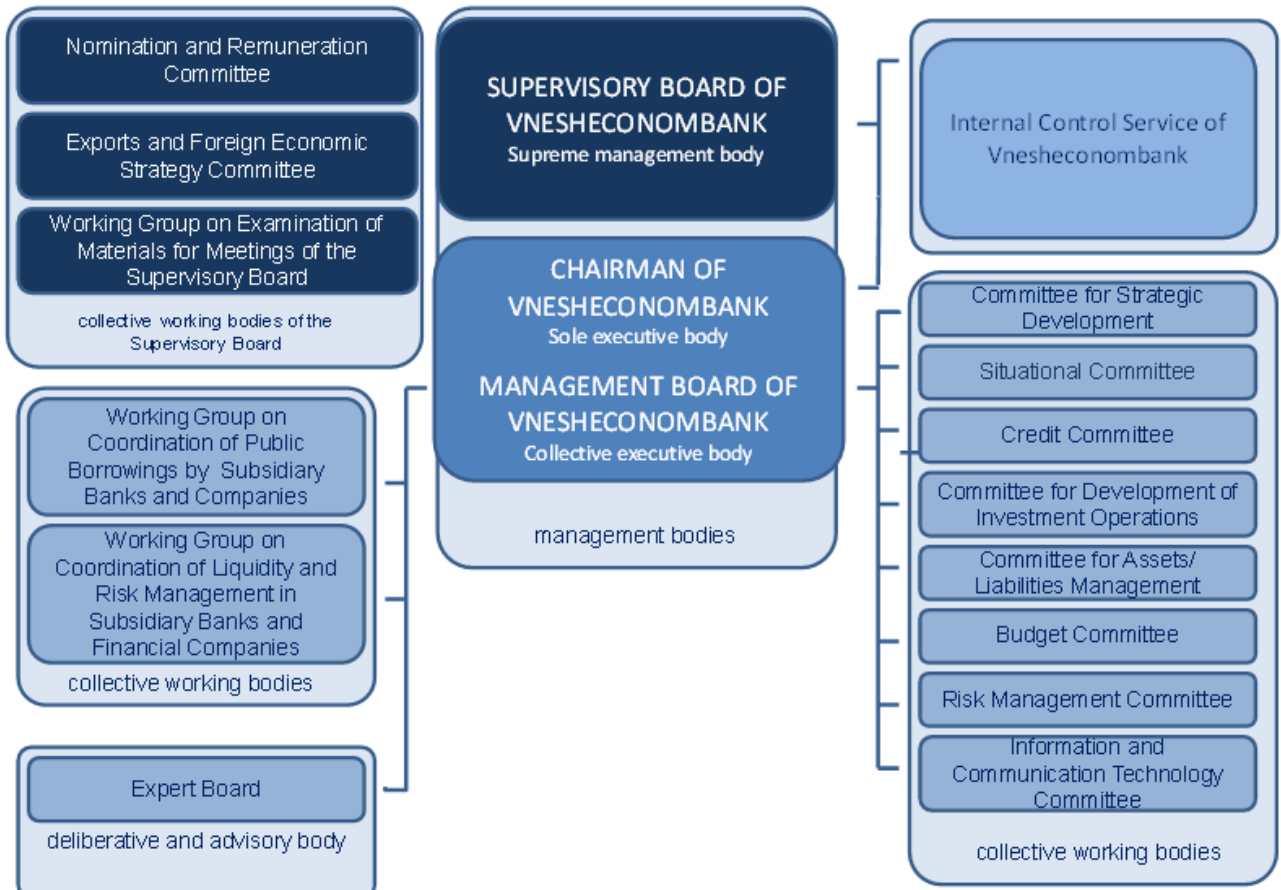


Corporate Governance System

Due to the scope of our operations that affect the interests of the entire country, we feel particular responsibility for making informed decisions that should be driven by an efficient corporate governance system. In building its corporate governance system, Vnesheconombank is guided by the best corporate governance practices of leading Russian and international financial institutions to guarantee its stability, enhance its equity story and get a stronger foothold for long-term growth.

Vnesheconombank's Corporate Governance System meets the requirements of Federal Law No. 82-FZ 'On Bank for Development' dated 17 May 2007 and captures best international practices and investors' expectations. It incorporates governing bodies (the Supervisory Board of Vnesheconombank, the Management Board of Vnesheconombank and Chairman of Vnesheconombank), the Internal Control Service of Vnesheconombank and collective working bodies (committees and working groups). In 2014, Vnesheconombank set up two new committees: the Exports and Foreign Economic Strategy Committee and the Risk Management Committee that offer a deeper understanding of foreign economic and risk management issues to better inform management decisions.

Vnesheconombank's Corporate Governance System



**SUPERVISORY BOARD OF VNESHECONOMBANK
as of 31 December 2014**

DMITRY MEDVEDEV	Chairman of the of the Supervisory Board,
ANDREI BELOUSOV	Member of the Supervisory Board, Assistant to the President of the Russian Federation
ARKADY DVORKOVICH	Member of the Supervisory Board, Deputy Chairman of the Government of the Russian Federation
VLADIMIR DMITRIEV	Member of the Supervisory Board, Chairman of Vnesheconombank
DMITRY KOZAK	Member of the Supervisory Board, Deputy Chairman of the Government of the Russian Federation
ANTON SILUANOV	Member of the Supervisory Board, Minister of Finance of the Russian Federation
ALEKSEY ULYUKAYEV	Member of the Supervisory Board, Minister of Economic Development of the Russian Federation
ALEKSANDR KHLOPONIN	Member of the Supervisory Board, Deputy Chairman of the Government of the Russian Federation
IGOR SHUVALOV	Member of the Supervisory Board, First Deputy Chairman of the Government of the Russian Federation

**MANAGEMENT BOARD OF VNESHECONOMBANK
as of 31 December 2014**

VLADIMIR DMITRIEV	Председатель Внешэкономбанка
MIKHAIL POLUBOYARINOV	First Deputy Chairman of Vnesheconombank – Member of the Management Board
ANDREI SAPELIN	First Deputy Chairman of Vnesheconombank – Member of the Management Board
PETR FRADKOV	First Deputy Chairman of Vnesheconombank – Member of the Management Board
SERGEI VASILIEV	Deputy Chairman of Vnesheconombank – Member of the Management Board
YULIA KARPOVA	Deputy Chairman of Vnesheconombank – Member of the Management Board
ANDREI KLEPAN	Deputy Chairman of Vnesheconombank (Chief Economist) – Member of the Management Board
SERGEI LYKOV	Deputy Chairman of Vnesheconombank – Member of the Management Board
VLADIMIR SHARPINSKY	Chief Accountant of Vnesheconombank – Member of the Management Board

22 meetings of the Supervisory Board and 232 meetings of the Management Board of Vnesheconombank were held in 2014. Their agenda included the following key items:

- ✓ investment loans;
- ✓ exports and guarantees;
- ✓ interests in the capital of third parties;
- ✓ operations of subsidiary banks and companies of Vnesheconombank;
- ✓ sponsorship and charity;
- ✓ crisis management;
- ✓ review of the Internal Control Service's reports;
- ✓ other items within the remit of Vnesheconombank's governing bodies as set out in Federal Law No. 82-FZ 'On Bank for Development' dated 17 May 2007.

Size of Remuneration, Allowances and Refundable Expenses of Governing Bodies



Under Federal Law No. 82-FZ 'On Bank for Development' dated 17 May 2007, the amount of remuneration and/or refundable expenses payable to Members of Vnesheconombank's Supervisory Board is subject to approval by the Russian Government, and the amount of remuneration and/or refundable expenses payable to Members of Vnesheconombank's Management Board is subject to approval by the Supervisory Board of Vnesheconombank. The amount of bonuses payable to Members of Vnesheconombank's Management Board and the Chairman of Vnesheconombank is directly proportional to performance of Vnesheconombank against corporate key performance indicators.

In 2014, there were no changes in the membership of Vnesheconombank's Supervisory Board.
The following changes were made in the membership of Vnesheconombank's Management Board:

- ✓ Yulia Karpova, Deputy Chairman of Vnesheconombank, was appointed Member of Vnesheconombank's Management Board by the resolution of the Supervisory Board of Vnesheconombank dated 6 March 2014;
- ✓ Andrei Klepach was appointed Deputy Chairman of Vnesheconombank (Chief Economist) and Member of Vnesheconombank's Management Board by the resolution of the Supervisory Board of Vnesheconombank dated 6 March 2014;
- ✓ Petr Fradkov was appointed First Deputy Chairman of Vnesheconombank and Member of Vnesheconombank's Management Board by the resolution of the Supervisory Board of Vnesheconombank dated 18 December 2014.

In 2014, no remuneration, including salaries, bonuses, commission fees, allowances and/or refundable expenses, individual fees payable for involvement in the activities of a relevant governing body or other types of remuneration were paid to Members of Vnesheconombank's Supervisory Board.

Remuneration paid to Members of Vnesheconombank's Management Board in 2014

Types of remuneration	Amount (RUB thousand)
Salary	132,994.48
Bonuses	99,040.30 ¹¹
Financial aid	5,394.91
Commission fees	0
Standalone fees payable for involvement in the activities of a governing body	0
Other types of remuneration	0

Collective Working Bodies of Vnesheconombank's Supervisory Board



Committees and the working group of Vnesheconombank's Supervisory Board are standing deliberative and advisory bodies. They include Members of Vnesheconombank's Supervisory Board and representatives of government authorities that can share unique knowledge and competences matching the level and areas of decision-making. Collective working bodies may also involve in their work independent experts outside their permanent membership.

A priority task of collective working bodies consists in preliminary review of pivotal issues within the remit of Vnesheconombank's Supervisory Board. The committees provide a detailed analysis of documents that are to be submitted to Vnesheconombank's Supervisory Board for discussion. This exercise guarantees that information that the Bank's Supervisory Board uses to make its decisions is reliable and complete. Members of collective bodies maintain ongoing working contacts with Vnesheconombank's executive bodies.

Collective Working Bodies of Vnesheconombank's Supervisory Board

Nomination and Remuneration Committee

8 Committee Members
(as of 31 December 2014)

7 meetings
in 2014

Provides support and prepares recommendations for the Supervisory Board on nomination and remuneration issues with regard to:

- Management Board Members;
- Deputy Chairmen of Vnesheconombank other than Management Board Members;
- heads of Vnesheconombank's business units;
- heads of Vnesheconombank's subsidiaries

Exports and Foreign Economic Strategy Committee

8 Committee Members
(as of 31 December 2014)

4 meetings
in 2014

Provides support and prepares recommendations for the Supervisory Board on:

- coordination of measures for comprehensive support to exports;
- foreign economic activities of Vnesheconombank Group;
- improvements to the regulatory framework for financing of Russian exports and foreign economic activities;
- support to foreign economic interests of Vnesheconombank and Russian companies

Working Group on Examination of Materials for Meetings of the Supervisory Board

9 Members of the Working Group
(as of 31 December 2014)

19 meetings
in 2014

Provides support to Vnesheconombank's governing bodies by preparing meetings of the Supervisory Board:

- agrees the agenda of every regular meeting of the Supervisory Board;
- assesses and reviews discrepancies on issues prepared for examination at meetings of Vnesheconombank's Supervisory Board;
- prepares recommendations to Vnesheconombank's Management Board on improvements to relevant issues and on whether they should be examined at meetings of the Supervisory Board

Collective and Advisory Working Bodies of Vnesheconombank

Комитеты

Комитет стратегического развития

Ситуационный комитет

Кредитный комитет

Комитет развития инвестиционных операций

Комитет по управлению активами и пассивами

Бюджетный комитет

Комитет по управлению рисками

Комитет по информационно-коммуникационным технологиям

Рабочие группы

Рабочая группа по координации публичных заимствований дочерних банков и компаний

Рабочая группа по координации управления ликвидностью и рисками дочерних банков и финансовых компаний

Совещательно-консультативный орган

Экспертный совет Внешэкономбанка

Основные задачи

- ✓ Содействие правлению Внешэкономбанка в принятии обоснованных и эффективных решений, направленных на повышение эффективности деятельности в долгосрочной перспективе и носящих стратегический характер
- ✓ Руководство системой управления непрерывностью деятельности Внешэкономбанка
- ✓ Подготовка заключений по условиям предоставления кредитов, займов, выставления гарантий, поручительств, установления страновых лимитов, финансирования страховой и гарантийной поддержки экспорта, работы с проблемной задолженностью
- ✓ Выработка рекомендаций (заключений) о целесообразности/нецелесообразности проведения комплексной экспертизы инвестиционных проектов по итогам их предварительной экспертизы
- ✓ Подготовка заключений и рекомендаций по управлению активами и пассивами, включая вопросы управления рыночными и структурными рисками, по обеспечению безубыточной деятельности Внешэкономбанка
- ✓ Обеспечение поддержки исполнительных органов Внешэкономбанка по направлениям планирования и контроля финансово-хозяйственной деятельности Внешэкономбанка
- ✓ Оказание содействия органам управления Внешэкономбанка в части управления рисками во Внешэкономбанке и в Группе Внешэкономбанка
- ✓ Подготовка заключений и рекомендаций по вопросам автоматизации бизнес-процессов на основе использования возможностей информационно-коммуникационных технологий с учетом стратегических и текущих целей Внешэкономбанка

Основные задачи

- ✓ Содействие дочерним банкам и компаниям Внешэкономбанка путем подготовки заключений и рекомендаций по вопросам, связанным с привлечением финансирования и определением ключевых параметров привлечения финансирования дочерними банками и компаниями Внешэкономбанка
- ✓ Координация действий Группы Внешэкономбанка в целях обеспечения согласованного управления ликвидностью и рисками в Группе Внешэкономбанка, создание условий для проведения эффективной политики управления активами и пассивами, а также рисками в Группе Внешэкономбанка

Основные задачи

- ✓ Участие в проведении экспертизы инвестиционных проектов, в финансировании которых принимает участие Внешэкономбанк, а также проектов программ поддержки и развития экспорта

Vnesheconombank's Audit System



Internal audit is run in Vnesheconombank by the Internal Control Service of Vnesheconombank (ICS). Its operating procedure is determined by the Supervisory Board of Vnesheconombank. ICS is a standalone function of the Bank that reports to the Supervisory Board of Vnesheconombank, which ensures its independence and efficiency in performing its control functions. In its day-to-day activities, ICS is reporting directly to the Chairman of Vnesheconombank.

Vnesheconombank's annual financial statements are subject to mandatory audit before its approval by the Supervisory Board of Vnesheconombank. The auditor to audit the annual financial statements is appointed through a tender subject to approval by the Supervisory Board of Vnesheconombank. The audit opinion must be enclosed to the published annual financial statements. In line with the decision by the Supervisory Board of Vnesheconombank, in 2014 the Bank's annual financial statements are audited by Ernst & Young Vneshaudit ZAO.

Development of the Corporate Governance System



In 2014, in order to make its corporate governance processes more efficient, Vnesheconombank implemented a range of measures seeking to streamline the organisational procedures that underlie the activities of the Bank's governing bodies. Particular attention was paid to automation of processes of preparation for meetings of the governing bodies; training of the personnel of Vnesheconombank and the Group's entities, and to better follow-up of decisions adopted by the Bank's governing bodies.

Further on, our corporate governance processes will be improved by implementing Vnesheconombank's Development Strategy for 2015–2020, which provides for changes in the project management system, streamlining and re-engineering of business processes, and standardisation of management and control mechanisms.

Measures designed to develop the corporate governance system and implemented in 2014:

- ✓ The systems for preparing online digital materials for meetings of collective governing bodies of Vnesheconombank created in 2014 were developed and launched;
- ✓ The system for following up instructions given by Vnesheconombank's collective governing bodies was upgraded;
- ✓ A field training workshop on Preparation of Materials for Meetings of Collective Governing Bodies of Vnesheconombank attended by more than 120 representatives of Vnesheconombank, and various ministries and departments was held;
- ✓ Participation of Vnesheconombank's professionals in a number of international hands-on workshops and conferences on corporate governance was arranged;
- ✓ An updated version of an information leaflet on Regulatory Documents Governing Activities of Collective Bodies of Vnesheconombank was published.

Developing Vnesheconombank Group's Management System



Vnesheconombank's Development Strategy for 2015–2020 provides that the Bank's key goal with respect to the Group should consist in taking maximum advantage of opportunities and capabilities offered by its subsidiaries to achieve the Bank's priorities as the national financial development institution. The management system will combine independent decision-making by the Group's entities with centralised follow-up by Vnesheconombank.

Managing Vnesheconombank Group's subsidiaries

- ✓ The Bank acts a coordinator of the activities of its subsidiaries
- ✓ Development strategies, strategic goals and key performance indicators (KPI) of each subsidiary are developed and updated based on the Bank's Development Strategy
- ✓ Management of each subsidiary is driven by strategic goals and approved KPI
- ✓ Achievement of strategic goals by individual subsidiaries works towards strategic goals of the Bank

Vnesheconombank's objectives with respect to subsidiaries

- ✓ Assist to the development of subsidiaries to the extent required for the Bank's strategic goals to be achieved
- ✓ Coordinate joint activities of subsidiaries within Vnesheconombank Group as far as customer relations and risk separation are concerned
- ✓ Ensure that corporate governance of subsidiaries meets international standards and investor expectations
- ✓ Promote sustainability principles across Vnesheconombank Group

As a key strategic initiative with respect to its subsidiary banks aimed at increasing their capitalisation, Vnesheconombank is embedding an integrated approach to the organisation of sales of products and services of the Group's entities via subsidiary banks. Vnesheconombank will still continue providing its subsidiary banks with support both by lending and by issuing guarantees, confirming letters of credit and other financial mechanisms. In managing subsidiary banks, Vnesheconombank acts as a strategic controller:

- ✓ development strategies of subsidiary banks are developed and updated based on Vnesheconombank's Development Strategy;
- ✓ current planning of subsidiary banks' operations is driven by their development strategies;
- ✓ Vnesheconombank coordinates performance enhancement programmes of subsidiary banks and relationships between its subsidiary banks to deliver

synergy;

- ✓ the motivation system of subsidiary banks' management is also driven by strategic goals of subsidiary banks;
- ✓ development strategies of subsidiary banks are followed up every six months, and current plans every month.

Vnesheconombank's non-lending subsidiaries are responsible for performing their specialised functions within the Group and improving their own performance. Vnesheconombank manages non-lending subsidiaries by performing the functions of governing bodies of these entities, including centralised control of decision-making by Vnesheconombank's representatives that sit on governing bodies of the Group's entities.

1: 99,040.30¹ - The remuneration for 2013 was paid in June 2014.