

## HR Policy

*Vnesheconombank's HR policy seeks to build a professional, loyal and motivated team that is capable of ensuring efficient handling the Bank the functions of the national development institution. Recruiting and retaining highly qualified professionals is among the key priorities of Vnesheconombank. As a responsible employer, the Bank guarantees decent working and leisure conditions to its employees, unlocks their professional potential and provides them with social protection.*

In conducting our HR policy, we seek to continuously develop the methodological and regulatory personnel management framework by reference to advanced knowledge, standards and technologies in this area. To make its HR policy more efficient, the Bank and the Group's organisations have drafted regulatory documents that govern a broad range of personnel management issues: codes of corporate conduct, collective bargaining agreements, social support programmes, regulations on employee remuneration and motivation, training and career enhancement programmes, and regulations on annual personnel performance appraisal.

The personnel management system will be further improved under Vnesheconombank's Development Strategy for 2015–2020 that provides for a more centralised personnel management function across the Group, including building a centre of competence for personnel management in Vnesheconombank Group. In implementing the Strategy, we will particularly focus on building a personnel continuity framework, improving the remuneration system and developing a knowledge management and exchange system.

### Personnel Details

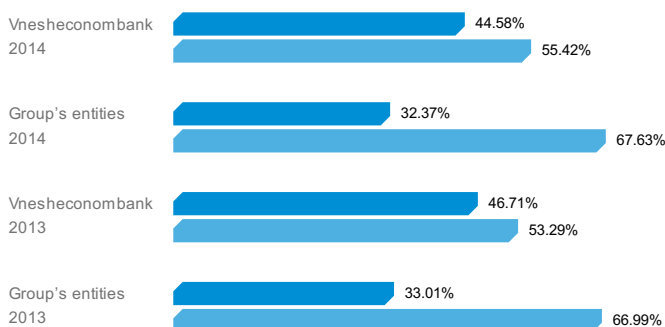


As at the end of 2014, the actual headcount of Vnesheconombank was 2,095, which is 140 employees less than in the previous reporting period. The actual headcount in the Group's entities declined by 737 employees from 14,572 employees in 2013 to 13,835 employees in 2014. Vnesheconombank Group's personnel structure did not change year-on-year. There was an insignificant predominance of women across the Group in general, including Vnesheconombank. Most employees of Vnesheconombank and the Group's entities are persons aged between 30 and 50 years.

The Bank and the Group's organisations regularly invite master and other programme students and postgraduates of major financial higher education institutions for traineeships and internships in its units to build a pool of young talented professionals. The best of them are offered an opportunity to join the team of Vnesheconombank and the Group's organisations on a permanent basis. A total of 28 young professionals out of those who had previously completed internships were employed by the Group in general in 2014.

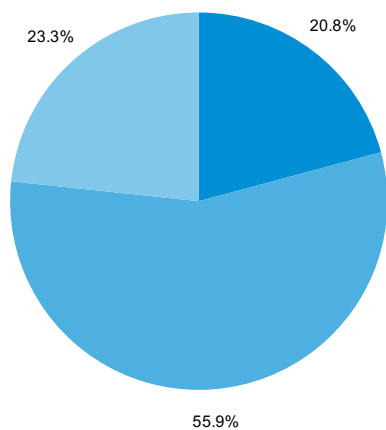
A breakdown of Vnesheconombank Group's personnel by type of employment, type of agreement, category of employees and gender is given in Appendix 2, and personnel turnover data, in Appendix 3.

### Breakdown of the personnel of Vnesheconombank and the Group's entities by gender



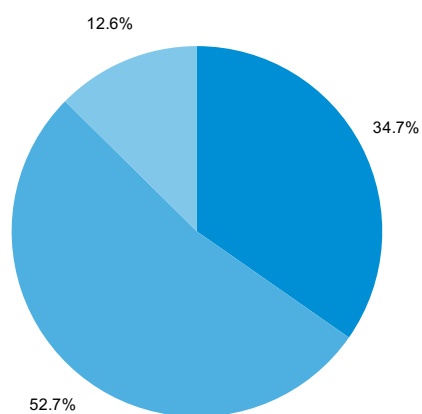
Men  
Women

### Breakdown of the personnel of Vnesheconombank by age



- Under 30
- From 31 to 50
- Above 50

### Breakdown of the personnel of Vnesheconombank Group's entities by age (Group's entities)



- Under 30
- From 31 to 50
- Above 50

## Remuneration and Motivation System



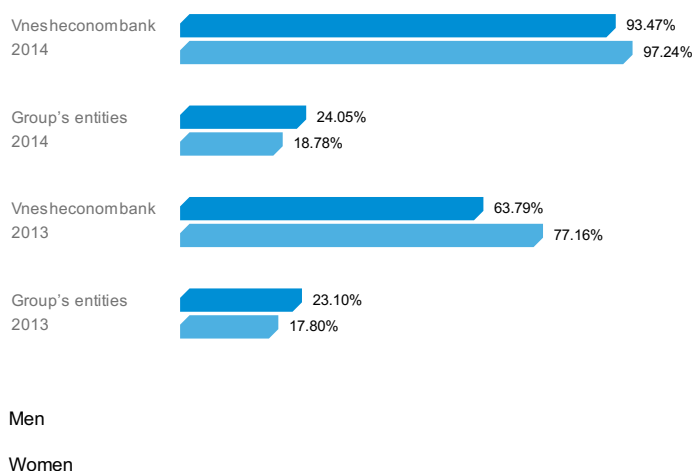
89 employees of Vnesheconombank were awarded Best Employee / Best Employee of Vnesheconombank badges in 2014, the names of 10 employees were entered into the Book of Honour of Vnesheconombank, and 140 employees received a Letter of Gratitude from the Chairman

The personnel remuneration and motivation system applied in Vnesheconombank relies on a differentiated approach to incentives based on personal performance and performance against corporate key performance indicators. The level of remuneration of the Bank is determined based on standardised transparent mechanisms that enhance personnel motivation to successfully perform their job duties.

Most organisations of Vnesheconombank Group also put in place an annual employee performance appraisal system that will serve to determine the amount of the bonus portion based on personal performance. 4,836 employees of Vnesheconombank Group (1,950 men and 2,886 women) underwent performance appraisal in 2014, which is by 402 persons higher than in the previous year.

Data on the share of those employees of Vnesheconombank and the Group's entities who underwent performance appraisal, broken down by employee category, is given in Appendix 6.

#### Share of employees of Vnesheconombank and the Group's entities who underwent performance appraisal broken down by gender



The overall level of remuneration of Vnesheconombank Group's employees is in line with average market figures of the credit and financial industry. In 2014, the size of salary payable to entry-level employees in Vnesheconombank was RUB 14,400, which exceeds the minimum wage set out in the Agreement between the Moscow Government, Moscow Associations of Trade Unions and Moscow Associations of Employers by 1.12 times.

The ratio of salaries payable to entry-level employees of Vnesheconombank Group to the existing minimum wage is given in Appendix 8.

#### Employees Professional Development

Over 13 thousand employees of Vnesheconombank Group took part in training events in 2014. The average number of hours per employee was 44.6 hours, which is three times more than in 2013

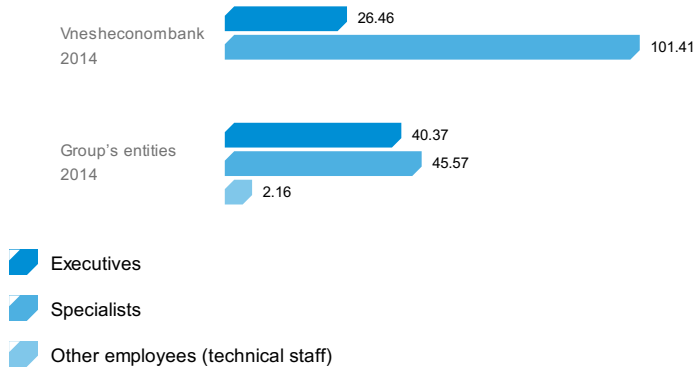
Maintaining a high professional level of employees and teaching them new skills are among the principal priorities of the HR policy of Vnesheconombank and the Group's entities. To this end, Vnesheconombank operates a comprehensive multi-module personnel training programme that provides for organisation of training events on:

- ✓ anti-money laundering and counter terrorist financing;
- ✓ combating the illegal use of insider information;
- ✓ accounting and IFRS;
- ✓ management, finance and investment;
- ✓ foreign languages and information technologies;

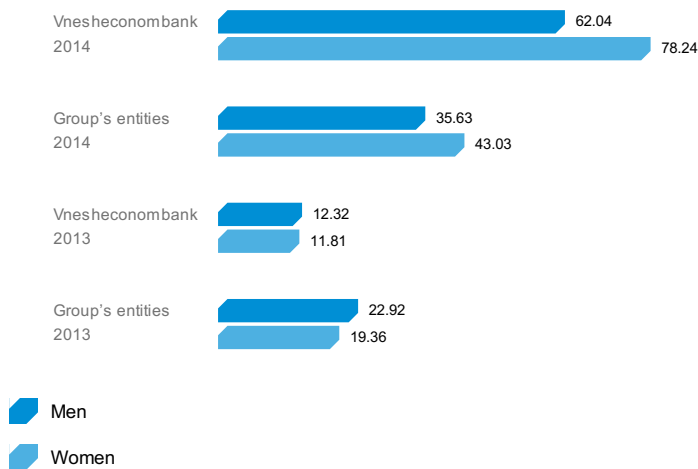
- ✓ occupational and fire safety;
- ✓ further education programmes.

1,976 employees of Vnesheconombank were trained under the programme in 2014, which is a substantial improvement from 2013 when 1,270 employees were trained. In 2014, Vnesheconombank launched a corporate training website, more actively used distance learning methods and increased the number of educational programmes available to various categories of employees. These steps resulted in a stronger employee involvement in the programme's events.

### Average number of training hours per employee of Vnesheconombank and the Group's entities broken down by employee category



### Average number of training hours per employee of Vnesheconombank and the Group's entities broken down by gender<sup>11</sup>



Vnesheconombank and the Group's entities place a special emphasis on providing further education for their employees and training them in new knowledge and skills to remain highly competitive in the labour market. A total of 1,021 employees underwent personal competence improvement training in 2014, while 424 employees attended foreign language courses, and 240 employees went to computer literacy courses. 16 employees were trained under higher education programmes, and 3 employees earned an MBA degree.

Vnesheconombank and most entities of the Group regularly survey their employees that have completed training to assess efficiency of training. Feedback results are used, among other things, to prepare personal employee development plans.

## Social Programmes

In 2014, Vnesheconombank Group provided financial support to more than 6,176 thousand employees for a total of

Social Programmes implemented by Vnesheconombank and the Group's entities seek to provide a high level of employee protection, increase their motivation and promote healthy lifestyle among the employees. The list of social programmes available to employees of Vnesheconombank and most entities of the Group include voluntary health insurance (VHI) and refundable costs of fitness. Some entities of the Group, including Vnesheconombank, also offer their employees and their family members discounts on resort treatment and recreational activities. Vnesheconombank also runs a programme for non-government pension security under an agreement with Non-Government Fund 'Podderzhka'.

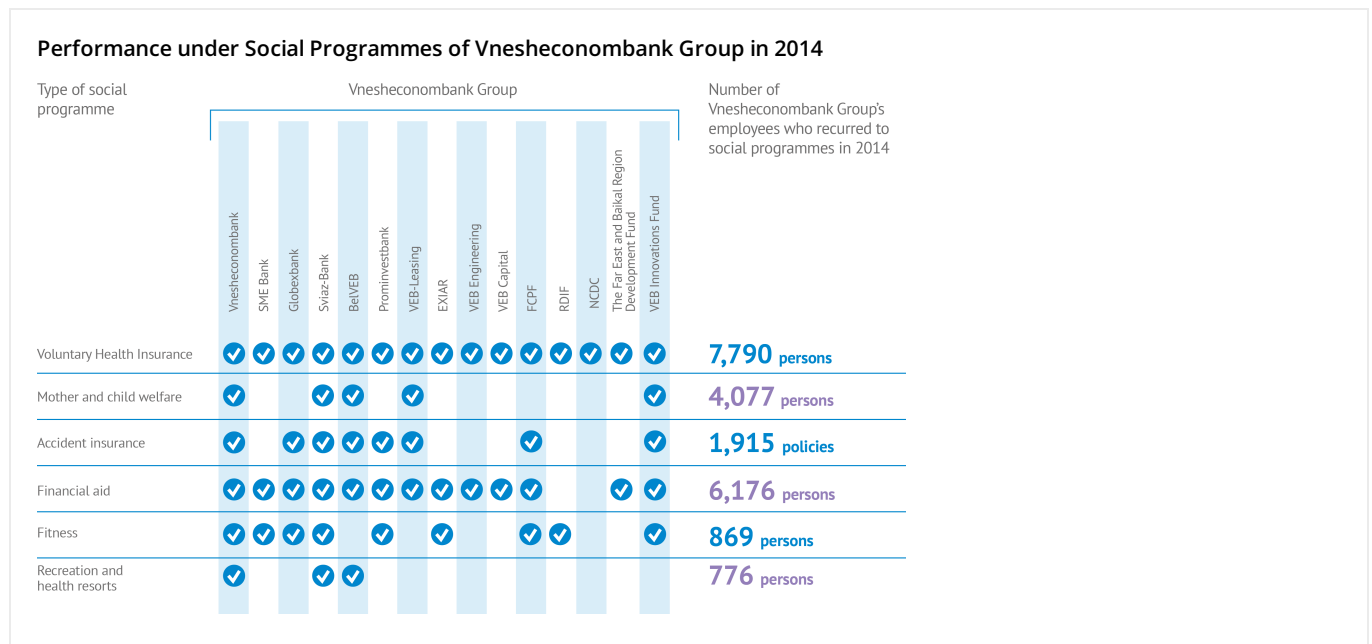
Vnesheconombank places a particular emphasis on social programmes for support to maternity and childhood. The Bank's integrated VHI programme offers such additional options as 'Prenatal Supervision of Pregnant Women' and 'Obstetric Aid', which are available to its employees' wives since 2014. The Bank also operates a special VHI programme for employees' children aged from 0 to 3. More than 200 employees of the Bank recurred to this programme in 2014.

Apart from Vnesheconombank, special mother and child welfare programmes are run by Sviaz-Bank, VEB-Leasing, BelVEB and VEB Innovations Fund. More than 4 young families across the Group received financial aid in connection with the birth or adoption of a child in 2014 for a total amount exceeding RUB 8.1 mn.

Data on the number of Vnesheconombank Group's employees who took a maternity or a parental leave in 2014 and a breakdown of employees returning from parental leave by gender is given in Appendix 4.

Most entities of the Group offer free accident insurance to their employees working with cash or involved in recovery of leased-out property. Vnesheconombank's employees also have access to subsidised personal property and car insurance programmes and may take out a healthcare policy for private trips abroad.

In 2014, some of the Group's entities put in place additional measures for social support to employees, including SME Bank's initiatives to refund employees who refused to take out a VHI policy (55 persons) and to pay an extra to a temporary disability allowance for up to 10 days (185 persons). Sviaz-Bank has a tradition to presenting gifts on the occasion of national holidays and awards to winners of sports competitions and professional contests. During the year, the Bank gave out over 2 thousand gifts to its employees and their family members for a total of RUB 1.76 mn.



Vnesheconombank takes special care about retiree members of the Council of Labour Veterans of Vnesheconombank who are paid monthly non-government pension under an agreement with Non-State Pension Fund 'Vnesheconomfond'. Those former employees of Vnesheconombank who joined the Council of Labour Veterans are also offered an extended social package that includes VHI insurance, regular financial aid, and recreational, health resort and rehabilitation opportunities financed by Vnesheconombank.

## Occupational Health and Safety

In 2014, Vnesheconombank Group evaluated working conditions at 1,012 workplaces. More than 7.4 thousand employees underwent various forms of OHS training and site briefings

Vnesheconombank and the Group's entities run an occupational health and safety programme to prevent occupational injuries and diseases. All entities

of the Group have in place regulatory documents that govern safe working conditions, train and test their employees, and take a number of additional fire safety measures.

In 2014, Vnesheconombank Group recorded 5 occupational injuries: two cases in Sviaz-Bank, one in Vnesheconombank, one in Globexbank and one in VEB-Leasing. Every case was subject to corporate investigations in line with Russian legislation. All injuries were minor according to medical assessment reports. Management of the Group's entities took the necessary steps to prevent similar cases in future.

Occupational injury and occupational disease rates and a breakdown of lost work days for Vnesheconombank Group are given in Appendix 7.

1: broken down by gender<sup>1</sup> - 2013 data is given net of BelVEB since the bank's records did not provide for a breakdown by gender.