"Despite positive results in corporate governance development, as of the end of 2016, there are still a number of areas and aspects of Sberbank's activity that require close attention and further development.

Cited from the Address of **Sergey Ignatiev,** Chairman of the Supervisory Board

Corporate Governance Development

Ensuring shareholders rights

- The volume of information provided for shareholders to prepare for the Annual General Shareholders' Meeting increased significantly due to, among other things, the inclusion of explanatory information and recommendations by the Supervisory Board regarding each issue of the agenda.
- Attention is focused on communication with shareholders, among others ways, through the work of the Committee for Interactions with Minority Shareholders (participation in the meetings of the Committee of Sberbank's business unit heads and independent members of the Supervisory Board).
- The software complex Shareholder's Private Cabinet has been developed.
- The listing of Sberbank's shares on the Moscow Stock Exchange's top quotation list has been ensured following the results of the listing reform as well as the full compliance of Sberbank's corporate governance with the requirements of stock exchange listing rules.

Ensuring shareholder rights and establishing conditions for their exercise

- The introduction of an electronic voting service for all categories of shareholders at the meeting through the Shareholder Personal Account software complex.

Introduction of the best practices in the activities of the Supervisory Board

- External independent assessment of Supervisory Board activity efficiency has been carried out, areas for further improvement have been identified, and the Plan to implement recommendations based on assessment results has been worked out.
- The procedure for preparing and formalizing materials for Supervisory Board meetings has been updated, and the polling of its members regarding the meeting's results has been put into practice.
- The introductory briefing for newly elected members of the Supervisory Board has been held, and the interactive Reference Book has been updated.
- The level of remunerations for members of the Supervisory Board has been adjusted in accordance with the practices of comparable companies (the size of the base rate and incentives rate has been increased).
- The HR and Remunerations Committee has formed the list of recruitment needs of the Supervisory Board (based on the results of the conducted poll).

The Supervisory Board and its Committees

- To approve the Policy to ensure the continuity of Supervisory Board membership
- To develop the program of professional development for Supervisory Board members
- To increase the effectiveness of the preparation and holding of meetings of the Supervisory Board and its Committees, among other ways, by introducing the Supervisory Board Electronic Account
- To ensure compliance with the Moscow Stock Exchange Listing Rules as regards the formation of the Supervisory Board and its Committees

Ensuring Information Transparency

Information Disclosure

Measures implemented by Sberbank within 2016	General guidelines to improve Sberbank's corporate governance practices in 2017
• The Supervisory Board has developed and approved Sberbank's Information Policy. • A special section on the Supervisory Board's activities has been created on Sberbank's website (which contains detailed information on the Board's structure and activity and makes it possible to leave comments on its activities and the materials published on the website and ask questions to Board members).	• To submit to the Supervisory Board a report on Sberbank's Information Policy implementation status • To undergo the confirmation/ improvement procedure of the National Corporate Management Rating (NCMR)
Cascading of Sberbank's corporate governance practices in the companies of Sberbank Group	**Development of corporate governance practices in the companies of Sberbank Group**
• Standard corporate governance documents have been developed for the companies of Sberbank Group: The Provision on the Corporate Secretary, Regulation on Meetings of the Board of Directors • The Sberbank Corporate Structure software complex has been developed (includes various information on the companies of Sberbank Group). • The fourth annual conference of Sberbank Group on corporate governance issues has been held.	• To develop the program of the Corporate Governance web course and organize training for representatives of the companies of Sberbank Group • To hold the fifth annual conference of Sberbank Group on corporate governance issues
Development and support of legal initiatives involving corporate governance	**Development and support of legal initiatives involving corporate governance**
During 2016, Sberbank took an active role in the development of proposals to improve Federal legislation on the issues of the • assignment of the Board of Directors' right to propose candidates to be elected to the Supervisory Board (regardless of shareholder proposals). • Regulation on the termination of authority of a Board of Directors member upon their application (before expiry of the term) • Transfer of issues under the competencies of the General Shareholders' Meeting to the competencies of the Board of Directors (election and termination of the authority of the sole executive body; approval of the annual report and annual accounting statement) • Cancellation of the mandatory requirement to form the Audit Commission (created at the Bank's discretion) • Regulation of exercise of the company participants rights on information	To continue in 2017 Sberbank's activities to initiate and support legal initiatives involving corporate governance

» The new website section is available at: www.sberbank.com/investor-relations/corporate-governance/sbact