Corporate governance development vector

Areas for improvement of corporate governance practices

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2017

- Ensuring shareholders' rights
- Ensuring the activity of the Supervisory Board
- Development of corporate governance practices at the companies of the Sberbank Group

2018 digital - transformation

Main areas for improvement of corporate governance at Sberbank

Measures implemented in 2017	Plans for 2018
Ensuring shareholder rights	**Ensuring shareholder rights and creating the 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 on the Bank's website.	• expansion of the functions and introduction into commercial use of the Shareholder Personal Account software complex; • holding regular meetings between the Bank's management and top management and minority shareholders, including with the participation of the independent directors of the Supervisory Board.
Introduction of best practices in the activities of the Supervisory Board	**The Supervisory Board and its Committees**
• the Policy to ensure the continuity of Supervisory Board membership was approved; • the program of professional development for Supervisory Board members was developed; • the effectiveness of the preparation and holding of meetings of the Supervisory Board and its Committees was improved, the Supervisory Board Electronic Account was introduced; • compliance with the Moscow Exchange Listing Rules as regards the formation of the Supervisory Board and its Committees was ensured.	• to develop an Action Plan together with the members of the Supervisory Board (Professional Development Program) for the corporate year; • to organize self-assessment of the effectiveness of the Supervisory Board's work based on the results of 2017; • to assess the advisability of automating the work with interested-party transactions; • to ensure compliance with the requirements of the Moscow Exchange Listing Rules on the formation of the Supervisory Board and its Committees.

Ensuring information transparency	**Information disclosure**
• a report on the status of the Bank's Information Policy implementation was submitted to the Supervisory Board; • the confirmation (at level 8) of the National Corporate Governance Rating (NCGR) procedure was completed.	• to submit a report on the Bank's implementation of the Information Policy to the Supervisory Board; • to undergo the confirmation/improvement procedure of the National Corporate Governance Rating (NCGR).
Cascading of Sberbank's corporate governance practices in the companies of the Sberbank Group	**Development of corporate governance practices in the companies of the Sberbank Group**
• the Corporate Governance web course program was developed and training for the managers and employees of the Bank and companies of the Sberbank Group was organized; • the fifth annual conference of the Sberbank Group on corporate governance issues was held.	• completing the development and introducing into commercial use the Sberbank Corporate Structure software complex; • performing full training of the target audience using the Corporate Governance web course for directors and employees of the Bank and Sberbank Group companies; • preparing and holding the sixth annual conference of the Sberbank Group on pressing corporate governance issues.
Development and support of legal initiatives involving corporate governance	**Development and support of legal initiatives involving corporate governance**

• During 2017, the Bank took an active role in the development of proposals to improve federal legislation on:
  • assignment to the Supervisory Board of the right to propose candidates for election to the board (regardless of shareholder proposals);
  • regulation on the termination of the authority of a member of the Supervisory Board based on their application (before the expiry of the term);
  • transfer of issues in the competence of the General Shareholders' Meeting to the Supervisory Board (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 Internal Audit Commission (created at the company's discretion);
  • regulation of the exercise of company participants' rights to information.
	• to continue activities to initiate and support legal initiatives required by the Bank;
	• to audit the Bank's corporate governance documents, with an outside expert evaluation, and to update them (if necessary).