

APPROVED BY  
the Supervisory Board of  
Sberbank

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**The Regulation on Dividend Policy  
of Sberbank**

Moscow  
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## **1. General Provisions**

1.1. These Regulations on Dividend Policy of Sberbank (hereinafter, the "Regulations", "Sberbank" and the "Bank", respectively) have been developed under the current legislation of the Russian Federation, the Bank's Charter, the Bank's Corporate Governance Code, as well as with due regard to best Russian and international corporate governance practices.

1.2. The purpose of these Regulations is to establish a transparent and understandable (to the Bank's shareholders) mechanism for deciding on the payment of dividends, determining the amount of, procedure and timing for their payment.

1.3. These Regulations are a part of the general policy of the Bank's management and have been developed taking into account [Sberbank Development Strategy](#), are based on the balance of interests of the Bank and its shareholders, and respect for and strict observance of shareholder rights provided for in the current legislation of the Russian Federation, the Charter and internal regulatory documents of the Bank, and are aimed at improving the investment attractiveness of the Bank.

1.4. Dividend is a portion of the Bank's net profit, distributed between the shareholders in proportion to their shares of each class.

1.5. The Bank has allotted the following types of shares:

- ordinary shares;
- preferred shares of the same type, with obligatory payment of the determined dividend of not less than 15 percent of the par value of the preferred share.

1.6. The amount of the dividend per share of each class shall be determined as the ratio of a portion of the Bank's net profit used to the payment of the dividends on such class of shares to the total number of the allotted shares of such class.

1.7. The Bank shall seek to pay dividends of equal amount on the ordinary and preferred shares if the conditions specified in clause 2.2 hereof are met and to ensure a dividend payout on a preferred share is not less than on an ordinary share.

1.8. Dividends shall be paid to the shareholders in cash.

1.9. The Bank shall be obliged to pay the dividends declared on the shares of each class (type), unless otherwise provided by the current legislation of the Russian Federation. The Bank shall be liable towards the persons entitled to dividends for the non-performance of this obligation in accordance with the current legislation of the Russian Federation.

## **2. Terms of Payment and Procedure for Determining the Amount of Dividends.**

2.1. A decision on the payment (declaration) of dividends on the Bank's shares, the amount of the dividends on the shares of each class (type), the form of their payment, the date, as of which the persons entitled to dividends shall be determined, shall be taken by the General Shareholders Meeting of the Bank in the

manner set forth in Section 3 of these Regulations.

2.2. The dividend amount shall not exceed the dividend amount recommended by the Supervisory Board of the Bank.

When resolving the matter of making a recommendation to the General Shareholders Meeting of the Bank on the amount of the dividends on the Bank's shares, in addition to that stated in clause 1.7. of these Regulations, the Supervisory Board of the Bank shall take the following conditions into consideration:

- the availability and amount of net profit determined according to the consolidated financial statements of the Bank and its subsidiaries (hereinafter, "Sberbank Group") under International Financial Reporting Standards (IFRS) for the relevant period;

- the Bank's need for capital for implementation of the Bank's Development Strategy with regard to dividend payment for compliance with the current and expected requirements of the legislation of the Russian Federation and ones of the Central Bank of Russia, of the local regulators in the operating countries and the Basel Committee recommendations, including based on the size of Russia's national countercyclical buffer to the capital adequacy ratios, Risk Appetite approved by resolution of the Supervisory Board of the Bank and passing stress-testing procedure according to the Central Bank of Russia requirements to internal capital adequacy assessment process;

- the achievement up to 2020 year and maintenance in the medium term of the target adequacy of the core capital of Sberbank Group, calculated in accordance with the requirements of Basel III (Common Equity Tier 1), based on the consolidated statements under IFRS, using the conservative forecast of the Group's business development in the next reporting period, at the level of 12.5 percent without taking into account the Russia's national countercyclical buffer set by the Central Bank of Russia;

- the macroeconomic environment, other internal and external developments that have or may have a significant negative impact on the Bank's operations in the future and force majeure events, including acts of God and wars;

- maintaining the balance between the interests of the Bank and those of its shareholders with due regard for the need to increase the investment attractiveness and to observe Bank's shareholders' rights.

2.3. The Bank will aim to gradually increase the share of dividend payments in the net profit of Sberbank Group under IFRS from the current level to 50 percent within three years, taking into account the limitations described in clause 2.2.

2.4. The source of dividend payment shall be the Bank's after-tax profit (net profit), which shall be determined according to the Bank's accounting (financial) records prepared in accordance with the Russian legislative requirements for the relevant reporting period.

### **3. Procedure for Taking a Decision on Dividends Payment**

3.1. A resolution to pay (declare) dividends shall be passed by the General Shareholders Meeting of the Bank. The said decision shall determine the amount

of the dividends on the shares of each class (type), the form of their payment, the date as of which the persons entitled to dividends shall be determined.

A decision regarding the determination of the date, as of which the persons entitled to dividends shall be determined, shall be made on the proposal of the Bank's Supervisory Board.

Decisions of the Supervisory Board of the Bank on the recommendations to the General Shareholders Meeting of the Bank on the amount of dividends on the Bank's shares, on the date, as of which the persons entitled to dividends shall be determined, shall be taken by the Bank's Supervisory Board at a meeting on the issues associated with the holding of a General Shareholders Meeting of the Bank.

Resolutions of the Supervisory Board of the Bank on the recommendations to the General Shareholders Meeting of the Bank on the amount of dividends on the Bank's shares shall be adopted by the Supervisory Board of the Bank by a majority of at least three-quarters of the votes, without taking into account the votes of the former members of the Supervisory Board of the Bank.

3.2. Resolutions of the Bank's Supervisory Board on the issues referred to in clause 3.1. of these Regulations shall be included in the information (materials) to be provided to persons entitled to participate in the General Shareholders Meeting of the Bank in accordance with the current legislation of the Russian Federation.

The rationale for the proposed distribution of the Bank's net profit and the assessment of whether it conforms with the adopted dividend policy of the Bank shall be brought to the attention of the shareholders in preparation for the General Shareholders Meeting of the Bank.

3.3. In deciding on the payment (declaration) of dividends, the Bank shall take into account the restrictions on the payment of dividends established by the current legislation of the Russian Federation.

#### **4. Persons entitled to dividends**

4.1. The date, as of which in accordance with the decision on the payment (declaration) of dividends the persons entitled to them shall be determined, shall not be established earlier than 10 days from the date of the decision on the payment (declaration) of dividends and later than 20 days from the date of such decision.

4.2. The dividends shall be paid to persons, who have been owners of the Bank's shares of the relevant class (type) or persons exercising the rights attached to the shares under the current legislation of the Russian Federation, at the close of business on the date, as of which in accordance with the decision on the payment of dividends the persons entitled to them shall be determined.

4.3. In order to pay the dividends, the Registrar of Sberbank, who maintains the Bank's shareholder register, shall prepare the list of persons entitled to dividends (hereinafter, the "List") as of the date determined by the General Shareholders Meeting of the Bank. The List shall include shareholders who are registered in the register of the holders of the Bank's registered securities and the persons for whom the accounts of the nominee holders (depositories) have been opened.

4.4. The shareholders of the Bank shall notify the Registrar and/or the nominee holder (depository) in a timely manner of the change in their data required for the payment of dividends. The Bank, the registrar and the nominee holder (depository) shall not be liable for any damages arising from the fact that the persons whose rights in the shares are recorded in the Bank's shareholder register, as well as the persons whose rights in the shares are recorded by the nominee holder of the shares (in the depository) have not provided in a timely manner:

- information on any change of its data, including the bank details;
- appropriately issued documents allowing a preferential tax treatment to be applied in accordance with the international tax treaties, the legislation of the Russian Federation on taxes and levies, as well as other laws and regulations on taxes and levies governing the taxation of the dividends paid.

## **5. Procedure for Payment of Dividends**

5.1 Payment of cash dividends to individuals whose rights in the shares are recorded in the Bank's shareholder register shall be made by the transfer of funds by the Bank to their bank accounts, the details of which are available to the Registrar of Sberbank, or, in the absence of information about the bank details, by means of a postal money transfer.

The payment of dividends to legal entities whose rights are recorded in the Bank's shareholder register shall be made by the Bank by transferring funds to their bank accounts.

The Bank's obligation to pay dividends to the persons referred to in this clause shall be deemed to have been performed from the date of receipt of the money transferred by the federal postal organization or from the date of receipt of the money by the credit institution, in which the bank account of the person entitled to the Bank's dividends is open, and if the credit institution is such person, - on its account.

5.2. Persons entitled to the dividends of the Bank, whose rights in the shares are recorded by the nominee shareholder, shall receive dividends in cash in the manner prescribed by the legislation of the Russian Federation on securities.

5.3. The payment of dividends to a nominee shareholder or fiduciary manager registered in the shareholders' register shall be made within 10 business days, while other persons registered in the shareholder register shall be paid within 25 business days from the date as of which the persons entitled to dividends shall be determined.

If the last day of the period for payment of dividends falls on a non-business day, the next closest business day shall be considered to be the end date.

5.4. The Bank shall not grant any individual shareholders any preferences on the timing of payment of the declared and accrued dividends.

5.5. The Bank shall have the right to perform the obligation to pay dividends on any day during the determined period for payment of dividends.

5.6. In the event that the declared dividends are not paid to the shareholders for reasons beyond the Bank's control (unclaimed dividends), the Bank shall pay such dividends in the manner prescribed by the legislation of the Russian

Federation. Interest on unclaimed dividends shall not be accrued.

If changes and additions were made to the tax legislation at the time of the payment of unclaimed dividends, then, in paying such unclaimed dividends, the Bank shall recalculate the tax in accordance with the tax legislation in effect as of the payment.

5.7. A person, who has not received the declared dividends because the registrar and/or the nominee holder (depository) lacks accurate and necessary address data or bank details for the transfer of dividends or due to the other delay, shall be entitled to request the payment of such dividends (unclaimed dividends) within three years from the date of the decision to pay them. Upon the expiry of such period, the declared and unclaimed dividends shall be restored as part of the Bank's retained earnings and the obligation to pay them shall be terminated.

5.8. If there are circumstances under the legislation of the Russian Federation, in which the Bank is not entitled to pay the declared dividends on shares, the Bank shall be obliged to suspend the payment of the dividends. The suspension of the payment of dividends in these cases shall not deprive the shareholders of the right to receive the declared dividends after the circumstances preventing their payment have ceased. Upon cessation of the said circumstances, the Bank shall pay the shareholders the declared dividends.

5.9. In the cases established by the legislation of the Russian Federation on taxes and levies, the Bank shall perform the functions of a tax agent, calculate, withhold and transfer tax amounts in respect of the dividends to the budget of the Russian Federation in accordance with the Tax Code of the Russian Federation, as well as with due regard to the provisions of the double taxation treaties entered into between the Russian Federation and the countries whose tax residents are the shareholders of the Bank. Dividends shall be paid to the shareholders net of the taxes withheld.

## **6. Final Provisions**

6.1. These Regulations, as well as the changes and additions to them, shall be approved by the Bank's Supervisory Board on the recommendation of the Strategic Planning Committee of the Bank's Supervisory Board.

6.2. These Regulations shall be subject to regular revision for the purposes of ensuring its compliance with the current legislation, the Charter of the Bank and the best corporate governance practices.

6.3. If any amendments are introduced into the current legislation and/or the Bank's Charter, which result in the conflict of any particular provisions of these Regulations with such legislation and/or the Bank's Charter, such provisions shall cease to have effect, and the Bank shall be governed by the then current provisions of the legislation and/or the Charter of the Bank until the necessary amendments are introduced hereto.

6.4. These Regulations shall be in effect for a period of three years from the date of its approval by the Bank's Supervisory Board. These Regulations shall extend, inter alia, to the distribution of Sberbank Group's profit according to the results of 2017.

6.5. On the basis of the principle of information openness, the Bank is posting these Regulations on the Bank's official website on the Internet at the address, as specified in the Bank's Charter for posting notice of the Bank's General Shareholders Meeting, in Russian and English.