

# Principles of the Board of Directors

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The Board of Directors determines the Company's development strategy and is responsible for providing general guidance in between General Meetings of Shareholders, except those powers which are considered the exclusive authority of the General Shareholders' Meetings according to Federal Law "On Joint Stock Companies". The Company's Charter and Regulations on the Board of Directors set out the Board of Directors' duties and responsibilities in more detail.

The Board of Directors' general responsibilities are formulation and advancement of business and operational objectives of Rostelecom Group; protection of rights and lawful interests of shareholders; ensuring completeness, reliability and objectivity of public information about the Company. In its activities, the Board of Directors is guided by the following principles:

- Contribution to the development of the Company, and attainment of competitive advantages of its business and personnel development;
- Decision-making based on reliable information about the Company's operations;
- Ensuring that the Company is operating in line with the long-term interests of the shareholders; and that shareholders receive all relevant information on the Company's operations;
- Attainment of the balance of interests of various groups of the shareholders, and approval by the Board of Directors of the most sound resolutions in the interests of all shareholders of the Company;
- Any irremediable ambiguity in the rules provided by laws and regulations shall be construed by the Board of Directors in favour of expansion of the rights and lawful interests of the shareholders.

## Induction to the Board

New members of the Board of Directors should carefully review all of the Company's internal documents regulating activities of the Board of Directors, as well as hold a series of meetings with members of the Management Board and representatives of the internal and external audit in order to gain information on the Company's operations, its strategic plans; adopted practices of accounting and financial reporting, risk management system, internal control system, as well as other material aspects of the Company.