



Corporate Governance Self-Evaluation Results

During 2015, Rostelecom carried out a comparative analysis of the Company's effective corporate governance standards and key provisions of the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on 21 March 2014. The analysis was carried out using the "Guidelines for Corporate Governance Self-Assessment for Companies where the government owns an interest", developed by The Federal Agency for State Property Management (Rosimuschestvo). According to these Guidelines at the beginning of 2015 Rostelecom's corporate governance

was evaluated 77%, with 65% being the lowest recommended limit. As a result of the implementation of provisions of the Corporate Governance Code of the Bank of Russia, Rostelecom's corporate governance level reached 90% by the end of 2015. Additionally Rostelecom also makes its Corporate Governance assessment following recommendations of the Bank of Russia.

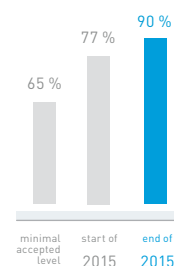
Information about the Company's adherence to recommendations of the Bank of Russia can be found in the Appendix "Report on compliance with principles and recommendations of the Corporate Governance Code endorsed for application by the Bank of Russia", attached to this Annual Report 2015.

Planned Improvement to Corporate Governance

The following improvements to corporate governance are scheduled in 2016:

- approval of certain substantive matters will require majority vote of all elected members of the Board of Directors;
- consideration of a possibility of offering electronic voting at General Shareholders' Meetings;
- assessment of the Board of Directors performance;
- increased control by the Board of Directors of transactions and nominations in the controlled entities;
- improving effectiveness of the Board of Directors activities, including increasing the number of physical presence meetings.

Corporate governance level in Rostelecom



Source: the Company data