

Performance Review of the Board of Directors

In accordance with the recommendations of the Corporate Governance Code of the Bank of Russia, the Company shall monitor the quality of corporate governance on an annual basis, including performance review of the Board of Directors and Committees under the Board of Directors. The Board of Directors normally considers the performance review results prior to the Annual General Meeting of Shareholders with the purpose of taking into account the identified aspects in planning the future activities of the Board of Directors and its Committees.

In 2016–2017, the Company engaged an external consultant for the assessment, which helped to ensure the independence of the performance review of the Board of Directors and its Committees. Since 2019, the assessment has been conducted in the form of a self-assessment or an assessment with an external consultant at least once every three years.

Performance Reviews of the Board of Directors and Committees of the Board of Directors for the past 5 years

Year reviewed	2019	2020	2021	2022	2023
Format of Assessment	Self-assessment	Self-assessment	With the involvement of an external consultant: JSC VTB Registrar	Self-assessment	Self-assessment

Findings of the Board's Self-Assessment

In 2023, the performance of the Board of Directors and its Committees was reviewed in the form of self-assessment using the Methodology of Self-Assessment of the Company's Board of Directors¹.

Methodology of Self-Assessment of the Company's Board of Directors takes into account:

- Recommendations of the Corporate Governance Code of the Bank of Russia
- Recommendations on Organising and Conducting Self-Assessment of the Performance of the Board of Directors (Supervisory Board) in Public Joint Stock Companies²
- National and international practices and approaches to self-assessment of the performance of the board of directors and its committees

The members of the Board of Directors, the members of the Committees, as well as the Corporate Secretary were the respondents during the assessment.

A total of 20 respondents were invited to participate in the assessment. Eighteen out of 20 respondents (90%) to whom questionnaires were distributed participated in the Board of Directors and Committees' self-assessment (+4 p.p. compared to 2022).

Self-assessment areas:

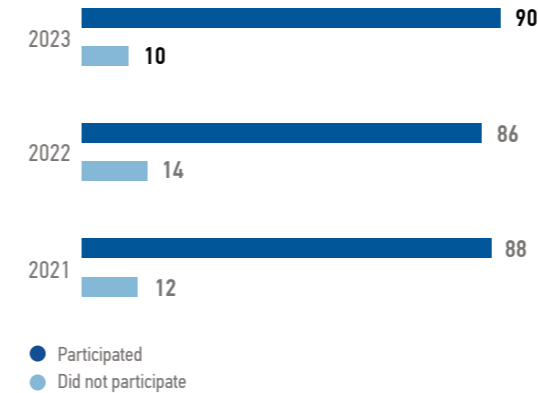
- Performance of the Board of Directors as a whole
- Performance of the Committees of the Board of Directors
- Performance of the Chairman of the Board of Directors
- Performance of Chairmen of the Committees under the Board of Directors
- Maintenance of activities of the Board of Directors and Committees under the Board of Directors

The performance of the Board of Directors was assessed across four components:

- Board of Directors as a governance body
- Composition and structure of the Board of Directors
- Work organisation of the Board of Directors
- Chairman of the Board of Directors

The assessment of the performance of the Board Committees consisted of an analysis of general criteria as well as specific parameters based on the specialist field of each Committee.

Participation in self-assessment of the Board of Directors and its Committees, %



Survey participation statistics in 2022–2023, %



Findings of performance review of the Company's Board of Directors and Committees of the Board of Directors

Criteria and indicators	Point	
	2022	2023
1. Performance assessment of the Board of Directors as a governance body		
Development of the Company's strategy and oversight of its progress	4.9	4.9
Establishment of effectively functioning systems of internal audit, internal control and risk management	4.8	5.0
Assessment of the performance of the Company's management, establishment of an effective incentive system	4.6	4.5
Safeguarding of assets	5.0	4.8
2. Assessment of composition and structure of the Board of Directors		
Number of Board members is optimal	4.96	5.0
The Board structure is balanced and optimal in terms of the ratio of executive, non-executive and independent Board members	4.9	5.0
Board composition is balanced in terms of the combination of knowledge, experience and skills sets of Board members and is optimal	4.9	5.0
Independent directors of the current Board of Directors are completely unbiased and independent in decision-making	5.0	5.0
Independent directors make a significant input to the Board's activities and to the discussion of the agenda items at the Board's meeting	5.0	5.0
3. Assessment of the work organisation of the Board of Directors		
Maintenance of Board's activities	4.8	4.9
Infrastructural support	4.7	4.8
Board's relations with the Company's management	4.8	5.0
Board's relations with its Committees	4.9	5.0
4. Assessment of the Chairman of the Board of Directors		
The Chairman of the Board of Directors ensures the effective management of the Board of Directors, arrangement of and holding of Board's meetings	5.0	5.0
Board members can freely communicate with the Board Chairman	5.0	5.0
Board Chairman ensures a constructive and open environment when discussing matters at the Board's meetings	5.0	5.0
The Board Chairman supports and encourages the discussion of debatable and controversial items by Board members	5.0	5.0
5. Assessment of the performance of the Committees of the Board of Directors		
Audit Committee	4.8	4.8
Personnel and Remuneration Committee	4.9	4.9
Strategy Committee	4.8	4.9
Investment Committee	4.9	4.8

¹ Approved by the resolution of the Personnel and Remuneration Committee of the Board of Directors of the Company dated 17 March 2020 (Minutes No. 73 dated 17 March 2020).

² Letter from the Bank of Russia No. IN-06-28/41 dated 26 April 2019.