

Remuneration system

Remuneration of the members of the Supervisory Board

The payment of remuneration to members of the Supervisory Board of Sberbank and compensation of expenses related to their participation in the work of the Supervisory Board are performed pursuant to the procedure established by an internal regulation of Sberbank – Regulations on Remuneration and Compensation to be Paid to the Members of the Supervisory Board (hereinafter the Regulations), approved by the annual General Meeting of Shareholders of Sberbank on May 31, 2013, with due account of the changes approved by the annual General Meeting of Shareholders of Sberbank on May 27, 2016.

Remuneration consists of a basic component and additional component. The basic component is paid to the member of the Supervisory Board provided that they participated in at least half the meetings held by the Supervisory Board. The additional remuneration is paid for work in committees, for chairing committees, performing the duties of senior independent director, and also for chairing the Supervisory Board.

Remuneration of the members of Supervisory Board

Base remuneration	RUB 5.9 million
Additional remuneration for performing the duties of a member of any of the Committees of the Supervisory Board	+20% of the base remuneration
Additional remuneration for performing the duties of Chairman of any of the Committees of the Supervisory Board and performing the duties of senior independent director	+30% of the base remuneration
Additional remuneration for performing the duties of Chairman of the Supervisory Board	+50% of the base remuneration

Remuneration for members of the Supervisory Board related to their participation in this government body of Sberbank paid in 2017, RUB million

Base remuneration (9 people)	53.1
Additional remuneration, including:	21.3
Total:	74.4

Information on the payment of remuneration is indicated for members of the Supervisory Board, who expressed during the 12 months of 2017 written consent to the receipt of remuneration.

The Regulations also stipulate the possibility of compensating members of the Supervisory Board for their operating expenses related to the exercise thereby of functions of members of the board. During 12 months of 2017, compensation of operating expenses related to the exercise of the functions of members of the board was performed to one member of the Supervisory Board and equaled RUB 12.1 thousand.

Remuneration of the members of the Executive Board¹

The Remuneration Policy for Members of the Executive Board in place at Sberbank stipulates that the remuneration depends on the performance of Sberbank and the personal contribution of each member of the Executive Board to the attainment of this result through the application of tools for regular performance appraisals through a balanced scorecard. The salary structure includes fixed and variable components.

In 2015, in accordance with the requirements of Instruction No. 154-I of the Bank of Russia dated June 17, 2014 “On the Procedure for Assessing the Remuneration System at a Credit Institution and the Procedure for Forwarding a Directive to the Credit Institution to Eliminate the Violations in its Remuneration System”, Sberbank adopted a long-term remuneration program for the members of the Executive Board based on the value of the shares of Sberbank, including the payment of funds.

The program is based on the following parameters:

- 40% of the variable component of the annual remuneration is deferred and is paid in monetary form in equal shares over three years;
- payments to program participants are contingent on the dynamics of the value of Sberbank’s shares;
- the long-term remuneration may be adjusted (up to and including cancelation in full) if material risks are realized, with due account of the extent of the liability of the employee for the adoption of the decisions, which led to realization of the risks.

¹ The remuneration amounts are presented in this section in accordance with the data of the annual (accounting) financial statements of Sberbank for 2017.

Information on the remuneration of members of the Executive Board

	Fixed remuneration	Variable remuneration	Long-term remuneration (deferred remuneration for 2015–2016)
Remuneration to members of the Executive Board for 2017	RUB 1,2 billion	RUB 2,7 billion	RUB 1,2 billion
Total		RUB 5,1 billion	
Goal	Competitive incentive package to attract and retain highly qualified managers	Aimed at the attainment of individual and team performance targets	Aimed at the convergence of the interests of management and the shareholders of Sberbank and at the attainment of a long-term sustainable appreciation in value
Description	Paid fixed remuneration includes official salary, payment of vacation, payment for business trip expenses. Is established on the basis of professional experience, role in the management of Sberbank and level of remuneration on the labor market	Paid variable remuneration includes quarterly bonuses, remuneration based on the year-end results (includes a part in the amount of RUB 0.5 billion payable in 2018), other lump-sum remuneration accrued in 2017. Directly related to the attainment of a range of key performance indicators: individual and team, financial and non-financial	Long-term remuneration paid out in the reporting year
Payment terms	Monthly	Annually/quarterly subject to attainment of established performance targets	Annually subject to the attainment of the performance targets of Sberbank

During 2017 the total amount of the deferred Long-term Remuneration of Members of the Executive Board equaled RUB 1.6 billion. Deferred remuneration will be paid in monetary form in equal shares during 2018-2020 and may be adjusted up to and including cancelation in full. Corresponding liabilities are included in other financial liabilities in the consolidated statement of financial position, before payment is made.

No early payments of the long-term remuneration on resignation were made during 2017. There were no instances for failure to pay or withhold long-term remuneration as a result of adjustments, taking account of assumed risks based on the results for 2017.

No payments of severance pay were performed to members of the Executive Board in 2017.

Remuneration of members of the Internal Audit Commission

Remuneration to the members of the Internal Audit Commission and compensation of expenses related to their participation in the work of this control body of Sberbank are paid in the amount and pursuant to the procedure established by the internal regulations of Sberbank "Regulations on the Internal Audit Commission", approved by the annual General Shareholders' Meeting of Sberbank on June 6, 2014. Remuneration in the amount of RUB 1 million is paid to the Chairman of the Internal Audit Commission for the performance of his duties; RUB 750 thousand is paid to each member of the Internal Audit Commission.

Remuneration in the amount of RUB 2.5 million was paid to the members of the Internal Audit Commission for the 12 months of 2017, related to their participation in this control body of Sberbank.

The amount of all the payments accrued to members of the Internal Audit Commission, who are employees of Sberbank, equaled RUB 82.8 million for the 12 months of 2017.