Corporate Governance Rating

In 2016, Sberbank for the first time received an independent assessment of its corporate governance quality. The Russian Institute of Directors assigned Sberbank a National Corporate Management Rating (NCMR) of 8 for «Advanced Corporate Management Practice.».

A rating of 8 means that Sberbank duly complies with Russian legislative regulations as regards corporate governance and follows a considerable number of recommendations from the Code of Corporate Management by Bank of Russia. Sberbank is characterized by significantly low risks of owner losses resulting from the quality of corporate governance.

In the course of assessment of Sberbank's corporate governance quality, the following positive aspects of its applied practices were noted:

- The Corporate Governance Code was approved in Sberbank.
- The Committee for Interaction with Minority Shareholders is established and actively functioning in Sberbank.
- The period of introducing shareholder proposals for the agenda of the annual General Shareholders' Meeting was increased (not later than 75 days after the end of the Bank's financial year).
- The possibility to vote electronically at the meeting of shareholders is provided.
- Additional materials recommended by the Code of Corporate Management of Bank of Russia are included in the list of materials to prepare for the General Shareholders' Meeting, and the further expansion of the scope of materials to prepare for the General Shareholders' Meeting is provided for as well.
- Information is disclosed on who proposed each of the issues included in the agenda of the General Shareholders' Meeting and as regards the candidates promoted for election to governance and control bodies who promoted them.
- The General Shareholders' Meeting has its own video feed.
- The size of dividends is calculated on the basis of net profit according to IFRS.
- Independent directors account for over 1/3 of the Supervisory Board members, and the senior independent director is elected from among the independent directors.
- Within the structure of the Supervisory Board, committees are established and actively functioning.
- The majority of issues recommended by the Code of the Corporate Management of Bank of Russia are addressed at the meeting in presentia of the Supervisory Board.
- On important issues (apart from those provided for by the legislation), decisions are made by the Supervisory Board with not less than a ¾ majority.
- Supervisory Board member liability is insured.
- Supervisory Board performance is assessed.
- The effective functioning of internal control and risk management systems is provided for.
- The internal audit system is developed.
- The Information Policy is approved by the Supervisory Board.

- The English version of the website is available and contains a significant scope of information for shareholders and investors.
- The Corporate Social Responsibility Policy (KSR), Code of Corporate Ethics, and Anticorruption Policy have all been approved by Sberbank.
- The Bank actively implements KSR projects for all key stakeholders, and since 2010 it prepares social reports according to GRI standards.

The Best Annual Report of a Company with Capitalization over RUB 200

In the process of assessment, the following areas were determined to require further development and improvement:

- The election of the sole executive body of Sberbank (CEO, Chairman of the Executive Board) does not fall under the competence of the Supervisory Board.
- The HR and Remunerations Committee is not headed by an independent director.
- The issues recommended by the Code of Corporate Management of Bank of Russia for significant organizations to fall under the competence of the Supervisory Board do not do so accordingly.
- Supervisory Board authority is not extended in part to the approval of significant transactions.

All recommendations received by Sberbank in the course of corporate governance assessment were reviewed carefully and taken into account for the further improvement of applied corporate governance procedures and practices.

Sberbank annual reports are available on Sberbank's corporate website: **www.sberbank.com/investor-relations/financial-results-and-presentations/annual-reports**

Assessment of information disclosure in the annual report

In 2016, Sberbank's annual report from 2015 became the winner of the most prestigious award at the 19th Annual Reports Contest held by the Moscow Stock Exchange and RCB Media Group, "The Best Annual Report of a Company with Capitalization over RUB 200 bln." Also, Sberbank's 2015 annual report was announced as the winner by the expert community in an additional category of the 19th Contest of Annual Reports, "The Best Annual Report in the Financial Sector".

Sberbank results in the Annual Report Contests of the Moscow Stock Exchange

2010
Second place in the category for "Best Information Disclosure in an Annual Report by Companies with a Capitalization over RUB 100 bln"
2011
Third place in the category for "Best Information Disclosure in an Annual Report by Companies with a Capitalization over RUB 100 bln" and Winner in the category of "Best Interactive Report"
2013
Winner in the category for "Best Annual Report in the Financial Sector of the Economy".

Official Sberbank site for information disclosure: **www.sberbank.com**

Assessment of information disclosure on the Sberbank website

In 2016, Sberbank twice won the category for "Best Information Disclosure on the Corporate Website" as part of the framework of the Contest of Information Disclosure on Company Websites held by the National Association of Corporate Secretaries and the 19th Annual Report Contest held by the Moscow Stock Exchange and RCB Media Group.