided in the annual report of VTB Bank (PJSC) is confirmed by a report of the Statutory Audit Commission.

The accuracy of accounting (financial) statements of VTB Bank (PJSC) is confirmed by an Audit Report delivered by Ernst & Young LLC engaged as the audit firm and a report by the Statutory Audit Commission.

Please see below the key figures representing VTB Group's financial and economic performance according to IFRS:

Item	2016	2017	Change year-on-year
Assets, billion rubles	12,588.2	13,009.3	3.3%
Net interest income, billion rubles	415.0	460.2	10.9%
Net fee & commission income, billion rubles	81.8	95.3	16.5%
Staff costs and administrative expenses, billion rubles	233.9	260.9	11.5%
Customer deposits, billion rubles	7,346.6	9,144.7	24.5%
Other incomes, billion rubles	13.8	37.0	168.1%
Operating income before provisions for impairment, billion rubles	510.6	592.5	16.0%
Net profit, billion rubles	51.6	120.1	132.8%
Tier 1 capital adequacy ratio, %	12.9	13.1	0.2 p.p.
Total capital adequacy ratio, %	14.6	14.8	0.2 p.p.

In 2017, VTB Group's net interest income increased by 10.9% year-on-year to RUB 460.2 billion, primarily as a result of optimizing the structure of interest-based liabilities and expanding the retail loan portfolio. Net interest margin for the year was 4.1%, an increase from 3.7% in 2016.

The Group's net fee & commission income increased by 16.5% year-on-year to reach RUB 95.3 billion in 2017. The growth was mostly driven by strong performance in the Group's Retail business and Transaction Banking business (as part of the Corporate Investment Banking and Mid-Corporate Banking business segments).

Staff costs and administrative expenses increased by 11.5% year-on-year amounting to RUB 260.9 billion in 2017. The 11.5% increase in staff costs and administrative expenses in the reporting period mainly resulted from corporate restructuring processes at VTB Group and an increase in the headcount. The Group successfully completed the restructuring of its European sub-holding in 2017 and the merger of VTB24 into VTB Bank in early 2018. The Group's headcount expansion by approximately 3,500 employees resulted from the development of Post Bank's regional network.

The Bank's net profit increased by 132.8% year-on-year to RUB 120.1 billion in 2017 due to a higher net interest income, an increase in the net fee & commission income, and lower provisions.

The estimated liquidity indicators in 2017 indicate the Bank's ability to ensure the timely fulfillment of the current cash and other obligations to clients and the sufficiency of assets to cover unforeseen outflows of the money resources borrowed.

#### DRAFT RESOLUTIONS ON AGENDA ITEMS 1-2:

1. Approve the annual report of VTB Bank (PJSC) for 2017.
2. Approve the annual accounting (financial) statements of VTB Bank (PJSC) for 2017.

3-4.	AGM agenda item	API recommendation
3.	<a href="#">Approval of the profit allocation of VTB Bank (PJSC) for the year 2017</a>	FOR*
4.	<a href="#">Amount, terms and form of dividend payment for the year 2017 and setting the dividend record date</a>	FOR*

\* The API recommends that the Bank's Supervisory Council disclose more details on approaches to decision-making on the profit allocation to the shareholders, including, among other things, the target return on investment and the uses of retained earnings. The dividend yield on ordinary shares will be 6.28% in 2017 against 1.74% in 2016. The Supervisory Council actually proposes increasing the dividend per ordinary share by 4.54 p.p. against the 2016 level, the total amount earmarked for dividends on ordinary shares will be 37.3% of the IFRS net profit in 2017 against 29.4% in 2016.

#### AGENDA ITEMS 3-4 DETAILS:

According to the Bank's effective Dividend Policy Regulation, the recommended amount of dividend payments shall be determined by the Supervisory Council based on the Bank's consolidated financial performance for the reporting year and usually constitutes at least 25% of VTB Group's consolidated net profit according to international financial reporting standards.

Based on the 2017 results, the Bank intends to earmark 73% of the net profit according to Russian GAAP (RAS) standards which amounted to RUB 101.3 billion, or 61% of VTB Group's consolidated IFRS profit amounting to RUB 120.1 billion. In total, the Bank will pay RUB 73.5 billion in 2017 dividends against RUB 62.3 billion paid in 2016 dividends.

The Supervisory Council recommends that the shareholders approve the decision to pay RUB 0.00345349138975912 per ordinary share in 2017 dividends at the annual general meeting.

It is recommended that the Bank pay RUB 0.000551499742855177 per type 1 preference share, RUB 0.00551499742855177 per type 2 preference share.

The total amount earmarked for dividends will be RUB 11.8 billion for type 1 preference shares, RUB 16.95 billion for type 2 preference shares.

The Supervisory Council of the Bank proposed that June 4, 2018 be approved as the 2017 dividend record date at the annual general meeting.

#### DRAFT RESOLUTION ON AGENDA ITEMS 3-4:

#### 3. Allocate the profit earned by VTB Bank (PJSC) in 2017 as follows:

- total net profit to be allocated:	RUB 101,268,176,223.47;
- allocations to the Reserve Fund:	RUB 5,063,408,811.17;
- allocations for dividends on the outstanding ordinary registered shares of VTB Bank (PJSC):	RUB 44,759,117,915.11;
- allocations for dividends on the outstanding type 1 registered preference shares of VTB Bank (PJSC):	RUB 11,804,188,555.41;
- allocations for dividends on the outstanding type 2 registered preference shares of VTB Bank (PJSC):	RUB 16,952,578,170.61;
- retained net profit:	RUB 22,688,882,771.17.

#### 4.1. Make a decision on (announce) the 2017 dividend payment as follows:

- RUB 0.00345349138975912 per outstanding ordinary registered share of VTB Bank (PJSC) with a par value of RUB 0.01;
- RUB 0.000551499742855177 per outstanding type 1 registered preference share of VTB Bank (PJSC) with a par value of RUB 0.01;
- RUB 0.00551499742855177 per outstanding type 2 registered preference share of VTB Bank (PJSC) with a par value of RUB 0.1.

#### 4.2. Determine that the 2017 dividends shall be payable in money, the amount of dividends attributable to each VTB Bank shareholder shall be determined with an accuracy to one kopeck. For calculation purposes, the rounding of numbers shall be subject to mathematical rules.

#### 4.3. Set the following deadlines for dividend payments as from the dividend record date:

- 10 business days for payments to a nominal holder and a trust manager qualifying as a professional participant of the securities market, which are registered in the shareholders' register;
- 25 business days for payments to other persons registered in the shareholders' register.

#### 4.4. Set June 4, 2018 as the dividend record date, i.e. the cut-off date for determining the persons entitled to 2017 dividends.

5.	AGM agenda item	API recommendation
	<a href="#">Payment of remuneration to the Supervisory Council members other than state employees for the service on the Supervisory Council in the amount determined by the by-laws of VTB Bank (PJSC)</a>	<b>FOR</b>

#### AGENDA ITEM 5 DETAILS:

According to the Regulation on remuneration and compensations payable to members of the Supervisory Council of VTB Bank, as approved by the shareholders meeting on June 24, 2016 (hereinafter called the Regulation), the final amount of remuneration payable to a member of the Supervisory Council for the service in this capacity in a

corporate year includes:

- the basic remuneration for performing duties of a Supervisory Council member;
- a bonus for performing additional duties.

The basic remuneration shall be determined by the General Shareholders Meeting and paid to members of the Bank's Supervisory Council subject to their presence or attendance via conferencing or video conferencing at least at half of the meetings and participation in at least half of the absentee voting events at the Bank's Supervisory Council.

A bonus amounting to 30% of the basic remuneration payable to a Supervisory Council member shall be paid for the service as Chairman of the Supervisory Council, a bonus equal to 20% of the basic remuneration for the service as Chairman of a Supervisory Council committee, a bonus equal to 10% of the basic remuneration for the service as a Supervisory Council committee member.

It should be noted that the Regulation, unlike most similar regulations, does not set the amount of basic remuneration, which actually makes the total amount of remuneration dependent on decisions of the Supervisory Council proposed to the General Shareholders Meeting. Besides, in practice, the remuneration is subject to approval for the past period, which means no guaranteed payment of remuneration for the service as a Supervisory Council member.

Compared with the previous year, the amount of remuneration payable to the Supervisory Council has not changed; the Bank's actual financial results do not influence the remuneration payable to Supervisory Council members, which is consistent with normal practice.

#### DRAFT RESOLUTION ON AGENDA ITEM 5:

5.1. Pay the following remuneration to the Supervisory Council members of VTB Bank (PJSC) other than state employees:

- RUB 4,600,000 to each member of the Supervisory Council of VTB Bank (PJSC);
- RUB 1,380,000 to the Supervisory Council Chairman of VTB Bank (PJSC);
- RUB 460,000 to each member of each Supervisory Council committee of VTB Bank (PJSC);
- RUB 920,000 to the Chairman of each Supervisory Council committee of VTB Bank (PJSC).

5.2. Reimburse the Supervisory Council members of VTB Bank (PJSC) other than state employees for all expenses related to their service in this capacity during the period of such service, namely: accommodation, travel expenses, including VIP lounge services, other duties and fees for the use of various means of transport.

6.	AGM agenda item	API recommendation
	<a href="#">Payment of remuneration to the Statutory Audit Commission members other than state employees for the service on the Statutory Audit Commission in the amount determined by the by-laws of VTB Bank (PJSC)</a>	<b>FOR</b>

#### AGENDA ITEM 6 DETAILS:

According to the Regulation on remuneration and compensations payable to members of the Statutory Audit Commission of VTB Bank, the basic remuneration payable to members of the Statutory Audit Commission shall be equal to 20% of the average remuneration payable to a professional director (a member of the Bank's Supervisory Council who is an independent director or a professional attorney) and shall be calculated using a special formula as the ratio of the basic amounts of remuneration paid to professional directors for the last 3 corporate years to their number during the specified period.

#### DRAFT RESOLUTION ON AGENDA ITEM 6:

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- 6.1. Pay the following remuneration to the Statutory Audit Commission members of VTB Bank (PJSC) other than state employees:
- RUB 920,000 to each member of the Statutory Audit Commission of VTB Bank (PJSC);
  - RUB 276,000 additionally to the Chairman of Statutory Audit Commission of VTB Bank (PJSC).
- 6.2. Reimburse the Statutory Audit Commission members of VTB Bank (PJSC) other than state employees for all expenses related to their service in this capacity during the period of such service, namely: accommodation, travel expenses, other duties and fees for the use of various means of transport.

7.	AGM agenda item	API recommendation
	<a href="#">Determining the size of the Supervisory Council of VTB Bank (PJSC)</a>	<b>FOR</b>

**AGENDA ITEM 7 DETAILS:**

According to clause 14.3. of the Charter, the number of Supervisory Council members of the Bank shall be determined by a resolution of the General Shareholders Meeting. According to a resolution of the Annual General Shareholders Meeting in 2017 (Minutes no. 50 dated April 26, 2017), the Supervisory Council of the Bank consists of 11 members.

**DRAFT RESOLUTION ON AGENDA ITEM 7:**

Determine that the Supervisory Council of VTB Bank (PJSC) shall consist of eleven (11) members.

8.	AGM agenda item	API recommendation
	<a href="#">Election of the Supervisory Council members of VTB Bank (PJSC)</a>	API recommends voting <b>FOR Igor Repin</b> (an API-supported independent director)

**AGENDA ITEM 8 DETAILS:**

The newly elected Supervisory Council of VTB Bank (PJSC) shall consist of 11 members.

The following 13 candidates are proposed for voting:

No.	Name	Candidate office / position (at the primary place of employment)	Nominated by	Years on the Council	Status
1.	Matthias Arthur Warnig	Managing Director, Nord Stream AG (Switzerland); Director, Interatis AG (Switzerland)	The Russian Federation represented by the Federal Agency for State Property Management (Rosimushchestvo)	11	non-executive director
2.	Sergey Galitsky	President, FC Krasnodar LLC	The Russian Federation represented by Rosimushchestvo	3	independent director*

3.	Yves-Thibault de Silguy	Vice President, Senior Director of the Board of Directors of the Group, Authorized Administrator, VINCI, SAS (France); President, YTSEuropaconsultants, SARL (France)	The Russian Federation represented by Rosimushchestvo	5	independent director*
4.	Sergey Dubinin	Head of Finance and Credit Department, Faculty of Economics, Lomonosov Moscow State University	The Russian Federation represented by Rosimushchestvo	7	non-executive director
5.	Mikhail Zadornov	President, Chairman of the Management Board, Bank Otkritie Financial Corporation (PJSC)	Bank Otkritie Financial Corporation (PJSC)	0	non-executive director
6.	Andrey Kostin	President, Chairman of the Management Board, Member of the Supervisory Council, VTB Bank (PJSC)	The Russian Federation represented by Rosimushchestvo	15	executive director
7.	Shahmar Arif oglu Movsumov	Executive Director, State Oil Fund of Azerbaijan	The Russian Federation represented by Rosimushchestvo	5	independent director*
8.	Igor Repin**	Deputy Executive Director, Association of Institutional Directors	The Russian Federation represented by Rosimushchestvo	0	independent director
9.	Anton Siluanov	Minister of Finance of the Russian Federation	The Russian Federation represented by Rosimushchestvo	3	non-executive director
10.	Alexander Sokolov	Member of the Management Board, Bank Otkritie Financial Corporation (PJSC)	Bank Otkritie Financial Corporation (PJSC)	0	non-executive director
11.	Azer Mutalim oglu Talybov	Deputy Minister, Ministry of Economic Development of the Russian Federation	The Russian Federation represented by Rosimushchestvo	0	non-executive director
12.	Vladimir Chistyukhin	Deputy Governor, Bank of Russia	The Russian Federation represented by Rosimushchestvo	4	non-executive director



13.	Mukhadin Eskindarov	Rector, Finance University under the Government of the Russian Federation	The Russian Federation represented by Rosimushchestvo	0	non-executive director
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\*The director's status is disclosed by the Bank.

\*\*The API officially supports the candidate at the Annual General Meeting.

Supervisory Council members are elected by cumulative voting.

The API disagrees with the Bank's assessment of the independence of Sergey Galitsky nominated as a candidate to the Supervisory Council. According to the API, the candidate qualifies as a significant counterparty of the Company in terms of the criteria defined in clause 2 of Annex 4.1. to the Listing Rules of PJSC Moscow Exchange and the note to clause 3) of paragraph 100 of the 2014 Corporate Governance Code, being a party to the transaction executed by and between him and an entity controlled by the Bank in 2018 (namely, the sale of the shares in PJSC Magnit belonging to the candidate) the value of which exceeds 2 per cent of the carrying value of the candidate's consolidated assets as of the reporting date preceding the assessment of the counterparty significance, or 2 or more per cent of the candidate's consolidated revenues (income) for the complete calendar year preceding the assessment of the counterparty significance.

The API also notes a serious violation (by more than 1 month) of the 5-day deadline for consideration by the Bank's Supervisory Council of shareholders proposals' for the nomination of candidates to the Supervisory Council submitted within the period provided for by the Charter (60 days after the end of the reporting year or March 1, 2018).

According to the minutes of the Supervisory Council meetings disclosed by the Bank, the proposal of Russia's Federal Agency for State Property Management (no. DP-05/6360dsp dated March 1, 2018) was not considered until April 9, 2018, the letter from Bank Otkritie Financial Corporation (PJSC) (no. 01-4-10/25574 dated February 28, 2018) was considered as late as on April 16, 2018). The API considers this as unacceptable practice contrary to the generally accepted corporate governance standards. The Supervisory Council and the substantial shareholders of the Bank must meet the applicable deadlines for submitting shareholders' proposals and their consideration/approval, followed by putting this issue on the agenda of the shareholders' meeting. Given that VTB is one of the largest public companies in Russia, the negligence of its legal obligations has a negative effect on the entire market and the corporate governance practices in Russia.

Taking into account the substantial holding of Rosimushchestvo and the Bank's major shareholders (Otkritie, Russian Agricultural Bank, State Oil Fund of the Republic of Azerbaijan) exceeding 68%, the passing threshold for an independent director will be at least 6.5%. Given the historically low activity of institutional investors (fewer than 10% of the minority shareholders actually vote), investors can elect no more than one candidate by their votes.

The independent directors supported by the API are open to contact with the shareholders, we are ready to arrange a meeting or a conference call with them as necessary.

For details on the API's engagement with independent directors, please visit the official API website:

<http://api-russia.org>.

#### DRAFT RESOLUTION ON AGENDA ITEM 8:

Elect candidates from the following list as members of the Supervisory Council of VTB Bank (PJSC):

1. Matthias Warnig;
2. Sergey Galitskiy (as an independent Supervisory Council member);
3. Yves-Thibault de Silguy (as an independent Supervisory Council member);

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4. Sergey Dubinin;
5. Mikhail Zadornov;
6. Andrey Kostin;
7. Shahmar Arif oglu Movsumov (as an independent Supervisory Council member);
8. Igor Repin (as an independent Supervisory Council member);
9. Anton Siluanov;
10. Alexander Sokolov;
11. Azer Mutalim oglu Talybov;
12. Vladimir Chistyukhin;
13. Mukhadin Eskindarov.

9.	AGM agenda item	API recommendation
	<a href="#">Determining the size of the Statutory Audit Commission of VTB Bank (PJSC)</a>	<b>FOR</b>

#### AGENDA ITEM 9 DETAILS:

According to clause 18.1. of the Charter, the number of Statutory Audit Commission members of the Bank shall be determined by a resolution of the General Shareholders Meeting. According to a resolution of the Annual General Shareholders Meeting in 2017 (Minutes no. 50 dated April 26, 2017), the Statutory Audit Commission of the Bank consists of 6 members.

#### DRAFT RESOLUTION ON AGENDA ITEM 9:

Determine that the Statutory Audit Commission of VTB Bank (PJSC) shall consist of six members.

10.	AGM agenda item	API recommendation
	<a href="#">Election of the Statutory Audit Commission members of VTB Bank (PJSC)</a>	API recommends voting <b>FOR</b> on all candidates

#### AGENDA ITEM 10 DETAILS:

The newly elected Statutory Audit Commission shall consist of 6 members. The shareholders have nominated 5 current members of the Commission as candidates. The candidacy of *Vadim Soskov* is proposed instead of Igor Repin who is nominated as a candidate to the Supervisory Council. None of the candidates is employed by the Bank.

No.	Name	Candidate office / position (at the primary place of employment)
1.	Evgeny Gontmakher	Professor, Federal State Autonomous Educational Institution of Higher Professional Education "National Research University "Higher School of Economics"; Deputy Director, The Kudrin Foundation for Support of Civil Initiatives
2.	Mikhail Krasnov	Chairman of the Supervisory Board, VERYSELL Industrial Systems Automation

3.	Anastasia Olshanova	Grade 1 specialist, leading expert, deputy head of the department for privatization of organizations in market industries, head of the department for privatization of organizations in regulated industries, Property Relations and Privatization of Major Enterprises Division, Federal Agency for State Property Management
4.	Sergey Platonov	Assistant, Deputy Director, Financial Policy Department, Ministry of Finance of the Russian Federation
5.	Zakhar Sabantsev	Head of the Financial Sector Monitoring, Organizational Support and Aggregation Division, Financial Policy Department, Ministry of Finance of the Russian Federation
6.	Vadim Soskov	General Director, Capital Asset Management LLC

Members of the Statutory Audit Commission are elected by a simple majority of votes.

#### DRAFT RESOLUTION ON AGENDA ITEM 10:

Elect candidates from the following list as members of the Statutory Audit Commission of VTB Bank (PJSC):

1. Evgeny Gontmakher;
2. Mikhail Krasnov;
3. Anastasia Olshanova;
4. Sergey Platonov;
5. Zakhar Sabantsev;
6. Vadim Soskov.

11.	AGM agenda item	API recommendation
	<a href="#">Approval of the auditor of VTB Bank (PJSC)</a>	<b>FOR</b>

#### AGENDA ITEM 11 DETAILS:

Ernst & Young LLC was selected as the auditor for conducting the mandatory annual audit of VTB Bank (PJSC) in 2015-2019 in a bidding aimed at selecting audit firms which the Bank held on March 18, 2015 in accordance with Federal Law No.44-FZ "On the Contract System in Procurement of Goods, Work, Services for Covering State and Municipal Needs" dated April 5, 2013.

The Bank's annual report provides the following information about the fee actually paid to the auditor: RUB 212.4 thousand in 2015, RUB 212.4 thousand in 2016, RUB 63.7 thousand in 2017. No information on non-audit services is disclosed in the annual report and on the Bank's website. Additional comments on the amount of auditor's fee are required.

#### DRAFT RESOLUTION ON AGENDA ITEM 11:

Approve Ernst & Young LLC as the auditor of VTB Bank (PJSC) to conduct the mandatory annual audit of VTB Bank (PJSC) in 2018.

12.	AGM agenda item	API recommendation
	<a href="#">Approval of the new version of the Regulation on Preparing, Convening and Holding General Shareholders Meetings of VTB Bank (PJSC)</a>	<b>FOR</b>

**AGENDA ITEM 12 DETAILS:**

The list of information (materials) to be provided to persons entitled to participate in a general shareholders meeting the agenda of which includes consent to, or subsequent approval of, a major transaction has been updated, now including the opinion of the Bank's Supervisory Council on such major transaction.

In addition, minor changes and additions have been made to the wording of clause 12.2. establishing the procedure for conducting a general shareholders meeting aimed at optimizing this procedure.

No innovations prejudicing the position of shareholders are proposed in the new version of the document.

**DRAFT RESOLUTION ON AGENDA ITEM 12:**

Approve the new version of the Regulation on Preparing, Convening and Holding General Shareholders Meetings of VTB Bank (PJSC).

13.	AGM agenda item	API recommendation
	<a href="#">Withdrawal of VTB Bank (PJSC) from the Association of Russian Banks</a>	<b>ABSTAINED</b>

**AGENDA ITEM 13 DETAILS:**

Given the unanimous vote of the Bank's Supervisory Council members for the resolution to submit the Bank's withdrawal from the Association of Russian Banks for consideration at the general shareholders meeting, on the one hand, and the complete lack of reasoning (rationales, opinions, etc.) on this issue in the meeting-related materials, on the other hand, the API recommends voting ABSTAINED on this agenda item.

**DRAFT RESOLUTION ON AGENDA ITEM 13:**

Approve the withdrawal of VTB Bank (PJSC) from the Association of Russian Banks.

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*The Voting Recommendations are based on the Annual General Meeting reference materials published on the Bank's website. For questions and/or comment, please contact us at: +7 495 510-5306 or via email: [maksimov@api-russia.org](mailto:maksimov@api-russia.org)*