

**SBERBANK OF RUSSIA**

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APPROVED BY  
the General Meeting of Shareholders of  
Sberbank  
Minutes No. 32 dated May 29, 2019

**REGULATIONS  
on the Executive Board of Sberbank  
(Version 4)**

MOSCOW, 2019

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## **1. General Provisions**

1.1. These Regulations on Sberbank of Russia's Executive Board (hereinafter, the "Regulations") have been developed in accordance with the law of the Russian Federation and the Charter of Sberbank (hereinafter, the "Bank") and regulate the procedure of formation of the Bank's executive bodies — the Executive Board and the CEO and Chairman of the Executive Board of the Bank, early termination of their powers, the competence and liability of the Bank's executive bodies, the decision-making procedure, and the procedure for interaction between the Executive Board and the Bank's collegial working bodies.

1.2. The Executive Board is a collegial executive body of the Bank. The CEO and Chairman of the Executive Board of the Bank is the sole executive body of the Bank.

The Executive Board and the CEO and Chairman of the Executive Board of the Bank manage the Bank's current activities.

1.3. The Executive Board of the Bank operates in accordance with federal laws and other laws and regulations of the Russian Federation (hereinafter, "Russian law"), regulations of the Bank of Russia, the Bank's Charter, resolutions of the General Meeting of Shareholders and the Supervisory Board of the Bank, these Regulations, and other internal regulatory documents of the Bank.

1.4. The CEO and Chairman of the Executive Board and the Executive Board of the Bank are accountable to the Bank's Supervisory Board and General Meeting of Shareholders.

## **2. Procedure of Formation and Duration of the Authorities of the Executive Board**

2.1. The Supervisory Board of the Bank determines the quantitative and personal membership of the Executive Board and elects members of the Executive Board. The Supervisory Board elects members of the Executive Board as suggested by the CEO and Chairman of the Executive Board of the Bank.

2.2. Candidates for CEO and Chairman of the Executive Board and members of the Executive Board shall comply with the requirements set out in Russian law and the Bank of Russia's regulations adopted in accordance with it.

Candidates for CEO and Chairman of the Executive Board and members of the Executive Board are subject to mandatory approval by the Bank of Russia in line with its procedure.

2.3. The rights and obligations of the CEO and Chairman of the Executive Board and Executive Board's members in managing the Bank's current activities are defined by Russian law, the Bank's Charter, these Regulations, and the agreement concluded by the Bank with each of them on the terms and conditions approved by the Bank's Supervisory Board (standard form of agreement).

The agreement on behalf of the Bank with the CEO and Chairman of the Executive Board is signed by the Chairman of the Bank's Supervisory Board or by the person duly authorized by him/her, agreements with the Executive Board members are signed by the CEO and Chairman of the Executive Board.

2.4. The Supervisory Board of the Bank determines the amount of remuneration and compensation paid to the CEO and Chairman of the Executive Board and members of the Executive Board of the Bank.

2.5. The Bank's Supervisory Board may at any time resolve to terminate the powers of the Executive Board's members.

The powers of an Executive Board member are deemed terminated from the date specified in the resolution of the Bank's Supervisory Board, or if it is not specified, from the date of the resolution of the Supervisory Board.

2.6. Termination of an Executive Board member's powers does not entail dismissal from the relevant position held by him/her in the Bank.

2.7. If the number of members of the Executive Board, determined by the resolution of the Supervisory Board according to Clause 2.7 hereof, becomes lower than the quorum for convening meetings of the Executive Board set in Clause 5.2 hereof, the Supervisory Board shall form a new Executive Board membership.

2.8. The CEO and Chairman of the Bank's Executive Board and members of the Executive Board may not act as a manager or a chief accountant in other organizations which are credit institutions, foreign banks, insurance or clearing institutions, professional securities market participants, bidding process organizers in commodities and (or) financial markets, joint-stock investment funds, specialized depositories of investment funds, mutual funds and non-state pension funds, pension provision and pension insurance organizations, management companies of investments funds, mutual funds and non-state pension funds, microfinance companies, and in leasing organizations or organizations affiliated with the Bank (except when a foreign bank and Sberbank are a main and a subsidiary company with regard to each other).

The CEO and Chairman of the Executive Board of the Bank and Executive Board's members may only combine offices in the management bodies of other entities subject to the Supervisory Board's approval.

2.9. Members of the Executive Board may access insider information only after their inclusion in the Insiders List of the Bank<sup>1</sup> in line with the requirements of Russian law and the Bank's internal regulatory and executive documents on countering the misuse of insider information and market manipulation.

### **3. Competence of the Executive Board**

3.1. The main responsibilities of the Executive Board are to: ensure implementation of resolutions of the General Meeting of Shareholders and the Supervisory Board of the Bank, implement provisions of the Bank's Development Strategy, implement the policy aimed at increasing the Bank's competitiveness and profitability and ensuring its sustainable financial and economic position, protect the shareholders' rights, ensure that their investments are effective, fulfil their obligations to customers, and raise the quality of customer services.

3.2. The competence of the Executive Board includes making resolutions on issues described in the Bank's Charter, except the issues reserved by Russian law for the General Meeting of Shareholders and the Supervisory Board of the Bank.

3.3. Pursuant to its responsibilities, the Executive Board of the Bank:

1) Discusses in advance the issues to be considered by the General Meeting of Shareholders and the Supervisory Board of the Bank, including annual reports and annual accounting (financial) statements of the Bank, prepares relevant draft resolutions thereupon, and ensures implementation of resolutions passed by the General Meeting of Shareholders and the Supervisory Board of the Bank.

2) Reviews and approves reports submitted by the heads of units of the Bank's Central Office and heads of regional banks, branches and representative offices of the Bank on their activities in relevant periods and performance in specific areas of banking activities.

3) Determines the risk management policy of the Bank, ensures the conditions for its effective implementation, organizes the risk management process in the Bank.

4) Ensures technological development of the Bank, organizes integration of the most advanced banking technologies into operations of the Bank's units, ensures implementation of projects for all-round automation of banking processes, builds a modern banking infrastructure, organizes creation of efficient information communication and exchange systems.

5) Ensures development of the Bank's branch network and the Bank's network of separate

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<sup>1</sup> The Insiders List of the Bank is a list of individuals and legal entities who have access to the insider information of the Bank and third parties.

units, their technological improvement and enhancement of the quality of the services they provide.

6) Adopts resolutions on the participation and termination of participation, including the change of participatory interest of the Bank in other entities, except for entities the participation and termination of participation in which is referred to the competence of other management bodies of the Bank by federal laws or the Bank's Charter.

7) Implements the strategy and policy of the Bank concerning the organization and implementation of internal control, considers the state of accounting and reporting, materials and results of periodic assessments of the Bank's internal control efficiency, organizes creation of a system of control over elimination of identified violations and drawbacks of internal control and measures taken for their mitigation, hears reports of heads of branches and other separate units of the Bank following assessment and inspection of their activities, and passes resolutions on these matters.

8) Controls compliance with federal laws and other laws and regulations by the Bank's units, controls the compliance of the Bank's activities with internal documents, including those determining the procedure for internal control, and assesses correspondence of their content to the nature and scale of the Bank's transactions.

9) Establishes the system of remuneration in the Bank.

10) Approves candidates for chairpersons of regional banks, approves dismissal of chairpersons of regional banks, considers proposals on recommending the Bank's most distinguished employees for state awards of the Russian Federation.

11) Approves internal documents regulating the Bank's daily activities, including those that determine the Bank's policy in different lines of business, management of banking risks, activities of the Bank's collegial working bodies, except for the internal documents, the approval of which is in the purview of the General Meeting of Shareholders and the Supervisory Board of the Bank.

12) Adopts resolutions on creation and termination of collegial working bodies of the Bank, including the Bank's panels, commissions and committees, approves regulations on them and establishes their functions, including those related to approval of the Bank's internal documents.

13) Approves regulations on the Bank's branches and representative offices, introduces changes to them, adopts resolutions on the change of the status and name of branches.

14) Adopts resolutions on the appointment of temporary administration or an authorized representative of the Bank to manage the branch (regional bank and branch).

15) Establishes amounts to the extent whereof the CEO and Chairman of the Executive Board of the Bank, First Deputy Chairmen of the Executive Board and Deputy Chairmen of the Executive Board of the Bank may carry out transactions on behalf of the Bank.

16) Considers effecting transactions with amounts exceeding the limits established by it for the CEO and Chairman of the Executive Board of the Bank, First Deputy Chairmen of the Executive Board, and Deputy Chairmen of the Executive Board of the Bank.

17) Considers and resolves on other matters related to the Bank's activities.

3.4. In addition to the matters described in Clause 3.3 hereof and reserved for the Executive Board by the Bank's Charter, the Executive Board also performs the following functions:

1) Reviews and approves the Bank's Development Strategy for subsequent approval by the Supervisory Board and monitors its implementation.

2) Approves the business plan and the budget of the Bank and monitors their implementation (also through regular reports from heads of the Bank's units).

3) Determines the Bank's policies for the main lines of business, including credit, interest rate, pricing, banking process management and other policies.

4) Determines the structure of the Bank's collegial working bodies and collegial bodies of branches (including the management of regional banks, boards of branches, commissions and

committees of branches), passes resolutions on forming collegial bodies of branches (except for resolutions on forming boards of branches), approves regulations on collegial bodies of branches, determines their functions.

5) Approves the results of monitoring of the Bank's exposure to risks, limitations by risk types, and recommendations about acceptable levels of risk for the Bank.

6) Passes resolutions on the Bank's participation in legislative and lawmaking activities.

7) Passes resolutions on conducting charity, sponsorship and other non-profit activities by the Bank.

8) Passes resolutions on other matters essential for achieving the goals of the Bank's activities and ensuring its operation in compliance with the Bank's Charter and the Bank's internal regulatory documents.

#### **4. CEO and Chairman of the Executive Board**

4.1. The CEO and Chairman of the Executive Board of the Bank manages the Bank's activities.

4.2. The CEO and Chairman of the Executive Board of the Bank is elected and dismissed by the Bank's Supervisory Board.

The term of office of the CEO and Chairman of the Executive Board established in the Bank's Charter is four years.

The Supervisory Board may at any time resolve to terminate the powers of the CEO and Chairman of the Executive Board.

4.3. The person who is elected CEO and Chairman of the Executive Board of the Bank may be reelected to this office an unlimited number of times.

4.4. The CEO and Chairman of the Executive Board ensures implementation of resolutions passed by the General Meeting of Shareholders and the Supervisory Board of the Bank, presides over the Executive Board of the Bank and organizes its activities, distributes responsibilities among members of the Executive Board, presides at meetings of the Executive Board, signs minutes of meetings of the Executive Board, and resolves any other matters provided for by the Bank's Charter and these Regulations.

4.5. In case of temporary absence of the CEO and Chairman of the Executive Board of the Bank, his/her responsibilities are performed by one of his/her first deputies, deputies, or another subordinate person.

The person acting as CEO and Chairman of the Board shall act on the basis of the Bank's Charter and the relevant order of the CEO and Chairman of the Board.

4.6. The competence of the CEO and Chairman of the Executive Board acting as the sole executive body of the Bank is determined by the Bank's Charter.

#### **5. Meetings of the Executive Board**

5.1. The procedure for preparing and holding meetings of the Executive Board is determined in these Regulations and the Regulations on Preparing and Holding Meetings of the Executive Board of the Bank.

5.2. The quorum for holding a meeting of the Executive Board is at least two thirds of the elected members of the Executive Board.

5.3. A resolution of the Executive Board is deemed adopted if more than half of the elected members of the Executive Board vote for it.

5.4. Resolutions of the Executive Board are mandatory for all employees of the Bank.

#### **6. Responsibilities and liability of the CEO and Chairman of the Executive Board and members of the Executive Board**

6.1. The CEO and Chairman of the Executive Board and members of the Executive Board of the Bank shall act in the interests of the Bank reasonably and in good faith when exercising their rights and fulfilling their responsibilities.

6.2. Members of the Bank's Executive Board shall personally participate in meetings of the Bank's Executive Board and may not transfer their voting right to another person.

6.3. In implementing their powers, members of the Executive Board shall:

1) Comply with requirements of Russian law and other applicable law, the Bank's internal regulatory and executive documents, including those on countering the misuse of insider information and market manipulation and on conflict of interest management,

2) Not assume responsibilities and not perform actions which will or may potentially result in a conflict of interest, shall observe the requirements of the Conflict of Interest Management Policy of Sberbank Group,

3) Immediately notify the Executive Board by sending a notification to the CEO and Chairman of the Executive Board about a conflict of interest in decision-making (including interest in the Bank's execution of a transaction) and reasons for its occurrence, or by oral announcement at a meeting of the Executive Board before the relevant item is reviewed,

4) Refrain from attending a meeting of the Executive Board when issues with regard to which they have a conflict of interest are discussed, and shall not participate in discussions and voting on such issues.

5) Disclose information about their commercial activities unrelated to the Bank's interests to the Bank.

6) Not disclose or use for personal ends or in the interests of any third parties the information that they became aware of if such information is confidential (information subject to bank secrecy, a commercial secret of the Bank or its partners, persons or entities controlled by the Bank, personal data) and insider information.

7) Not use their official position and received information about the Bank's activities for personal ends.

6.4. The CEO and Chairman of the Executive Board and members of the Executive Board shall indemnify the Bank for losses caused by them upon the request of the Bank or its shareholders acting in the interests of the Bank.

The members of the Executive Board who voted against a decision that resulted in losses for the Bank or the Bank's shareholders or who acted in good faith and did not participate in the vote shall not be liable for such losses.

6.5. If in accordance with the requirements of Russian law, several members of the Executive Board are liable, they shall bear joint liability to the Bank and the Bank's shareholders.

6.6. The CEO and Chairman of the Executive Board and members of the Executive Board are liable for failure to fulfil requirements and obligations imposed on them by Russian law and other applicable law on countering the misuse of insider information and market manipulation.

## **7. Procedure for Interaction Between the Executive Board and the Bank's Collegial Working bodies**

7.1. The collegial working bodies of the Bank (committees, panels, commissions, etc.) that are not executive bodies of the Bank are formed out of the Executive Board's members and/or heads of units of the Bank by a resolution of the Executive Board in order to make decisions on the Bank's activities as well as to prepare and carry out preliminary consideration of issues in the purview of the Executive Board, to approve internal regulatory documents of the Bank determining rules, methods, and procedure for executing bank operations and transactions, and procedure for interaction between structural units of the Bank's Central Office and its branches.

7.2. Issues in the purview of the Executive Board may be referred for consideration to collegial working bodies by a resolution of the Executive Board, except for the issues reserved

exclusively for the Executive Board by Russian law or the Bank's Charter.

7.3. Persons not employed by the Bank may become members of the Bank's collegial working bodies by a resolution of the Bank's Executive Board<sup>2</sup>.

Members of the Bank's collegial working bodies who are not employed by the Bank are liable under Russian law for disclosing confidential and insider information received by them during their membership in the relevant body.

## **8. Final Provisions**

These Regulations shall be approved by the General Meeting of Shareholders and are subject to revision to ensure their compliance with Russian law and the Charter of the Bank.

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<sup>2</sup> The resolution is passed when approving a regulation on the relevant body by including a reservation that persons not employed by the Bank may be members of this body.