

Corporate Governance Evaluation



Fundamental Principles of Corporate Governance Framework

Rostelecom is guided by the following Corporate Governance principles:

- the implementation and protection of shareholders' rights;
- the equal treatment of all shareholders;
- giving consideration to interests of stakeholders and their inclusion;
- accountability of the Board of Directors, the President and the Management Board to shareholders;
- maintaining an effective system of internal audit and control;
- financial and informational transparency of the Company;
- compliance with ethical standards of business conduct stipulated in the Code of Ethics of the Company;
- maintaining high levels of corporate social responsibility.

Improving the Corporate Governance Practices

On 21 March 2014, the Board of Directors of the Central Bank of Russia (CBR) approved the Corporate Governance Code. Application of the CBR Code by a company is voluntary and aimed at increasing its investment appeal for investors. Drawing attention to the importance of having effective corporate practices in place, the Government of the Russian Federation has instructed that companies where the government owns an interest, included in the 91-r list, as a priority should make an analysis and suggest a roadmap for implementation of the CBR Code's recommendations.

Rostelecom is among leading companies with state participation, which should be the first to demonstrate their better governance through further improvements of their corporate practices. Certain provisions of the CBR Code are made mandatory to comply with through requirements stipulated in Listing Rules of CJSC Stock Exchange MICEX as applicable to companies listed on the Moscow Stock Exchange after passing the listing procedures.

On 13 March 2015, the Board of Directors of Rostelecom reviewed and approved the roadmap submitted by the management for the implementation of the Corporate Governance Code in the Company's activities.