

The Board of Directors' Committees

Currently the Board of Directors has two committees: the Audit Committee and the Human Resources and Compensation Committee. Decisions on the personnel structure of the Board of Directors Committees take into account the education, professional training and work experience of each candidate in line with the Committee's functions and other special knowledge necessary to exercise the powers of the Committee member.

Audit Committee

The main task of the Audit Committee is to carry out analysis and provide recommendations to the Board of Directors on matters relating to the annual independent external audit of accounting (financial) or other statements of the bank, qualifications of the external audit organisation, improving the system of internal control and risk management in the bank, evaluating the efficiency of internal controls over its financial and economic activities, and preparation of proposals for their improvement. The Committee's decisions are advisory in nature.

The Audit Committee under the Board of Directors was first formed in 2006. The Board of Directors approved a new edition of the Regulations on the Audit Committee in 2014, taking into account changes in legislation, requirements and recommendations of the Bank of Russia, including the new Corporate Governance Code as well as the best international practices.

Audit Committee members:

- Oleg Lapushkin, Independent Director, Chairman of the Committee
- Vladimir Malinin, Independent Director
- Yuri Poletaev, Independent Director

The Audit Committee held nine meetings in absentia in 2014 and considered the following issues:

- Reports on implementation of the Internal Control Rules and internal control programmes aimed at combating money laundering and terrorist financing
- Auditor reports on the bank's professional activities in the securities market
- Reports on the implementation of internal controls in order to counter misuse of insider information and market manipulation
- Reports on the work of the Internal Control and Audit Service
- Credit Risk Analysis and Operating Risk Analysis Reports
- Vozrozhdenie Bank stress testing summary report
- The bank's activities results, financial and economic plan implementation results (the budget)
- The results of the financial and economic activities audit by the Audit Commission
- Materials of inspections carried out by the Bank of Russia's agencies, sent to the Board of Directors

In addition, recommendations were made for the following internal documents of the bank: Regulations on the organisation of credit risk management and control, Regulations on the Audit Committee, Regulations on the Internal Audit Service, Insider Information List and the main provisions of Vozrozhdenie Bank Development Strategy for 2015-2019.

One of the most important tasks of the Audit Committee is the relationship policy with the bank's external auditor. The Committee regularly analyses, including in 2014, the previous audit results, requirements and recommendations on the external auditor candidate and fees for the next year.

Human Resources and Compensation Committee

The competences of the Committee include developing candidate requirements for the positions of the Management Board members, Chairman of the Management Board and the Board of Directors' members. The Committee is also responsible for the development of principles and criteria for remuneration of the Board of Directors, the Chairman and members of the Management Board. The Committee coordinates the process of assessing members of the Board of Directors and the Management Board.

The Human Resources and Compensation Committee was first formed in 2008. In 2014 the Board of Directors approved a new edition of Regulations on the Human Resources and Compensation Committee, taking into account changes in legislation, requirements and recommendations of the Bank of Russia, including the new Corporate Governance Code and the best international practices.

Human Resources and Compensation Committee members:

- Mukhadin Eskindarov, Independent Director, Chairman
- Nikita Mikhalkov, Non-executive Director
- Yuri Poletaev, Independent Director

The Human Resources and Compensation Committee held nine meetings in absentia in 2014 and considered the following issues:

- Carrying out and rendering results of the Board of Directors' self-assessment
- Recommendations on combining positions in other organisations' management bodies by the bank's Management Board members
- Preliminary assessment and recommendations on candidates to be elected to the Board of Directors and the Audit Committee
- Recommendations on remuneration of the Board of Directors' members based on the end-of-year results
- The main provisions of the development strategy for 2015-2019
- Vozrozhdenie Bank personnel policy
- Provisions on remuneration of Vozrozhdenie Bank employees
- Recommendations to the Board of Directors on allocation of costs for motivating the bank's employees in 2014
- Best corporate governance practices related to the issues of the Board of Directors' competence
- The new edition of Regulations on the Human Resources and Compensation Committee