



# 2013 ANNUAL REPORT



**RBC OJSC**

Moscow 2014

**RBC OJSC**

**Annual report - 2013**

Preliminary approved by the Board of Directors  
Minutes No.73 dated May 21, 2014

**CEO**

Nikolay Molibog

**Chief Accountant**

Marina Alekhina

*RBC parent company shall hereinafter be referred to as RBC OJSC, and RBC Group shall be referred to as "Company," "RBC," or the "Holding."*

**Disclaimer regarding forward-looking statements**

Some of the information in this annual report may contain forecasts and other forward-looking statements. These expectations are based on current views and assumptions of the Company's management, and may involve risks and uncertainties. It is possible for the company's actual results and financial condition to differ materially from the anticipated results and financial condition indicated in this report. For a discussion of some of the risks and important factors that could affect the company's future results, see the Risk Management section of the report. RBC shall assume no obligation to update any forward-looking information contained in this document.

**Table of Contents**

RBC today	p. 4
Address to RBC shareholders	p.5
Calendar of events in 2013	p. 6
Chapter 1. About the company	p. 7
Chapter 2. Russia's advertising market in 2013	p. 13
Chapter 3. Board of Directors' report for 2013	p. 16
Chapter 4. Corporate governance	p. 21
Chapter 5. Risk management	p. 33
Chapter 6. Securities	p. 37
Additional information	p. 39
Schedule. Information on compliance with recommendations of the Russian Federal Financial Markets Service's Corporate Governance Code	p. 41
Contact information	p. 55

## RBC today

RBC is a leading Russian multimedia holding with operations in three key media segments: Internet, television, and print media. RBC provides extensive coverage of business information through its key media platforms, and also offers communication tools and value-added services online and on mobile platforms. The holding's aggregate monthly audience exceeds 70m people<sup>1</sup>.

### ***More than 20 years of success in the Russian media industry***

- ▲ RBC is Russia's number one business information media.
- ▲ Rbc.ru is the largest online content resource on the Russian Internet focused on news coverage and financial and economic information.
- ▲ RBC channel is the first and only business TV channel in Russia.
- ▲ *RBC* magazine is the most popular business magazine in Moscow. *RBC daily* newspaper is the second most popular business newspaper in Moscow.
- ▲ RBC is unrivaled in the domain name registration and hosting segments.

---

<sup>1</sup> Company data

## Address to shareholders by the Chairman of RBC's Board of Directors and CEO

Dear shareholders,

In 2013, RBC retained its leadership position in the content segment of the Russian Internet, despite an increasing competitive pressure from large Internet market players. Moreover, RBC has remained the leading supplier of business information in all key content segments: Internet, television, and press. The Russian audience of RBC's business online projects<sup>2</sup> totaled 10.7m unique users in December. The daily coverage of Russia's only business TV channel RBC increased 22% during a year to 3.2m viewers in December. *RBC daily* newspaper strengthened its position as the second-largest business daily printed publication by readership and as the largest business online newspaper, while RBC magazine retained its status as the leading printed publication in Moscow's business press segment.

Furthermore, we retained undisputed leadership in domain registration and hosting. One more domain registrar that provides services under the Reggi brand joined the group during the reporting period. As a result of this deal, we took over additional market niches and boosted the client base of the division.

The reporting period saw changes in RBC's management. Specifically, starting from January 2014, Derk Sauer was appointed Chairman of RBC OJSC's Board of Directors. Derk Sauer handed over his authority as CEO to Nikolay Molibog, who joined the company in August in the capacity of the First Deputy CEO. There were other appointments that helped strengthen RBC's team.

We jointly mapped out a course for med-term development of RBC, got to work on formulating our strategy, and focused on the development of our business media assets with an aim of providing the audience with high-quality content created in accordance with a single standard of high-quality journalism. As part of our vision for RBC's future a non-core business of Salon-Press Publishing House was sold.

We have trust in the unique RBC brand and believe that by focusing on key products our professional team will be able to boost revenue growth and business profitability.

Yours faithfully,

Derk Sauer,  
President and Chairman  
of the Board of Directors of RBC OJSC

Nikolay Molibog,  
CEO of RBC OJSC

---

<sup>2</sup> Includes data from Rbc.ru, Rbcdaily.ru, Autonews.ru, Cnews.ru, Biztorg.ru, Rbctv.ru websites

## Calendar of events in 2013

### March

- RBC launches RBC television channel's news bureau in New York;
- RBC launches updated versions of Autonews.ru portal ([www.autonews.ru](http://www.autonews.ru)) and RBC.Real estate website ([realty.rbc.ru](http://realty.rbc.ru));

### April

- RBC becomes the title media partner of Marussia F1 Team;
- RBC launches a regional version of Rbc.ru portal in the Tatarstan Republic;

### May

- RBC launches new RBC News mobile application;

### July

- Hosting Community group of companies announces acquisition of domain name registrar Reggi;

### August

- Nikolay Molibog is appointed RBC's First Deputy CEO;

### September

- RBC reaches an agreement with Burda Publishing House on the sale of Interior Design Publisher Salon-Press;

### October

- RBC opens TV studio in St. Petersburg;

### November

- Derk Sauer is appointed RBC's CEO;

### December

- RBC reaches an agreement with creditors on amending the terms of loan participation notes;
- By resolution of the Board of Directors starting from January 2014 Nikolay Molibog is appointed RBC's CEO, while Derk Sauer continues his work as RBC's President and Chairman of the Board of Directors.

## Chapter 1. About the Company

### 1.1 Company history

The Company was founded in 1993 as an information agency specializing in financial and economic news on the Russian market. A few years later, the Company managed to achieve leadership on the country's business news market. In 1995 RBC was the first news agency to launch its own internet portal, Rbc.ru, which quickly became one of Russia's primary sources for business news. In April 2002, RBC was the first company to hold an IPO on the Russian stock market. In 2003, the Company implemented one of its largest media projects by launching RBC channel, Russia's first business television channel. In 2006, RBC expanded its portfolio of niche media products and entered the print media segment. In just a year, both *RBC* magazine and *RBC daily* newspaper gained an audience comparable to that of the market's leaders. In 2007, RBC spun off its IT business and began to develop non-business online resources. In 2008, RBC consolidated its domain name registration and hosting businesses by establishing Hosting Community group. In 2012, RBC acquired RU-CENTER, Russia's largest domain name registrar and a leading hosting provider. As a result, Hosting Community became a leading player on the Russian domain name and hosting market.

High recognition of RBC brand along with the Company's extensive experience in delivering efficient advertising campaigns in collaboration with other media has facilitated the development of RBC's marketing communications business. In this area, RBC organizes high-profile national awards, such as Company of the Year, Person of the Year, Marka №1 in Russia, and The Best Brand/EFFIE Russia.

RBC has recently been increasingly involved in the mobile internet segment, launched mobile versions of its online resources, and developed applications for the key operating systems. All of RBC core media projects are currently available through dedicated mobile applications, which have gained popularity among consumers.

Over the 20 years since its inception, the Company has managed to craft high-quality content and won confidence from tens of millions of people in Russia and the CIS. RBC was the first to diversify its media channels, enabling consumers to receive information in the most convenient manner.

### 1.2 Areas of business

#### RBC's online resources

RBC is one of the largest players on the Russian Internet. Its average monthly aggregate audience exceeded 49.1m people in 2013, according to TNS data.

Rbc.ru portal is the leading source of business and financial information on the Russian Internet. Rbc.ru offers its users newsfeeds, economic, financial, political, and analytic reports, comments, and forecasts, as well as real-time data on all financial segments, broadcasts of press events and interviews with high-profile Russian business and political leaders.

Apart from the main portal, RBC develops other special projects with wide-ranging content such as the website of *RBC daily* business newspaper (Rbcdaily.ru), financial information portal Quote.rbc.ru, hi-tech news website Cnews.ru, automotive news website Autonews.ru, real estate information portal Realty.rbc.ru, online lifestyle outlet Style.rbc.ru, online travel guide Travel.rbc.ru, catalog of short educational courses Seminar.rbc.ru, database of businesses for sale Biztorg.ru, marketing research reports store Research.rbc.ru, and a section on personal investments and loans Lf.rbc.ru.

Along with the wide range of business web resources, RBC is also the owner of a number of entertainment online resources. For instance, RBC's portfolio includes Loveplanet.ru, one of the largest dating websites on the Russian Internet, Smotri.com video sharing website, QIP instant messenger, and Qip.ru entertainment portal.

### **Domain registration and hosting**

RBC's companies in the domain name registration and hosting segments were consolidated as Hosting Community group of companies. Companies of Hosting Community offer domain name registration services and support worldwide. In addition, registrars offer a full range of value-added services related to domain names: secondary market, legal support in transactions, dispute resolution, domain parking and other services. Hosting is a placement service for sites, program applications and other information. The placement is done on provider's equipment. Hosters ensure flawless work of equipment, 24/7 access to the information, and data protection. Hosting Community offers services on rent and placement of servers and provision of SSL certificates, as well as other value-added services.

Hosting Community is currently comprised of the following operating companies which include ICANN-accredited registrars R01, RU-CENTER, and Reggi; hosting companies Hosting Center, SpaceWeb, and Peterhost, as well as a telecommunications company Garant-Park-Telecom. Hosting Community is the largest community of domain name registrars and hosting providers in Russia. As of November 2013, according to Hosting Community estimates, the share of domain registration market in national zones .RU, .PФ and .SU was as follows: 47.7%, 53.7% and 63.2% respectively. In the hosting segment Hosting Community's market share makes up 26.3%, not including foreign hosting companies and small web studios that offer site placement services using proprietary equipment. Over one million clients use Hosting Community's services.

### **RBC television channel**

RBC channel was launched in 2003. Today, RBC remains Russia's only business TV channel focusing on the coverage of economic and financial developments in Russia and worldwide, featuring relevant comments, interviews and insightful analysis from both Russian and foreign experts, live on-the-spot reports, feature programs and industry reviews, as well as materials from international news agencies. Sports and lifestyle programs are added to the weekend programming grid. Over 95% of RBC channel's content is created by RBC journalists and is focused on Russia, while the channel's information partners supply foreign market data.



RBC broadcasts 24/7, delivering its signal via cable, satellite, and over the Internet. The channel has proprietary TV stations in Rostov-on-Don and Novosibirsk. The signal is now available in all major Russian cities across the country, and the channel's penetration in Russia as a whole stands at more than 75m. In its key market – Moscow – the channel is broadcast in all districts, and is available in all major cities of the Moscow region. In addition, RBC is broadcast in the CIS and the Baltic States, Western Europe, North Africa, Middle East and Central Asia.

The channel broadcasts from a hi-technology TV complex located in Moscow. RBC also operates two remote TV studios in Ararat Park Hyatt hotel and Moscow International Business Center (Moscow-City), as well as a remote camera in St. Petersburg. Furthermore, the channel has a news bureau in New York, which provides live coverage from one of the world's financial centers.

The channel's monthly audience in Russia averaged 22.3m viewers in 2013, according to TNS data.

### **RBC's print publications**

In print media segment, RBC offers two business titles: *RBC daily* newspaper and *RBC* monthly magazine. Both titles were founded in 2006 on the back of rising demand among advertisers for RBC's resources. The two publications quickly captured leadership positions in the business press segment.

*RBC daily newspaper* offers its readers a daily roundup of the latest Russian and foreign business news stories. The newspaper covers various segments of the Russian economy and corporate news stories. *RBC daily* is among top-3 business daily newspapers in Moscow. *RBC magazine* is a monthly business magazine which brings together high-quality information and analytical material on various sectors of the Russian and global economy. *RBC magazine* is the most popular monthly business publication in Moscow and the second most popular business title in Russia.

### **Marketing communications**

In this segment, RBC organizes high-profile national awards, such as Company of the Year, Person of the Year, Marka №1 in Russia, and The Best Brand/EFFIE, and also holds business regattas.

### **1.3 Business model**

RBC generates the bulk of its revenue from the sale of advertising in its media resources on the Internet, television, and in printed publications. Advertising revenue accounts for approximately 65% of aggregate revenue. The rest is revenue from domain registration and hosting services, value-added online services, and dissemination of printed publications via the points of sale. The Company has recently pursued a policy of cutting the share of advertising revenue by boosting revenues from developing domain registration and hosting business and value-added online services. By doing so, RBC attempts to reduce the dependence of its quarterly revenue on seasonal fluctuations on the advertising market. The seasonal nature of the advertising market means low advertising activity in

January, the first half of February and in the summer months and high activity in autumn and in the period ahead of New Year holidays. The seasonal declines are strongly pronounced for RBC, which focuses primarily on business audience.

The Company receives advertising revenue by placing advertisements on its own Internet websites, on television, and in printed business publications. Therefore, the company has a presence in the three segments of the Russian advertising market, which enables it to attract a large number of advertisers and sell advertising packages. Advertising packages mean comprehensive advertising placement on several resources and/or in several segments.

The Company sells advertising through its own team of advertising sales managers and in cooperation with all major Russian advertising agencies. RBC switched to advertising-focused business model in 1998 and starting from that year the Company has formed its own advertising sales structure. As a result, RBC's advertising sales team is a group of professionals who have in-depth knowledge of the advertising market and experience in effective sales. The important aspect in the work of the Company's advertising sales team is cooperation with advertising agencies. At present, the Company cooperates with all leading Russian advertising agencies which provide access to large advertisers, including multinational corporations which prefer to conduct their advertising campaigns via specialized agencies. RBC's efficient sales are based on a combination of direct sales with sales through advertising agencies.

Revenue from value-added online services comes from fees for certain services charged from users. Value-added online services include paid subscription to the expanded newswire, access to information and research system QuoteTerminal, sales of ready-to-use marketing researches (industry researches, business plans, analytical reports, etc), paid value-added services at RBC's entertainment resources, in particular the dating website Loveplanet.ru (a paid service to promote a user profile to top search results, placement of a user profile on privileged positions) and QIP messenger (a fee for calls made to fixed-line and mobile phones).

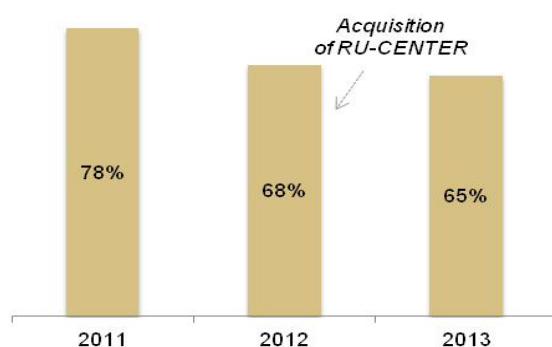
Domain registration revenue is a fee charged from a client for the registration of a domain name in the chosen zone for one year. The amount of the fee depends on the area in which the domain name is registered. A fee is also charged for the renewal of registration for the following year. Hosting revenue also comes from payment charged from a client depending on the service period (from 3 months to 1 year) for a package of services available at a certain tariff. Thus, incomes from domain registration and hosting services are regular payments from clients for services provided to them. In addition to the main services, a number of additional services are offered, for instance rent and placement of servers, provision of SSL certificates, website creation.

**Seasonality of RBC's revenue – share of quarterly revenue in annual consolidated revenue structure** (average figure for the last three years)

Q1	Q2	Q3	Q4
19%	25%	22%	34%

Source: Company data

**Share of advertising revenue in RBC's consolidated revenue**



Source: Company data

Unlike revenue, which is subject to seasonal fluctuations, RBC's expenses predominantly consist of permanent costs. Payroll makes up the largest share of the cost side. It includes salaries and premiums paid to employees. Higher payroll costs are attributable to an increase in headcount and salaries paid to employees. The Company has seen moderate growth of headcount in recent years. Furthermore, the Company is interested in attracting and retaining highly-qualified employees in order to maintain its market leadership.

Commercial expenses are the second biggest cost item. They comprise fees to advertising agencies and costs of promotion of RBC's projects on third party resources. Costs related to the payment of fees to advertising agencies are the main fluctuating costs as they are directly related to the growth of RBC's advertising revenue.

Cost of sales is made up of expenses for printing, telecommunications expenses (Internet access, domain name registration and renewal, TV signal transmission, expenses on data centers), and costs to purchase information.

The Company's administrative costs include office rental payments and office maintenance expenses, expenses for the administrative and technical divisions, and salaries to administrative staff.

#### 1.4 Development strategy

In the end of 2013 RBC determined key development goals for the next few years. The mission of RBC is to build a platform that provides businesses with full-scope solutions and helps attain their top-priority goals. The strategy is based on the principle “Business made easy”.

On the one hand, RBC strives to keep the position of the largest cross-platform media company in the b2c business information segment in Russia. Key goals until the end of 2016 are the growth of audience and advertising sales at least on par with the market, full realization of RBC’s potential as a 360° platform, and the growth of margins at least up to the market average<sup>3</sup>.

Concurrent to maintaining dominant position in the business b2c information segment, RBC plans to extend its operations in the segment of b2b information and online services for business. As part of this initiative, the company plans to address all key needs of not only individuals, but also companies as to how set up and successfully conduct a business.

Thus, RBC will concentrate on the development of its core competence – creation of high-quality business media products. At the same time, the company will choose the most appropriate ways to enter the segment of b2b services for business. As a result of the company’s operations extension in the b2b segment, RBC will diversify its revenue sources by means of content sale and paid online services.

RBC’s targets for 2014 include completion of the business processes restructuring, management structure optimization, and revision of editorial and commercial policies. Despite business reorganization process underway, RBC is committed to maintain cash-based profitability of the media business at least at the level of 2013.

---

<sup>3</sup> For platforms, whose business models are based on advertising sales

## Chapter 2. Russia's advertising market in 2013

According to the Russian Association of Communication Agencies (RACA), the value of Russia's advertising market totaled RUB 328bn in 2013, up 10% year-on-year. All market segments except printed publications saw positive dynamics.

### The value of the Russian advertising market, bn rubles

Segment	2013	Growth in 2013
<b>TV</b>	<b>156.2</b>	<b>9%</b>
<i>FTA</i>	152.2	9%
<i>cable and satellite</i>	4.0	20%
<b>Internet</b>	<b>71.7</b>	<b>27%</b>
<i>display advertising</i>	20.1	12%
<i>contextual advertising</i>	51.6	34%
<b>Printed publications</b>	<b>37.0</b>	<b>-10%</b>
<i>newspapers</i>	8.7	-9%
<i>magazines</i>	18.5	-8%
<i>advertising publications</i>	9.9	-15%
<b>Radio</b>	<b>16.5</b>	<b>13%</b>
<b>Outdoor advertising</b>	<b>40.7</b>	<b>8%</b>
<b>Other media</b>	<b>5.7</b>	<b>16%</b>
<i>indoor advertising</i>	4.4	15%
<i>advertising in movies</i>	1.3	17%
<b>TOTAL</b>	<b>327.8</b>	<b>10%</b>

Source: RACA

The value of advertising placed on TV totaled RUB 156.2bn in 2013, a 9% rise from 2012. The share of the TV segment in the structure of Russia's advertising market remained almost unchanged throughout the year and amounted to 48%. Thus, TV retained its position as the largest advertising media on the Russian market. The advertising revenue of FTA channels climbed 9% year-on-year to RUB 152.2bn and the value of advertising placed on cable and satellite channels increased 20% year-on-year to RUB 4bn.

In 2013, specialists of MediaLogics, a research division of VivaKi communications agency group, carried out a survey in which they compared the levels of TV viewing in Russia in 2012 and 2013. MediaLogics experts estimated that the general level of TV viewing in 2013 remained unchanged from 2012. However, the structure of TV viewing changed: federal and large network channels are gradually losing popularity with the audience whose interest is shifting towards specialized channels. MediaLogics projects further growth in audience of non-free-to-air (NFTA) TV channels in 2014.

The share of advertising expenditures in the Internet segment reached nearly 22%, up from 19% a year earlier. The Internet is the second-largest advertising market segment. The value of advertising

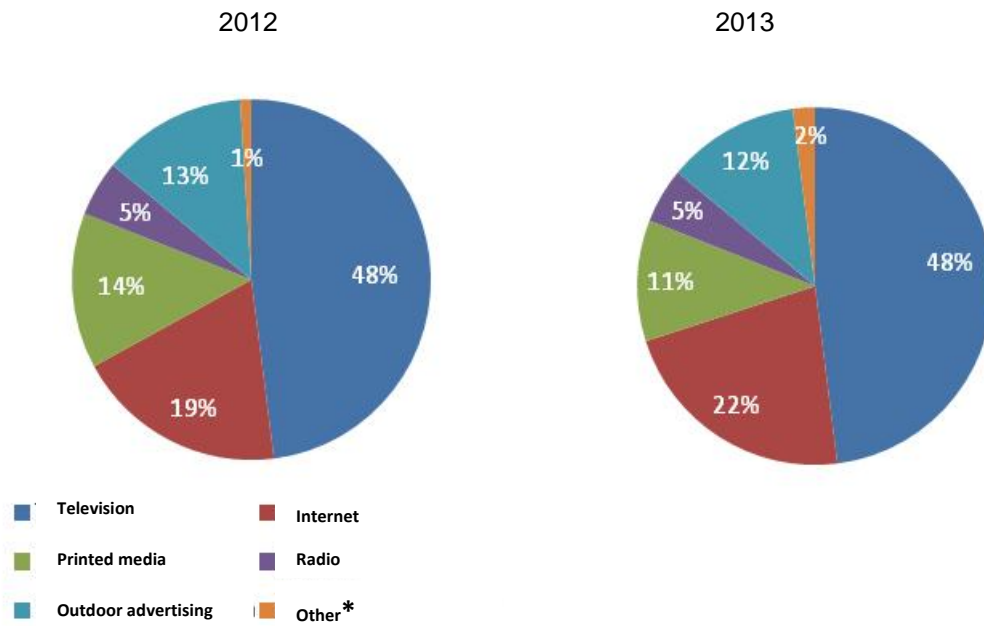
placed on the Internet, according to RACA's data, amounted to RUB 71.7bn, rising 27% from the level of 2012. Spending on display advertising amounted to RUB 20.1bn, up 12%, and the value of contextual advertising increased 34% to RUB 51.6bn.

According to a poll conducted by the Public Opinion Foundation (FOM) in the fall of 2013, the number of people who go online at least once a month amounts to 66.5m or 57% of the country's population aged 18 and older. The share of active users who browse the Internet at least once in a day amounts to 46% or 53.2m people. The annual increase in the number of users who go online at least once a month amounted to 9%, while the audience that uses the Internet at least once a day grew 14%.

Printed media are the fourth-largest segment of the Russian advertising market (after TV, the Internet and outdoor advertising). The share of printed publications amounted to 11% as of the end of 2013. RACA estimated that the amount of advertising in printed publications reached RUB 37.0bn in 2013, falling 10% compared to 2012. Of the total, advertising in magazines amounted to RUB 18.5bn, down 8%; advertising in newspapers decreased 9% to RUB 8.7bn; and in advertising publications declined by 15% to RUB 9.9bn. The situation in printed media reflects the recent objective trends related to the growth of the Internet and development of mobile devices. Market participants concur that despite the negative dynamics printed publications are likely to maintain their role as suppliers of news, specialized information, and industry-based research. Successful implementation of this task will depend on the ability of publishers to find an effective business model that would not merely replace printed publications with online media, but supplement them with new tools that meet the needs of today's readers. Additionally, the advertising revenue of printed publications was negatively impacted in 2013 by a ban on advertising of alcohol products in printed media and a total ban on tobacco product advertising.

Market participants noted that the growth of the Russian advertising market will slow next year compared to 2013. This is largely attributable to the fact that the market reached a certain level of maturity, which is why it is no longer able to achieve high growth rates year-on-year. Moreover, the advertising market environment in 2014 will feel the strong effect of Russia's economic situation. ZenithOptimedia projects that the Russian advertising market will grow 8.6% in 2014. According to the agency's experts, the value of advertising placed on the Internet in Russia will rise 23% year-on-year, spending on TV advertising will grow 6.5%, while the printed media advertising market will see a decline by 8%.

Structure of Russia's advertising market



\*advertising in movies, indoor advertising

Source: data is provided by RACA

### Chapter 3. Board of Directors' report for 2013

#### 3.1 Financial results

RBC's consolidated revenue rose 5% year-on-year to RUB 5.59bn in 2013. Revenue generated in the Internet segment accounted for 48% of the total revenue as of the year-end, domains and hosting revenue amounted to 27%, while TV and printed publications contributed 18% and 7%, respectively. RBC's operating expenses climbed 21% to RUB 5.58bn in 2013. EBITDA came in at RUB 12m.

#### Financial highlights of 2013<sup>4</sup>

RUB m	2013	2012	Change
<b>Revenue</b>	<b>5,591</b>	<b>5,070</b>	<b>10%</b>
Internet	2,689	2,638	2%
<i>Advertising</i>	2,293	2,233	3%
<i>Services</i>	396	405	-2%
Domains and hosting	1,534	1,169	31%
Television	999	846	18%
Business press	369	417	-12%
<b>Operating expenses</b>	<b>5,579</b>	<b>4,597</b>	<b>21%</b>
<b>EBITDA</b>	<b>12</b>	<b>473</b>	<b>-97%</b>

Revenue from the Internet division increased 2% year-on-year to RUB 2.69bn in 2013. Among major growth factors were high sell-out ratio of business resources and special advertising projects on business Internet platforms, which offset the negative year-on-year revenue growth in H1. Services revenue shortfall is attributable to the restructuring of RBC's non-business Internet resources. As part of the restructuring process some projects are being prepared for sale or entry of partners for further development, and optimization of the management structure is underway.

RBC's revenue in the domain registration and hosting segment advanced 31% to RUB 1.53bn on the back of the acquisition of RU-CENTER, organic growth in revenue from services provided, and consolidation of the results of domain name registrar Reggi, acquired in November 2013.

The revenue of RBC channel amounted to RUB 999m in the reporting year, up 18% compared to 2012. Expansion of advertising capabilities through programming grid update, launch of new television projects and installation of 3D and 4D graphics software helped boost the sell-out ratio in 2013.

<sup>4</sup> According to management accounts, excluding the financial results of RBK Money payment system (sold in 2012) and Salon-Press Publishing House (sold in 2013).



The revenue from RBC's printed publications decreased 12% to RUB 369m in 2013. Lower revenue resulted from an increase in advertiser interest in advertising on the Internet and a law restricting advertising of alcohol products (a ban on advertising of alcohol products in printed publications took effect in early 2013). Nevertheless, RBC was able to partially offset the shortfall by other categories of advertisers, primarily thanks to higher budgets of advertisers in luxury and real estate segments against the backdrop of strengthening audience ratings throughout the year.

### 3.2 Operating results

#### The Internet

RBC began last year with a large-scale rebranding campaign of all content media projects. Changes affected the brand that remained unchanged for nearly 20 years and the corporate style of RBC Group. Rebranding predetermined the main focus of work to develop media platforms in H1. The Company did not limit its efforts solely to visual revamping of projects, paying attention to content expansion, adoption of modern approaches to information presentation, and improvement of user experience. As a result of these transformations, RBC enhanced positioning of its projects with account of the needs of the target audience, while the concept of media platforms remained largely unchanged.

Improvements were made in all topical Internet projects targeted at business audience. The most sweeping changes occurred in the content sections of the Rbc.ru portal: Realty.rbc.ru, Travel.rbc.ru, as well as automobile website Autonews.ru. Audience figures and qualitative characteristics of RBC's topical website traffic serve as a confirmation of the audience's positive reaction to the revamped websites. Positive changes were also noted by professionals in the topic-specific communities. Thus, RBC Real Estate project (Realty.rbc.ru) became the winner of the Seventh annual international public contest WEB-Realtor-2013 (St. Petersburg) for real estate websites in the category of the best Internet portal covering the real estate market in 2013. It was also named the best media at the Russian Real Estate Forum (REEF) Awards-2013 for its achievements in the coverage of the residential construction market.

Concurrently with revamping its websites, RBC was putting in hard work to firm up its position in the mobile Internet segment. In May, RBC News mobile app was rolled out for iOS and Android smartphones and tablets. RBC News offers the advantage of having the content of RBC news agency, *RBC daily* newspaper, and RBC television channel, including on-air broadcasting, in one app. Major novelties included a modern design and functional interface supplemented with a number of functionalities. Specifically, such custom widgets as weather, stock market data and time zones became available to users. RBC continued to develop regional versions of the Rbc.ru portal. During the reporting year, regional versions were launched in Volgograd, Nizhny Novgorod, Novosibirsk, Rostov-on-Don, the Krasnodar Region, the Perm Region, the Republic of Bashkortostan, and the Republic of Tatarstan. In contrast to the first regional version of Rbc.ru launched in St. Petersburg in

November 2012 by the RBC team, the new regional projects launched in 2013 operate under a franchise model. This model envisions an involvement of a regional partner who provides regional news to the Rbc.ru newswire, sells advertising targeted at a specific region, and assumes an obligation to boost the traffic of the local website. RBC exerts editorial control over materials published and manages advertising placement.

The aggregate audience of RBC's Internet projects totaled 47.4m users in December, according to TNS.

In September, RBC opened a new press center complex located in its headquarters. RBC's press center has been successfully operating since 1998, and in the run-up to the rebranding a decision was made to profoundly revamp the project. The new complex comprises two halls with cutting-edge multimedia equipment. The press center can host events of different formats, with television and online broadcasting. RBC's press center provides great possibilities to hold events like press conferences, round-table discussions, presentations, online conferences, and business meetings. The press center's website [Presscentr.rbc.ru](http://Presscentr.rbc.ru) was also launched.

## **Television**

Work on modernizing RBC channel and developing real-time news broadcasting continued in 2013. A single news service was established which helps organize content depending on the importance of events, and the programming grid is flexible. As a result, the speed of delivery of business news and information went up. The programming grid was expanded by new program series during the reporting period. The weekend programming grid was completely revamped with more entertainment content added. Along with that, the channel's daytime lineup was partly reorganized to make it more convenient, including for watching in office with muted sound, by adding infographics and information scrawls. The efforts of the channel's team in 2013 were also devoted to the development of the channel's distribution, the expansion of coverage in Russia and the CIS, installation of LCD panels in office centers in Russia, and opening of remote TV studios. RBC channel opened its news bureau in New York in March and a remote studio in St. Petersburg in October.

The highlight of the reporting year was entering into a cooperation agreement with the Sochi 2014 Organizing Committee. As the result, RBC channel became the general partner and official broadcaster of the 2014 Sochi Winter Paralympics.

Average monthly audience of RBC channel in Russia increased 11% during the reporting year to 22.6m viewers in December, according to TNS statistics. The channel's average daily audience rose 22% year-on-year to 3.2m viewers as of the year-end.

## **Business press**

In 2013, the company increased the frequency of specialized topical supplements to *RBC daily* newspaper, launched *Lifestyle* Friday supplement, and introduced regular sports and real estate sections. The editorial policy of the newspaper was changed to give priority to the online version of the newspaper. *RBC* magazine was redesigned and its editorial policy was also revised.

*RBC daily* firmed up its positions as the second-largest printed business daily and the largest online business newspaper in terms of audience in 2013. *RBC* magazine confirmed its status as the leading business magazine in the capital and the second most popular business publication in Russia. According to a research carried out by TNS in September 2013-February 2014, average issue readership (AIR) of *RBC daily* in Moscow amounted to 90,400 people. The Russian daily audience of its online version (Rbcdaily.ru) reached 241,300 readers on weekdays in December 2013, according to TNS. *RBC* magazine's AIR in Russia amounted to 993,500 readers in September 2013-February 2014, while the magazine's AIR in Moscow reached 374,200 readers during the same period.

The structure of RBC's asset portfolio in the printed publications segment was optimized last year in line with the Company's strategy to strengthen its position in the business information segment. In September 2013, RBC announced having reached an agreement with Publishing House Burda, Moscow, regarding the sale of the business of Salon-Press Publishing House that specializes in publishing interior design magazines. The deal was closed in Q4 2013.

Redesign of the media platforms expanded RBC's advertising capabilities thanks to additional advertising space and a change in the format of advertising layouts, also enabling the Company to implement creative advertising campaigns and a number of multimedia partner projects.

### **Domains and hosting**

Work in the domains and hosting division continued on new product rollout during 2013. In July, RU-CENTER entered into an exclusive agreement with My-apps.com that produces mobile apps. Under this agreement, RU-CENTER became Russia's only registrar that provides users with a service of creating their own apps for mobile platforms under unique Instant-apps technology developed by My-apps.com. Other services launched last year include placement of DNS records on a cloud platform to improve the security of servers during peak loads and protect clients from DDoS attacks, as well as server rental abroad (in France and the U.S.) for companies targeting European and American customers. Additionally, extensive work was done in Q4 to prepare the rollout of the VDS hosting service intended to host large corporate websites, store huge amounts of information, and test applications for various operating systems.

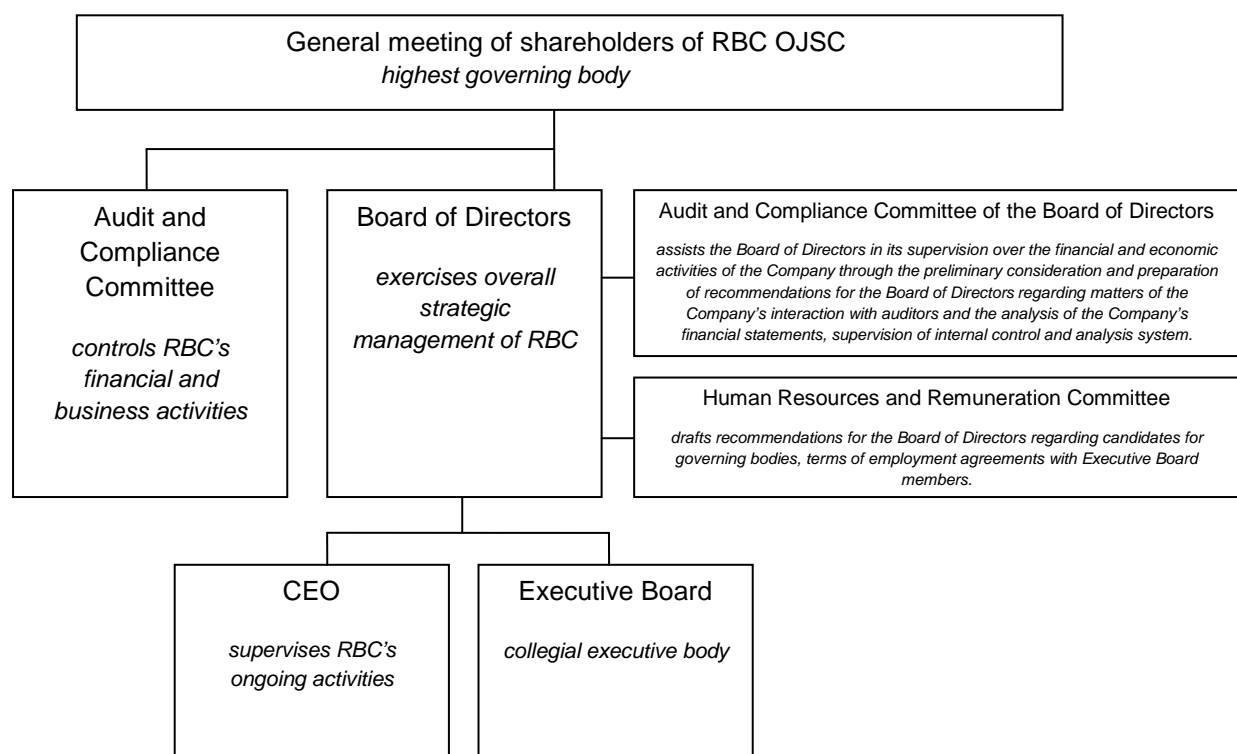
As part of its strategy to boost the customer base, Hosting Community announced in early July having entered into a deal to acquire a 100% stake in Reggi Business LLC that provides services under the Reggi.ru brand. The deal was closed in November. The company became the third registrar accredited by ICANN and the sixth hosting services provider in the group. The new asset will enable Hosting Community to occupy additional market niches.

According to an estimate by Hosting Community, its domain market share amounted to 47.7% in .ru zone, 53.7% in .рф zone, and 63.2% in .su zone as of November 2013. Hosting Community holds a 26.3% share of the hosting services market, not including foreign hosting providers and small web studios that provide website hosting services using their own equipment.

## Chapter 4. Corporate governance

RBC regards corporate governance as a system of relations between the Company's senior executives, the Board of Directors, and holders of the Company's securities, the purpose of which is to ensure the efficiency of RBC's business operations and protect investors' interests. In its day-to-day operation, RBC is guided by the requirements of Russian corporate governance laws, the main provisions of the Russian Corporate Governance Code, globally recognized information disclosure standards, and best practices of Russian and international companies.

### Corporate governance structure



The full list of documents regulating the Company's corporate governance policy and its Articles of Association can be found on RBC's corporate website [www.rbcholding.com](http://www.rbcholding.com).

### 4.1 General meeting of shareholders

The general meeting of shareholders is the Company's highest governing body, and in accordance with the company's Articles of Association and the Federal Law "On Joint-Stock Companies" its scope of powers, includes the following issues:

- introduction of amendments and additions to the Company's Articles of Association, the approval of new editions of the Articles of Association and internal documents which regulate the governing bodies;
- reorganization or liquidation of the Company;
- election of members of the Board of Directors, Audit and Compliance Committee and premature termination of their powers;
- increase or reduction of RBC OJSC's share capital;
- approval of the Company's independent auditor;
- approval of annual reports and annual accounting statements;
- distribution of profit and payment of dividends.

During the reporting period, the AGM was held on June 27, 2013. In accordance with the voting results, the shareholders approved the annual report, annual financial statement, including the profit and loss statement, and passed a resolution not to pay out dividends for 2012. Grant Thornton was approved as RBC's auditor for 2013. The shareholders also elected members of the Board of Directors and members of the Audit and Compliance Committee of RBC and set forth a procedure for the remuneration and reimbursement of expenses incurred by members of the Board of Directors of RBC OJSC who are recognized as independent directors under Clause 2.6 of the Regulations on the Board of Directors and international corporate governance standards.

#### **4.2 Board of Directors**

The Board of Directors is responsible for overall strategic management of the company's activities, except for issues that fall explicitly within the scope of powers of the general meeting of shareholders pursuant to the Federal Law "On Joint-Stock Companies" and RBC OJSC's Articles of Association. A broad range of issues falls within the scope of powers of the Board of Directors, including:

- determining the Company's top-priority areas of business, approving the Company's strategy and concept for development, as well as the ways and means for their implementation;
- approval of annual and quarterly budgets and supervision of the implementation of approved budgets;
- convening annual and extraordinary general meetings;
- electing the CEO and prematurely terminating his powers, determining the amount of remuneration and compensation payable to the CEO;
- electing members of the Executive Board and prematurely terminating their powers;
- approving major transactions and related-party transactions;
- making recommendations to the general meeting regarding the Company's reorganization, the allocation of the Company's profits at the end of the first quarter, the first six months, and the first nine months of a fiscal year and (or) of a fiscal year;
- making recommendations to the general meeting on the size of dividend on shares, and the procedure for paying out dividends, approval of the Company's dividend policy.

Members of the Board of Directors are elected by the general meeting of shareholders for the period until the next annual general meeting and may be re-elected an unlimited number of times. The powers of members of the Board of Directors can be terminated prematurely by the general meeting of shareholders. The number of members of the Board of Directors is 9 persons.

As of the beginning of 2013 the Board of Directors comprised Derk Sauer (Chairman), Valery Senko (Deputy Chairman), Sergey Lavrukhin, Alexander Morgulchik, Elena Myasnikova, Neil Osborn, Ekaterina Salnikova, Marat Cherkasov, and Christophe Charlier.

The annual general meeting (AGM) dated June 27, 2013 elected new Board of Directors which included Sergey Lavrukhin, Elena Myasnikova, Neil Osborn, Sergey Podsypanin, Ekaterina Salnikova, Derk Sauer, Valery Senko, Marat Cherkasov, and Christophe Charlier. At the first meeting of the new Board of Directors Derk Sauer was elected Chairman and Valery Senko Deputy Chairman.

At the Board of Directors meeting on November 5, 2013 a resolution was passed to terminate prematurely the powers of Derk Sauer as the Chairman of the Board of Directors in connection with his nomination for the CEO of RBC OJSC<sup>5</sup>. Valery Senko was elected the new Chairman of the Board of Directors. Derk Sauer was elected Deputy Chairman of the Board of Directors.

On December 27, 2013 RBC's Board of Directors passed a resolution to terminate prematurely the powers of Derk Sauer as CEO of RBC OJSC from January 9, 2014. At the same meeting, members of the Board of Directors voted to elect Derk Sauer as the Chairman of the Board of Directors, and Valery Senko as Deputy Chairman from January 10, 2014.

#### ***Members of RBC OJSC's Board of Directors as of December 31, 2013***

<b>Valery Senko</b>	Year of birth: 1979
Chairman	Citizenship: Russian
(from January 10, 2014 – Deputy Chairman)	Mr. Senko has been a member of the Board of Directors since June 2010. He was the Chairman of the Board of Directors in April-December 2012 and since December 2012 until November 2013 the Deputy Chairman of the Board of Directors. He became Chairman of the Board of Directors in November 2013 and in late 2013 was elected Deputy Chairman of the Board of Directors, to take this position from January 10 2014. In addition, Mr. Senko holds the position of Director for Investments of Onexim Group since 2007 and is currently member of the Board of Directors of Uralkali OJSC, OPIN OJSC, Soglassye Insurance Company LLC, Yo-Auto LLC, and Renaissance Credit commercial bank. Earlier, Mr. Senko held a number of positions at Norilsk Nickel where he was responsible for corporate development, international projects and

<sup>5</sup> In accordance with the legislation CEO cannot be concurrently Chairman of the Board of Directors.

investor relations. He graduated from the Moscow State Institute of International Affairs with a degree in finance and credit.

Owns no participatory interest in the share capital of RBC OJSC.

---

**Derk Sauer**

Deputy Chairman

(from January 10, 2014 –  
Chairman)

Year of birth: 1952

Citizenship: Dutch

Mr. Sauer has been a member of RBC OJSC's Board of Directors since December 2012 and was the Chairman of the Board of Directors since his election to the Board of Directors until November 2013. Between November 2013 and January 9, 2014 he held the position of Deputy Chairman of the Board of Directors. From January 10, 2014, Mr. Sauer has been Chairman of RBC OJSC's Board of Directors. Additionally, he has been President of RBC OJSC since December 2012. During the period from November 2013 until January 9, 2014 he was RBC OJSC's CEO. Since 1992, Mr. Sauer was head of Sanoma Independent Media (publishes The Moscow times and Vedomosti newspapers, Cosmopolitan, Esquire, Harvard Business Review magazines, etc.). In 1992-2008, Mr. Sauer was the CEO of Sanoma Independent Media publishing house and in 2008-2013 Chairman of the Supervisory Board of Sanoma Independent Media.

Owns no participatory interest in the share capital of RBC OJSC.

---

**Sergey Lavrukhin**

Year of birth: 1971

Citizenship: Russian

Member of the Board of Directors since September 2010. Mr. Lavrukhin was the Chairman of the Board of Directors in September 2010-April 2012 and held the position of Onexim Group's Executive Director. In April 2012-November 2013, Sergey Lavrukhin was RBC's CEO. Earlier, he was the CEO of Zhivi Media Group, Executive Director at the ADV advertisement holding and at television channel 2x2, and Financial Director of Prof-Media media holding. Mr. Lavrukhin holds a degree in management from the Moscow Institute of Management, he also completed an International Executive Programme course in business school INSEAD (France).

Owns no participatory interest in the share capital of RBC OJSC.

---

**Christophe Charlier**

Year of birth: 1972

Citizenship: French

Member of the Board of Directors since 2010. In addition, Mr. Charlier is Deputy CEO of Onexim Group since 2009. He is the Chairman of the Boards of Directors of Brooklyn Basketball Holdings, LLC, and



RENAISSANCE CAPITAL INVESTMENTS LIMITED. He also sits on the Boards of Directors of Renaissance Financial Holdings Limited, Quadra OJSC, Brooklyn Arena, LLC, Rusal Global Management B.V., Ukrainian Agrarian Investments S.A., and United Company Rusal Plc. Earlier, Mr. Charlier was head of strategic development department at Norilsk Nickel. Mr. Charlier graduated *cum laude* with a BSE with a major in Finance from the Wharton School, holds a BA in International Relations from the College of Arts & Sciences of the University of Pennsylvania. Owns no participatory interest in the share capital of RBC OJSC.

---

**Ekaterina Salnikova**

Year of birth: 1957

Citizenship: Russian

Member of the Board of Directors since 2010. In addition, Ms. Salnikova holds the post of the Deputy CFO of Onexim Group since 2007, sits on the Board of Directors of Quadra OJSC, OPIN OJSC, Yo-Auto LLC, and Soglassye Insurance Company LLC. Earlier, she was the Deputy CFO for corporate governance of Interros. Ms. Salnikova graduated from the Sergo Ordjonikidze Management Institute majoring in organization management and from the Russian Civil Service Academy under the RF President majoring in jurisprudence, holds a PhD in Economics.

Owns no participatory interest in the share capital of RBC OJSC.

---

**Elena Myasnikova**

Year of birth: 1957

Citizenship: Russian

Member of the Board of Directors since December 2012. Ms. Myasnikova has also been Vice President of RBC OJSC since November 2012. She was the CEO of Sanoma Independent Media in January 2008-October 2012, and the CEO of FashionPress LLC in 2002-2008. Ms. Myasnikova graduated from the Moscow State University with a major in philology.

Owns no participatory interest in the share capital of RBC OJSC.

---

**Sergey Podsypanin**

Year of birth: 1976

Citizenship: Russian

Member of the Board of Directors since June 2013. Mr. Podsypanin currently holds the position of head of the legal department at Onexim Group and is a member of the Board of Directors of Quadra Open Joint-Stock Company. Earlier Mr. Podsypanin was deputy CEO of Agros APK and director of legal department at First OVK Bank. Mr. Podsypanin graduated from the Moscow State University with a major in law. He also holds a master's degree in law from the same university.

Owns no participatory interest in the share capital of RBC OJSC.

---

<b>Marat Cherkasov</b>	<p>Year of birth: 1976</p> <p>Citizenship: Russian</p> <p>Member of the Board of Directors since December 2012. Earlier, Mr. Cherkasov was Director of the Credit Risk Assessment Center at MDM Bank, head of the credit risk department of MDM Bank. Mr. Cherkasov graduated from the Nizhny Novgorod State University.</p> <p>Owns no participatory interest in the share capital of RBC OJSC.</p>
<b>Neil Osborn</b>	<p>Year of birth: 1949</p> <p>Citizenship: the U.K.</p> <p>Member of the Board of Directors since 2010. Mr. Osborn is publisher and managing director of Euromoney and a member of the Board of Directors of Euromoney Institutional Investor PLC. Earlier, he served on the Board of Directors of RBC Information Systems OJSC. Mr. Osborn graduated from Worcester College, Oxford, Great Britain.</p> <p>Owns no participatory interest in the share capital of RBC OJSC.</p>

Meetings of the Board of Directors are convened as and when required, but at least once per quarter. Meetings of the Board of Directors are convened by the Chairman of the Board of Directors on his or her own initiative, at the request of a member of the company's Board of Directors, Audit and Compliance Committee, auditor, or the company's CEO.

A total of 17 meetings were held in 2013, four of which were held in the form of joint presence.

#### Participation of members of the Board of Directors in meetings of the Board of Directors of RBC OJSC in 2013.

	Meeting of the Board of Directors	
	Joint presence	Meeting by mail-in ballot
Derk Sauer	4/4	9/13
Valery Senko	4/4	13/13
Ekaterina Salnikova	3/4	13/13
Sergey Lavrukhin	4/4	12/13
Christophe Charlier	3/4	11/13
Elena Myasnikova	4/4	12/13
Sergey Podsypanin*	2/2	6/7
Marat Cherkasov	2/4	5/13
Neil Osborn	3/4	9/13
Alexander Morgulchik**	2/2	5/6

\* Sergey Podsypanin has served on the Board of Directors since June 27, 2013.

\*\* Alexander Morgulchik was a member of the Board of Directors until June 27, 2013.

Note: the first number indicated the number of Board of Directors meetings attended by the board member, and the second number – the total number of meetings held during that member's service on the board of directors.

## Committees of the Board of Directors

Committees of the Board of Directors of RBC OJSC are formed to work on issues that fall within the scope of powers of the Board of Directors, and also to issue recommendations to the Board of Directors. Two committees were set up in accordance with a resolution by the Board of Directors: the Audit and Compliance Committee of the Board of Directors and the Human Resources and Remuneration Committee.

The Audit and Compliance Committee of the Board of Directors is an advisory body attached to the company's Board of Directors, formed to assist the Board of Directors in its supervision over the financial and economic activities of the Company through the preliminary consideration and preparation of recommendations for the Board of Directors regarding matters related the Company's interaction with auditors and the analysis of the Company's financial statements, oversight over internal control system and analysis of its efficiency.

In accordance with the Regulations on the Audit and Compliance Committee, members of the committee can only be independent (those who are not members of the Company's executive bodies) members of the Board of Directors. The Chairman of the committee can be only an independent member of the Board of Directors. The Chairman may be a member of other committees of the Board of Directors, but may not be the Chairman of any other committee.

The committee's members as of early 2013 were Christophe Charlier (Chairman), Elena Myasnikova, and Marat Cherkasov. After the election of the new Board of Directors by AGM, the Board of Directors elected new Audit and Compliance Committee on July 5, 2013, which included Christophe Charlier (Chairman), Elena Myasnikova, and Marat Cherkasov. On November 5, 2013, members of the Board of Directors approved the following composition of the Audit and Compliance Committee: Christophe Charlier (Chairman), Marat Cherkasov, and Sergey Podsypanin.

The Human Resources and Remuneration Committee of the Board of Directors is an advisory body formed to ensure an in-depth examination of issues pertaining to the competence of the Board of Directors as regards selecting human resources to fill positions on the Company's governing bodies and working out the material terms of employment contracts, drawing up requisite recommendations for the Board of Directors and the CEO of the Company.

In accordance with the Regulations on the Human Resources and Remuneration Committee, members of the committee can only be elected from among independent (meeting the independence criteria as set out in Clause 2.6 of the Regulations on the Board of Directors) and nonexecutive members (those who are not members of the Company's executive bodies) of the Board of Directors. The Chairman of the committee can only be an independent member of the Board of Directors. The Chairman may be a member of other committees of the Board of Directors, but may not be the Chairman of any other committee.

As of early 2013, the members of the Human Resources and Remuneration Committee were Valery Senko (Chairman), Derk Sauer, and Neil Osborn. After a new Board of Directors was approved by AGM, the Board of Directors appointed to the committee on July 5, 2013 Valery Senko (Chairman), Derk Sauer, and Neil Osborn. On November 5, 2013, the Board of Directors terminated prematurely the powers of members of the Human Resources and Remuneration Committee and approved the following composition of the committee: Valery Senko (Chairman), Sergey Lavrukhin, and Neil Osborn.

### 4.3 CEO and Executive Board

RBC's CEO and members of the Executive Board manage the Company's day-to-day activities. Moreover, the Executive Board and the CEO arrange for the implementation of resolutions issued by the general meeting of shareholders and the Board of Directors of the company. The CEO and the Executive Board act on the basis of the company's Articles of Association and internal documents. Pursuant to the Federal Law "On Joint-Stock Companies" and the Articles of Association, the CEO is the sole executive body of RBC OJSC. The CEO is appointed by the Board of Directors for a term of three years, and the Board of Directors is entitled to remove him from office before this term elapses.

As of the beginning of 2013, Sergey Lavrukhin held the position of RBC OJSC's CEO. A meeting of the Board of Directors held on November 5 passed a resolution on premature termination of Sergey Lavrukhin's appointment as the CEO and the appointment Derk Sauer as the new CEO. On December 27, the Board of Directors terminated prematurely the powers of Derk Sauer as CEO from January 9, 2014. Nikolay Molibog was subsequently appointed the new CEO from January 10, 2014, who had held the position of first deputy CEO of RBC OJSC since August 2013.

The Executive Board is elected by the Board of Directors for a term of two years and has at least five members. Pursuant to the Articles of Association, the CEO chairs the Executive Board.

As of the beginning of 2013, the Executive Board included Sergey Lavrukhin, Vyacheslav Masenkov, Sergey Lukin, Stanislav Povolotsky, and Evgeny Shishkov. In April, Vyacheslav Masenkov left the Company, and Georgy Mikaberidze was elected to the vacant position on the Executive Board. In July, Sergey Lukin was replaced by Alexander Lyubimov. In November, the Board of Directors appointed a new Executive Board, which included Derk Sauer (Chairman), Elena Myasnikova, Nikolay Molibog, Maria Erlandts, and Alexander Lyubimov. From January 10, 2014, the Executive Board is comprised of Nikolay Molibog (Chairman), Derk Sauer, Elena Myasnikova, Ekaterina Kruglova, Maria Erlandts, and Alexander Lyubimov.

#### ***Members of the Executive Board as of December 31, 2013***

<b>Derk Sauer</b>	<b>Year of birth: 1952</b>
Chairman	<b>Citizenship: Dutch</b>
(from January 10, 2014 – member)	Derk Sauer is one of Russia's most influential media managers. Mr. Sauer has been President of RBC OJSC since December 2012. Additionally, he was the Company's CEO from November 2013 to early

January 2014. He is also a member of RBC OJSC's Board of Directors (in the capacity of the Chairman starting January 2014). In 1970-1980s, he was a correspondent of Belfast and Title Filme television companies. Mr. Sauer was an editor of magazines Twingtig and Neiuwe Revu (the Netherlands). He founded the Soviet Union's first glossy magazine Moscow Magazine and Moscow Guardian newspaper in 1990. Derk Sauer has been at the helm of Sanoma Independent Media publishing house, which publishes newspapers The Moscow Times, Vedomosti, magazines Cosmopolitan, Esquire, Harvard Business Review etc., since 1992, including as CEO in 1992-2008, and as a Chairman of the Supervisory Board in 2008-2013.

Owns no participatory interest in the share capital of RBC OJSC.

---

**Elena Myasnikova**

Year of birth: 1957

Citizenship: Russian

Elena Myasnikova is one of the most renowned media professionals in Russia, received the Media Manager of the Decade award in 2011. Ms. Myasnikova has been Vice President of RBC since December 2012. She also sits on the Board of Directors of RBC OJSC. In 1990, she worked as editor of Russia's first glossy printed publication Moscow Magazine, and in 1991 took up the position of deputy editor-in-chief of Europe magazine. In 1994, Elena Myasnikova became a co-editor of the Cosmopolitan magazine with Ellen Verbeek, and was later promoted to the position of publisher. In 2002-2008, Elena Myasnikova served as the CEO of FashionPress LLC, which publishes such titles as Cosmopolitan, Esquire, Harpers' Bazaar, etc., and was at the helm of Sanoma Independent Media publishing house as its CEO from January 2008 until October 2012. Elena Myasnikova graduated from Lomonosov Moscow State University.

Owns no participatory interest in the share capital of RBC OJSC.

---

**Nikolay Molibog**

(from January 10, 2014 –  
Chairman)

Year of birth: 1975

Citizenship: Russian

Nikolay Molibog has become CEO of RBC since January 2014. From August 2013 and up to his appointment as CEO, Mr. Molibog held the position of RBC's First Deputy CEO. Mr. Molibog was manager of a regional network of Kommersant Publishing House CJSC in 2000-2003. In 2003-2004, he worked as Deputy Managing Director of broadsheet newspaper Gazeta. From 2004 he worked for Afisha where he advanced from a Director for distribution and regional development to CEO of

Afisha publishing house. Since July 2010 and until May 2013, Mr. Molibog was CEO of united company Afisha-Rambler. In 2011, Nikolay was named among top rated young media managers of Russia by Odgers Berndtson, and he was assigned the highest rating (AA). In 2013, Nikolay was on the list of TOP-3 executives in the media business in the CIS put together by the Russian Managers Association. He graduated from the Faculty of Economics of Novosibirsk State Technical University.

Owns no participatory interest in the share capital of RBC OJSC.

---

**Alexander Lyubimov**

Alexander Lyubimov joined RBC team in November 2011 as CEO of RBC channel. Alexander Lyubimov is a prominent TV journalist, successful producer and public figure with more than 20 years of experience in working on Russian television. He is a cofounder of VID TV company and served on its executive board from 1993 to 1998. In 1992-1993 Alexander hosted the Krasny Kvadrat (Red Square) show and managed international broadcasting on the All-Russia State Television and Radio Broadcasting Company Ostankino (VGTRK), in 1995-1998 hosted the Odin na Odin (Face to Face) TV show, in 1997-1998 headed the Directorate of News Broadcasting at the Public Russian Television TV channel (ORT). In 1998-2001 he hosted a TV show Zdes y Seychas (Here and now). In 2001-2003 he was appointed First Deputy CEO of Channel One Russia and produced several TV shows. In 2000 Alexander cofounded the MediaUnion, a union of creative media professionals, and in 2001-2008 held a position of its President. In 2007-2011 he worked for Russia TV channel as a host, and in December 2007 was named First Deputy CEO. Alexander has been member of the Russian Television Academy since 1998. Alexander Lyubimov graduated from the Moscow State Institute for International Relations of the Ministry of Foreign Affairs of USSR in 1984, Harvard University (USA) in 1996 and the International Animation Institute (USA) in 2006.

Owns no participatory interest in the share capital of RBC OJSC.

---

**Maria Erlandts**

Maria Erlandts has been CFO of RBC since November 2013. Maria has an extensive experience in finance. Before joining RBC, for 10 years (2002-2013) she was Financial Director at Business News Media CJSC, which is a publisher of Vedomosti newspaper. She was responsible for financial management and planning, budgeting and budgetary control, accounting operations, and tax planning. From 1996 to 2002 she held a number of positions in the financial unit of PepsiCo Russia. Maria

---

graduated from Russian State Humanitarian University, Faculty of History, and also holds a MBA degree from American School of Business & Economics (Moscow).

Owns no participatory interest in the share capital of RBC OJSC.

---

#### **4.4. Remuneration to management bodies**

In 2013, members of the Board of Directors and CEO were paid a total of RUB 16.7m. This sum includes payouts to Sergey Lavrukhin who acted as RBC OJSC's CEO in January-November, Derk Sauer who was CEO in November-December, Michael Hammond (remuneration for 2012 payable in 2013), and Neil Osborn. Members of the Executive Board did not receive any payouts in 2013.

The CEO's remuneration amount is calculated in accordance with the market conditions. Remuneration payable to members of the Board of Directors is approved by the Company's AGM. In 2013, Neil Osborn was paid a remuneration in the amount of \$50,000 (its equivalent in rubles calculated on the basis of the official exchange rate quoted by the Bank of Russia on the date of payment) for the period of the performance of his obligations as member of the Company's Board of Directors.

#### **4.5 Audit and Compliance Committee**

RBC's Audit and Compliance Committee oversees the company's financial and economic activities. In its oversight responsibilities, the Audit and Compliance Committee seeks guidance from laws and other legislative acts of the Russian Federation, the Federal Law "On Joint-Stock Companies," the company's Articles of Association, the Regulations "On the Audit and Compliance Committee," as well as resolutions of the general meeting of shareholders and the Board of Directors of the company. The Audit and Compliance Committee is elected by the general meeting of shareholders for a term which expires at the next annual general meeting of the company's shareholders.

As of the beginning of 2013, the Audit and Compliance Committee was composed of the following members: Marina Risukhina, head of accounting and reporting department of the Finance Department at Onexim Group, Olga Chernova, CFO at RBC OJSC, and Andrey Kononov, head of corporate governance standards department at Onexim Group. At the annual general meeting of shareholders held on June 27, 2013, RBC's shareholders passed a resolution to appoint members of the Audit and Compliance Committee. As a result of the vote, the following members were elected to the Audit and Compliance Committee: Marina Risukhina, head of accounting and reporting department of the Finance Department at Onexim Group, Alexandra Filippenko, chief specialist of the investment accounting division, accounting and reporting bureau of the financial department at Onexim Group, and Olga Chernova, Deputy CFO at ROSBUSINESSCONSULTING CJSC.

#### **4.6 Information disclosure**

RBC's objective is to provide investors with equal and timely access to public information. In line with its information transparency policy, RBC takes the following actions:

- discloses material information on the company's operations on its corporate website at [www.rbcholding.com](http://www.rbcholding.com), including press releases on material occurrences in the company's operations;
- ahead of general meetings of shareholders, publishes the information required in the Corporate events section of its website and in the mass media;
- in accordance with legislative requirements, discloses material facts pertaining to its operations, quarterly and annual reports, as well as related-party lists at [www.e-disclosure.ru/portal/company.aspx?id=24832](http://www.e-disclosure.ru/portal/company.aspx?id=24832) and [www.rbcholding.ru/filings.shtml](http://www.rbcholding.ru/filings.shtml);
- provides copies of publicly available documents at the request of those concerned;
- publishes annual audited consolidated financial statements of the company, including related explanatory notes under IFRS, and also reviewed half-year consolidated IFRS financial statements;
- holds meetings and conference calls involving analysts, investors, and shareholders;
- participates in investment conferences and forums.



## Chapter 5. Risk Management

RBC's activities involve certain risks, which can be broken down into external (those beyond the company's control) and internal (those associated with the company's operations). The risk management strategy, which incorporates in-house controls, involves routine risk identification and assessment in order to prevent and mitigate the risks. Below is the list of the main risks that the company could face. The list is not exhaustive.

### External risks:

#### *Economic and financial risks*

- The dependence of Russian economy on major global economies could have an adverse effect on the domestic advertising market, specifically, with regard to operations of multinationals. In order to mitigate the dependence on advertising revenue, RBC is developing the segment of online services.
- The economic downturn may adversely affect the personal purchasing power and impair the business activity of RBC's advertisers who use the company's resources to market their goods and services, which may have a material negative effect on the company's revenue. To minimize this risk, RBC seeks to diversify its operations.
- The depreciation of the Russian ruble against the U.S. dollar may have a negative impact on the company's operating results. Although most of the revenue generated by the company comes in Russian rubles, and its expenses are also mostly ruble-denominated, some of the company's liabilities are denominated in U.S. dollars. Consequently, the dollar's rise against the ruble runs up the company's debt burden.
- Growing inflation increases the company's operating expenses, especially with regard to payroll expenses, and also reduces the purchasing power of such RBC ruble-denominated assets, as cash and deposits. RBC is about to implement a motivation plan for management staff and advertising sales team, which implies delivering on financial objectives.
- A banking crisis may also produce a material adverse effect on RBC's liquid assets should RBC's counterparty banks go bankrupt with the company failing to gain access to its funds held with such banks. To mitigate this risk, RBC maintains accounts with several banks.

#### *Political risks*

- The operations of Russian media companies can be subject to politically motivated actions that could have a material negative impact on the company's investment value. For over 20 years, RBC has enjoyed the status of an independent and objective information source. In line with the editorial policy of RBC news agency, the company deliberately refrains from any comments on political events.

#### *Legal risks*

- Changes in the regulatory environment for the activities of Russian media companies, including taxation, could have a material negative effect on RBC's operations. To minimize this risk, RBC employs professional lawyers to routinely track changes in the legal framework regulating the company's activities.
- The revocation of licenses or inability to obtain new licenses to carry out its operations could have a material negative effect on the scale of RBC's operations and the amount of its revenue. To minimize this risk, RBC closely monitors the validity and expiration dates of its licenses and takes care to ensure continuous compliance of its activities with license requirements.

#### *Market risks*

- The advertising market is subject to cyclical movements and is reflective of the economic situation within the country. In order to reduce the dependence on advertising revenue, RBC is seeking to diversify revenue sources, for instance, by developing online services.
- Season fluctuations of the advertising market with regard to business media results in an uneven distribution of incomes during the year. RBC views the development of online services as the best way to even out RBC's revenue throughout the year.
- Legislative initiatives to limit advertising time on television channels along with bans on advertising of certain product categories in various media outlets could have an adverse effect on the company's revenues. RBC's exposure to three major advertising markets enables the company to reallocate advertising budgets between segments. RBC is seeking to attract new categories of advertisers and expand involvement with segments with a small footprint in RBC's client base.
- Cuts in advertising budgets could have a material adverse impact on RBC's revenue and operating results. To minimize this risk, the company is seeking to diversify its revenue streams. By the same token, RBC is doing its best to perfect the quality of its media resources and services.
- Rising competition on the Russian media market and the arrival of new, stronger players could have a material negative effect on RBC's operating indicators. To protect itself against competition, the company seeks to expand its operations on the media market and is doing its best to improve the quality of its resources and services.
- A slowdown in the internet infrastructure growth rate could adversely affect RBC's business. Although the internet is RBC's major focus, the company is also engaged in such market segments as television and the press. Therefore, RBC employs business diversification as a tool to mitigate this risk.
- The gradual saturation of the online advertising market and the resulting decline in its growth rates could negatively impact RBC's revenue growth in the online segment. In order to minimize this risk RBC is diversifying revenue and client base, improves its media platforms, and develops creative, efficient, and comprehensive solutions for advertisers.

- Any failure to extend or breach of relations with third parties that contribute to RBC's content distribution could have an adverse influence on RBC's ratings and cut into its revenue. To minimize this risk, RBC is committed to expanding its partner network.
- If the company falls short of its payment collection expectations, this could also negatively affect its financial situation. To mitigate this risk, RBC conducts an assessment of the solvency of its clients. Payment size and due dates are set in line with existing market practices.
- Any change in the market value of RBC's investment targets could impact the company's financial indicators. To minimize this risk, RBC conducts risk assessment before making an investment to be subsequently backed by routine monitoring of the fair market value of its investments.
- New technologies may increase the risks of copyright piracy with regard to information and impair the company's ability to protect its intellectual property, as well as block customers' advertising. To mitigate this risk, the company employs an in-house team of IT specialists to search for and develop new technologies aimed at protecting the company from unlawful actions by third parties.

#### Internal risks

- The loss of key employees as competition in the media industry is becoming increasingly intense could have a negative impact on RBC's growth. To minimize this risk, the company is building up a reserve of employees trained for top management positions. If necessary, the company may appoint outside executives to key management positions.
- A decline in demand for RBC's business or other information and services could have a negative impact on RBC's revenue. In order to safeguard itself against this risk, the company runs a diversified portfolio of resources and services targeting various audiences.
- A downgrade of RBC's media ratings (audience) in the internet, television, or print media segments could have a material negative effect on RBC's advertising sales. To minimize this risk, RBC endeavors to improve the quality of its resources and services.
- The need to service its debt burden limits cash resources available to the company and prevents RBC from investing in all projects that could be of interest. RBC seeks to boost its operating cash flow through monetization of the current projects, launching new ones, and diversifying its client base and revenue sources.
- Difficulties in integrating new acquisitions, failure to find acquisition targets to match the company's development strategy, and bad investment decisions could result in lower-than-expected operating results for the company. RBC takes a conservative approach to the assessment of risks involved in potential investments in media assets and conducts the relevant due diligence audits before making informed decisions on such deals.
- Hardware and software failures could cause the company to lose part of its audience, damage its reputation and have a negative impact on its advertising sales. RBC maintains

backup servers and isolated generators to ensure the uninterrupted operation of the company's media resources, if necessary.

- The failure to maintain a high reputation and RBC's brand recognition at a high level could have a material negative effect on the company's operations. RBC's business model is based on using a unified content database and an umbrella brand for all of its thematic media outlets. The company uses a single brand, RBC, for all of its business-related internet, television and print media resources, which enhances synergies between the company's resources and gives RBC an edge over competitors which are less diversified media companies. For instance, RBC consistently takes advantage of cost-cutting opportunities in the process of content creation and boosts advertising proceeds through cross sales. Furthermore, cross promotion of its products helps RBC bolster the recognition of its existing and newly created brands.

## Chapter 6. Securities

### 6.1 Share capital

The share capital of RBC OJSC stands at RUB 234,003.85 and is divided into 365,631,010 shares. All of the Company's shares are ordinary registered shares with a par value of RUB 0.00064 each. The Company has not issued preferred shares. The state registration number of RBC's ordinary shares is 1-02-56413-N, the date of the issue's state registration – November 10, 2010.

According to the Company's Articles of Association, the Company is entitled to issue 259,368,990 shares with a par value of RUB 0.00064 each in addition to outstanding shares. In 2013, the Company did not float any shares.

The shares are traded on the Moscow Exchange quotation list B under the RBCM ticker. RBC floated shares in April 2002. At the time of the IPO and until the middle of 2010, RBC group of companies' parent company, whose shares were traded on the stock exchange, was RBC Information Systems OJSC (RBCI ticker). In 2010, RBC OJSC became the holding company of the RBC group (previous name RBC-TV Moscow until February 2011). In December 2010, RBC OJSC's shares were authorized for trading. Trading in the new parent company's shares began in January 2011, and trading in RBC Information Systems OJSC ceased in June 2011.

RBC OJSC's register of shareholders is kept by Computershare Registrar CJSC, and information about the registrar can be found in the "Contact Information" section of this report.

#### The list of shareholders who own at least 5% of ordinary registered shares of RBC OJSC

As of 31.12.2013		As of 31.12.2012	
Shareholder	Share	Shareholder	Share
Onexim group (represented by Pragla Limited)	57.05%	Onexim group (represented by Pragla Limited)	53.36%
National Settlement Depository CJSC (nominal holder)	42.95%	National Settlement Depository CJSC (nominal holder)	36.00%
Renaissance Securities Limited	6.34%	ING Bank (Eurasia) CJSC (nominal holder)	5.30%
		Remedy Trade Limited	6.17%
		Polyus Gold OJSC	5.20%

#### Dividend policy

The decision on whether or not to pay out dividends, as well as the dividend size and the form of payment, is taken by the general meeting of shareholders. To this end, the Board of Directors makes relevant recommendations to the general meeting of shareholders with regard to the company's financial standing, expansion plans, and other factors that the Board of Directors may deem to be substantial. The final dividend cannot exceed the level recommended by the Board of Directors.

RBC aspires to leadership on the growing and competitive media market, which requires substantial capital expenditures. For this reason, the Company currently does not pay out dividends.

## 6.2 Debt instruments

RBC's debt totaled \$208m as of December 31, 2013. RBC's loan portfolio consists of loan participation notes (LPNs) and bonds.

In 2010, as part of the debt restructuring process, the Company issued ruble-denominated bonds. As of the end of 2013, ruble-denominated bonds comprise 3% of RBC's debt. In April 2010, RBC placed six series of interest bearing certificated non-convertible bearer bonds subject to mandatory centralized depository. The annual coupon rate has been set at 7% for bonds series 01, 02, and 03, and the coupon period at 182 days. Maturity date for series 01, 02, and 03 bonds is April 2015. The annual coupon rate of 6% has been set for bonds series 04, 05, and 06, along with a 182-day coupon period. Meanwhile, during the first five years after placement, coupon interest is to be accrued and payable at the expiration of the five-year period. Maturity date for series 04, 05, and 06 bonds is April 2018.

In 2010, in an effort to restructure its debt, RBC OJSC also issued loan participation notes (LPNs) denominated in U.S. dollars. As of the end of 2013, LPNs comprised 97% of RBC's debt. The annual interest rate on Class A LPNs is 7%, and on Class B LPNs is 6%. The coupon period for both instruments is six months.

In late 2013, RBC and creditors who are holders of LPNs agreed to amend the terms of the loan agreement. Specifically, the maturity date of Class A LPNs (worth a total of \$123.6m at par value) has been postponed from May 2015 until November 2020, while the maturity date of Class B LPNs (with a total par value of \$78.1m) has been extended from May 2018 until November 2022. Coupon rates of Class A and B notes have remained unchanged. The revised terms envision a deferment of interest payment accrued on Class A LPNs for the period from November 2013 until November 2014 and further repayment in equal installments in May and November 2015. Interest accrued on Class A LPNs after November 2014 are payable every six months annually until full repayment (the first payment will be made in May 2015). Interest on Class B LPNs will be accrued but won't be capitalized, while the payment of interest will be postponed until the repayment of the principal amount in 2022. The company is now released from the obligation to prepay part of its debt under Class A LPNs in 2013 and 2014.

Additionally, main restrictions on the acquisition and disposal of assets stipulated in the loan agreement have been removed, which enables RBC to take advantage of its strategic and financial opportunities and creates potential for business growth.

In 2010, in an effort to restructure its debt, RBC OJSC issued cash settled options and warrants which provide their holders with an opportunity to earn additional returns on the difference between the market price of RBC OJSC' shares and the strike price. The company issued a total of 21m options and warrants exercisable in 2015, and 19m options and warrants exercisable annually over four years beginning 2015.

## Additional information

**A list of RBC OJSC's major transactions entered into in 2013, as well as a list of deals classifiable as related-party transactions.**

1) In 2013, RBC OJSC did not execute any deals that are classifiable as major transactions in accordance with the federal law "On Joint-Stock Companies" or any other deals that are subject to approval as major deals in accordance with the procedure stipulated in the company's Articles of Association.

2) A list of RBC OJSC's deals in 2013 classifiable as related-party transactions in accordance with the federal law "On Joint-Stock Companies":

1. A deal to enter into a supplementary agreement dated April 13, 2013 to employment contract No. 120414001 dated June 25, 2012 between RBC OJSC and RBC OJSC CEO Sergey Lavrukhin.

Related party: RBC OJSC CEO and member of the Board of Directors Sergey Lavrukhin.

A resolution on the approval of this deal was passed by RBC OJSC's Board of Directors.

2. A deal to enter into a purchase and sale agreement in respect of a participatory interest in the authorized capital of Nashi Dengi Publishing House LLC between RBC OJSC and RBC Media LLC in accordance with the following terms:

- Vendor: RBC Media;
- Buyer: RBC OJSC;
- Number of acquired shares, percentage of authorized capital: 90%;
- Par value of acquired participatory interest: 45,000 (forty five thousand) rubles;
- Deal amount: 45,000 (forty five thousand) rubles.

Related party: RBC OJSC's shareholder Pragla Limited.

A resolution on the approval of this deal was passed by RBC OJSC's Board of Directors.

3. A deal to enter into an employment contract No. 130902001 dated September 2, 2013 between RBC OJSC and RBC OJSC CEO Derk Sauer.

Related party: RBC OJSC CEO and member of the Board of Directors Derk Sauer.

A resolution on the approval of this deal was passed by RBC OJSC's Board of Directors.

4. A deal to enter into a sale and purchase agreement of a participatory interest in the authorized capital of Technosoft LLC between RBC OJSC and Pintoleza Holdings Limited in accordance with the following terms:

- Vendor: Pintoleza Holdings Limited;
- Buyer: RBC OJSC;
- Number of acquired shares, percentage of authorized capital: 1%;
- Par value of acquired participatory interest: 100 (one hundred) rubles, or 1% of the authorized capital;
- Deal amount: 100 (one hundred) rubles.

Related party: RBC OJSC's shareholder Pragla Limited.

A resolution on the approval of this deal was passed by RBC OJSC's Board of Directors.

**Information on the use of each type of energy resources used by RBC OJSC in 2013.**

The cost of electrical and thermal power in 2013 was included in the cost of the lease payment for the building used by the company for its office. Therefore, it is not possible to provide information on the use of energy resources either in monetary terms or in-kind.



## Schedule. Information on compliance with recommendations of the Russian Federal Financial Markets Service's Corporate Governance Code

On November 28, 2001, the Russian government approved the Corporate Governance Code, and its recommendations are currently used by the Company in its corporate activities. Mechanisms ensuring their implementation are provided for in the Articles of Association and RBC OJSC's internal documents in accordance with the applicable laws of the Russian Federation.

This Schedule has been compiled in accordance with the directive No. 03-849/r of the Federal Commission on the Securities Market dated April 30, 2003. Separate provisions of the Corporate Governance Code reflect RBC OJSC's efforts aimed at improving the corporate standards:

	Provision of the Corporate Governance Code	Compliance/Non-compliance	Note
<b>General meeting of shareholders</b>			
1	Notification of shareholders of general meetings of shareholders at least 30 days before the date of the meeting, regardless of the items on the agenda, unless the law stipulates a longer term.	Compliance	Article 14.23 of RBC OJSC's Articles of Association
2	Shareholders have the opportunity to review the list of persons entitled to participate in the general meeting, beginning from the date of the notification of the general meeting of shareholders and up until the end of the general meeting (if held in the form of joint presence) or until the deadline for the submission of ballot sheets (if held by absentee voting).	Compliance	Clause 12 of the Regulations on the general meeting of shareholders of RBC OJSC
3	Shareholders have the opportunity to review the information (materials) subject to provision in the course of preparation for the general meeting of shareholders, using electronic means of communication, including over the Internet.	Compliance	All information (materials) subject to provision to the Company's shareholders in the course of preparation for the general meeting of shareholders is available online at <a href="http://www.rbcholding.com">www.rbcholding.com</a> in the "Corporate Events" section no less than 20 days prior to the date of the general meeting.

4	Shareholders have the opportunity to propose an issue for inclusion on the agenda of the general meeting or file a request to convene a general meeting without submitting an excerpt from the shareholders register of, if their rights to shares are accounted for in a shareholders register, or if rights to shares are accounted for on a deposit account, then an excerpt from the deposit account is sufficient to exercise the given rights.	Compliance	
5	The Articles of Association or internal documents of the joint-stock company contain a requirement on the mandatory presence at the general meeting of shareholders of the CEO, members of the Executive Board, members of the Board of Directors, members of the Audit and Compliance Committee, and the auditor of the company.	Non-compliance	According to the company's long-term practices of holding general meetings of RBC OJSC's shareholders, CEO, members of the Board of Directors, and members of the Executive Board attend the general meetings of shareholders.
6	Mandatory presence of candidates in cases where the general meeting of shareholders is considering items on the election of members of the Board of Directors, the CEO, members of the Executive Board, members of the Audit and Compliance Committee, and an item on the approval of the company's auditor.	Partial compliance	
7	The internal documents of the company contain regulations on the procedure for registering participants in the general meeting of shareholders.	Partial compliance	Clause 19 of the Regulations on the general meeting of shareholders of RBC OJSC.
<b>Board of Directors</b>			
8	The company's Articles of Association stipulate the powers of the Board of Directors to annually approve the joint-stock company's financial and business plan.	Compliance	Article 15.2 (20) of RBC OJSC's Articles of Association.
9	The Board of Directors has approved a procedure for risk management at the company.	Non-compliance	Risk management procedure falls within the scope of powers of RBC OJSC's Audit and Compliance Committee of the Board of Directors.

10	The company's Articles of Association stipulate the powers of the Board of Directors to suspend the powers of the CEO appointed by the general meeting of shareholders.	Not applicable	According to article 15.2 (5) of RBC OJSC's Articles of Association, only the Board of Directors has the authority to elect and terminate the powers of the CEO prematurely.
11	The company's Articles of Association stipulate the powers of the Board of Directors to set forth requirements for the qualifications and the remuneration payable to CEO, members of the Executive Board, heads of main departments of the joint-stock company.	Partial compliance	Article 15.2 (5) of RBC OJSC's Articles of Association.
12	The company's Articles of Association stipulate the powers of the Board of Directors to approve the terms and provisions of the agreements with the CEO and members of the Executive Board.	Compliance	Article 15.2 (5) of RBC OJSC's Articles of Association.
13	The company's Articles of Association or internal documents of the joint-stock company contain a requirement that the approval of the terms of agreements with the CEO (management organization, manager) and members of the Executive Board, the votes of members of the Board of Directors who hold such positions are not taken into account during the tallying of votes.	Partial compliance	Article 16.14 of RBC OJSC's Articles of Association.
14	The Board of Directors of the joint-stock company includes at least three independent directors who meet the requirements of the Corporate Governance Code.	Compliance	
15	No one on the Board of Directors of the joint-stock company has been found guilty of crimes in the sphere of business activities or crimes against the public authorities, interests of public service or local governance, or has been subjected to administrative penalties for offences in the sphere of business activities, finance, taxes and duties, or the securities market.	Compliance	No such persons on RBC OJSC's Board of Directors.
16	No one on the Board of Directors of the joint-stock company is a participant, CEO	Compliance	No such persons on RBC

	(manager), member of management bodies, or employee of a legal entity that competes with the joint-stock company.		OJSC's Board of Directors.
17	The company's Articles of Association stipulate that elections of members of the Board of Directors are conducted by cumulative voting.	Compliance	Article 14.3 (4) of RBC OJSC's Articles of Association.
18	The internal documents of the joint-stock company stipulate that members of the Board of Directors should refrain from any actions, which lead to a conflict of interest between them and the joint-stock company, and in the event of such conflict they should inform the Board of Directors of such conflict.	Compliance	Clause 2.1 of the Regulations on RBC OJSC's Board of Directors.
19	The internal documents of the joint-stock company stipulate that members of the Board of Directors should notify the Board of Directors in writing of their intention to complete a transaction with the securities of a company on whose board they serve, or the securities of the subsidiaries (associated companies) of such a company, as well as to disclose information on transactions they have performed with such securities.	Compliance	Clause 2.1 of the Regulations on RBC OJSC's Board of Directors.
20	The internal documents of the joint-stock company stipulate a requirement for holding meetings of the Board of Directors at least once every six weeks.	Compliance	Article 16.6 of RBC OJSC's Articles of Association.  Clause 5.1 of the Regulations on RBC OJSC's Board of Directors.
21	During the year for which the company's annual report is being compiled, meetings of the Board of Directors are held at least once every six weeks.	Compliance	In 2013, meetings of RBC OJSC's Board of Directors were held more often than once every six weeks. A total of 17 meetings were held.

22	The internal documents of the joint-stock company stipulate the procedure for holding meetings of the Board of Directors.	Compliance	Article 16 of RBC OJSC's Articles of Association.  Clause 5 of the Regulations on RBC OJSC's Board of Directors.
23	The internal documents of the joint-stock company contain a provision on the approval by the Board of Directors of transactions equal to 10% or more of the book value of Company's assets, except for the deals carried out in the ordinary course of business.	Compliance	Article 15.2 (27) of RBC OJSC's Articles of Association.
24	The internal documents of the joint-stock company stipulate that members of the Board of Directors have the right to receive the information necessary to perform their functions from the executive bodies and heads of the company's main departments, as well as specify liability for failure to provide such information.	Partial compliance	Clause 2.4 of the Regulations on RBC OJSC's Board of Directors.
25	The Board of Directors has a strategic planning committee, or the functions of this committee are entrusted to another committee (except for the Audit and Compliance Committee).	Non-compliance	The Board of Directors of RBC OJSC has the power and authority to determine the Company's priority business areas, approve the concept and strategy of the Company's development and ways of their implementation.
26	The Board of Directors has a committee (an audit committee) that recommends the company's auditor to the Board of Directors and interacts with the auditor and the company's Audit and Compliance Committee.	Compliance	The Audit and Compliance Committee of RBC OJSC was formed on the basis of the resolution adopted by the Board of Directors (Minutes of RBC OJSC Board of Directors meeting No. 10 dated September 30, 2010).
27	The Audit and Compliance Committee consists only of independent and non-executive members of the Board of Directors.	Compliance	Clause 3.2 of the Regulations on the Audit and Compliance Committee of the Board of Directors of RBC OJSC.  The composition of the Audit and Compliance Committee is

			in line with this requirement.
28	Management of the Audit and Compliance Committee is conducted by an independent member of the Board of Directors.	Compliance	Independent member of RBC OJSC's Board of Directors Christophe Charlier is Chairman of the Audit and Compliance Committee.
29	The internal documents of the joint-stock company stipulate that all members of the Audit and Compliance Committee have the right to access any documents and information about the joint-stock company, provided they do not disclose confidential information.	Compliance	Clause 6.2 and 6.4 of the Regulations on the Audit and Compliance Committee of the Board of Directors of RBC OJSC.
30	A committee of the Board of Directors has been created (human resources and remuneration committee) whose functions include determining the criteria for selecting candidates for the Board of Directors and the development of the company's remuneration policy.	Compliance	The Human Resources and Remuneration Committee of the Board of Directors was formed in accordance with the resolution adopted by RBC OJSC's Board of Directors (Minutes No. 13 of RBC OJSC Board of Directors meeting dated December 1, 2010).
31	Management of the Human Resources and Remuneration Committee of the Board of Directors is conducted by an independent director.	Compliance	An independent member of the Board of Directors Valery Senko is Chairman of RBC OJSC's Human Resources and Remuneration Committee of the Board of Directors.
32	The Human Resources and Remuneration Committee of the Board of Directors does not have any company officers on it.	Compliance	Only non-executive members of the Board of Directors are on the Human Resources and Remuneration Committee of the Board of Directors.
33	The Board of Directors has a risk committee, or the functions of this committee have been entrusted to another committee (except for the Audit and Compliance Committee or Human Resources and Remuneration Committee of the Board of Directors).	Non-compliance	This committee has not been formed by the Company. The risk committee of the Board of Directors can be created if the need arises.

34	The Board of Directors has a corporate conflicts committee, or the functions of this Committee have been entrusted to another committee (except for the Audit and Compliance Committee or Human Resources and Remuneration Committee of the Board of Directors).	Non-compliance	This committee has not been formed by the Company. The corporate conflicts committee of the Board of Directors can be created if the need arises.
35	The corporate conflicts committee does not include company officers.	Not applicable	
36	Management of the corporate conflicts committee is conducted by an independent director.	Not applicable	
37	The internal documents of the joint-stock company approved by the Board of Directors provide for the procedure on the formation and operation of Board of Directors committees.	Compliance	The Regulations on the Audit and Compliance Committee and the Regulations on the Human Resources and Remuneration Committee of the Board of Directors have been approved by the resolution of RBC OJSC's Board of Directors.
38	The company's Articles of Association stipulate the procedure for determining a quorum at the Board of Directors meeting, which ensures mandatory participation of independent members of the Board of Directors in the board meetings.	Compliance	Article 16.11 of RBC OJSC's Articles of Association.
<b>Executive bodies</b>			
39	The joint-stock company has a collegial executive body (executive board).	Compliance	RBC OJSC's Executive Board was elected in accordance with the resolution adopted by the Board of Directors (Minutes No. 66 of RBC OJSC's Board of Directors meeting dated November 5, 2013).

40	The Articles of Association of the joint-stock company contain a provision on the approval of transactions related to property and taking out loans, if the said transactions do not constitute major transactions or they are carried out as part of the Company's routine business.	Compliance	Clause 17.8 (2) of RBC OJSC's Articles of Association.
41	The company's internal documents stipulate the procedure for the approval of operations that fall outside the scope of the ordinary course of business of the company.	Compliance	Clause 2.3.6 of the Regulations on the Audit and Compliance Committee of the Board of Directors of RBC OJSC.
42	The executive bodies of the company do not include anybody who is a participant, CEO (manager), member of a management body, or employee of a legal entity that competes with the joint-stock company.	Compliance	
43	No one in the executive bodies of the joint-stock company has been found guilty of crimes in the sphere of business activities or crimes against the public authorities, interests of public service or local governance, or has been subjected to administrative penalties for offences in the sphere of business activities, finance, taxes and duties, or the securities market. If the functions of the sole executive body are performed by a management organization or a manager, the CEO and members of the executive board of the management organization or the manager meet the requirements for the CEO or members of the executive board of the company.	Compliance	
44	The company's Articles of Association or internal documents prohibit the management organization (manager) from performing similar functions in a competing company, and also from having contractual relations with the company, other than providing services as a management organization (manager).	Not applicable	
45	The company's internal documents stipulate that the executive bodies should refrain from any actions, which lead to a conflict of interest between them and the company, and	Compliance	Article 17.10 of RBC OJSC's Articles of Association.



	in the event of such conflict they should inform the Board of Directors of such conflict.		
46	The company's Articles of Association or internal documents contain criteria for selecting the management organization (manager).	Not applicable	
47	The executive bodies provide monthly reports on their work to the board of directors.	Compliance	Article 17.11 of RBC OJSC's Articles of Association.
48	The contracts concluded by the company with the CEO (management company, manager) and members of the executive board establish liability for violation of the provisions on the use of confidential and proprietary information.	Compliance	
<b>Secretary</b>			
49	The company has a designated official (the company secretary) who is responsible for ensuring the company's bodies and officers comply with procedural requirements guaranteeing the observance of the rights and legal interests of the company's shareholders.	Partial compliance	The task of ensuring the compliance of bodies and officers of the joint-stock company with procedural requirements guaranteeing the observance of the rights and legal interests of the company has been given to RBC OJSC's secretary of the Board of Directors.
50	The company has a procedure stipulated by its Articles of Association or internal documents for appointing (electing) the company's secretary and determining his/her responsibilities.	Partial compliance	The existence of this position is not provided for by the Company.  The requirement is complied with in respect of the secretary of RBC OJSC's Board of Directors.
51	The company's Articles of Association contain requirements for the candidates for the position of the company's secretary.	Non-compliance	The existence of this position is not provided for by the Company.
<b>Material Corporate Actions</b>			
52	The company's Articles of Association or internal documents contain requirements for the approval of major transactions prior to their completion.	Compliance	Article 15.2 (24) of RBC OJSC's Articles of Association.

53	Mandatory hiring of an independent appraiser to assess the market value of property that is the subject of a major transaction.	Compliance	
54	The company's Articles of Association prohibits any actions during the acquisition of major shareholdings in the company (takeover) that are aimed at protecting the interests of the executive bodies (members thereof) and the members of the Board of Directors or worsening the position of shareholders compared to the current situation (specifically, until the end of the scheduled period for the acquisition of shares, the Board of Directors is prohibited from adopting a resolution to issue additional shares, to issue securities convertible into shares, or securities conferring the right to purchase shares of the company, even if the right to adopt such a resolution is granted to it by the Articles of Association).	Non-compliance	This requirement is non-compliant, because passing resolutions on issuing additional securities of the Company falls outside the scope of powers of RBC OJSC's Board of Directors.
55	The company's Articles of Association contain requirements on mandatory hiring of an independent appraiser to assess the current market value of shares and possible changes in their market value as a result of a takeover.	Non-compliance	The company will hire an independent appraiser if the need arises.
56	The company's Articles of Association does not release the buyer from the obligation to propose that shareholders sell their ordinary shares in the company (issuable securities convertible into ordinary shares) in the course of a takeover.	Compliance	
57	The company's Articles of Association or internal documents contain requirements on mandatory hiring of an independent appraiser to determine the share conversion ratio in the course of the reorganization.	Non-compliance	The company will hire an independent appraiser if the need arises.
<b>Information disclosure</b>			
58	An internal document has been approved by the board of directors that determines the company's rules and approaches to information disclosure (Regulations on the Information Policy).	Non-compliance	The Company plans to approve Regulations on the Information Policy of RBC OJSC before the end of 2014.

59	The company's internal documents contain requirements on information disclosure on the purposes of share flotation, on the parties that plan to purchase the offered shares (including major shareholdings), and whether the company's senior officials intend to participate in the acquisition of the offered shares in the company.	Non-compliance	The purposes of the issue are written in the issue prospectus. Usually, RBC OJSC floats additional shares by public subscription and has no way of knowing potential buyers.
60	The company's internal documents contain a list of information, documents and materials that should be provided to shareholders for considering issues on the agenda of the general meeting of shareholders.	Compliance	Clause 9 of the Regulations on the general meeting of shareholders of RBC OJSC.
61	The company has an Internet website and regularly discloses information about the company on this website.	Compliance	<a href="http://www.e-disclosure.ru/portal/company.aspx?id=24832">http://www.e-disclosure.ru/portal/company.aspx?id=24832</a> <a href="http://www.rbcholding.ru/filings.shtml">www.rbcholding.ru/filings.shtml</a>
62	The company's internal documents contain requirements on the disclosure of information about transactions with parties designated by the Articles of Association as senior officials of the company and about transactions with organizations in which senior company officials own directly or indirectly an equity shareholding of 20% or more, or over which they can exert significant influence by other means.	Partial compliance	The Company complies with the requirements of applicable laws on information disclosure.  Schedule No. 1, Clause 40 of the Regulations on Insider Information.
63	The company's internal documents contain requirements on information disclosure about all transactions that could have an effect on the market value of the company's shares.	Partial compliance	The Company complies with the requirements of applicable laws on information disclosure.
64	The company has an internal document approved by the board of directors on the use of material information about the company's operations, the shares and other securities of the company, and transactions with them, where such information is not publicly available and its disclosure may have a material effect on the market value of the company's shares.	Compliance	Regulations on Insider Information have been approved by the Board of Directors.
<b>Control over the Company's financial and business activities</b>			

65	The board of directors has approved internal procedures for monitoring the company's financial and business activities.	Compliance	Regulations on Internal Control over RBC OJSC's Financial and Business Activities have been approved by the Board of Directors.
66	The company has a special division responsible for ensuring compliance with internal control procedures (audit and compliance service).	Compliance	Clause 3.2 of the Regulations on Internal Control over RBC OJSC's Financial and Business Activities.
67	The company's internal documents stipulate that the board of directors should determine the structure and composition of the company's audit and compliance service.	Compliance	Clause 4.2 and 4.4 of the Regulations on Internal Control over RBC OJSC's Financial and Business Activities.
68	No one on the company's audit and compliance service has been found guilty of crimes in the sphere of business activities or crimes against the public authorities, interests of public service or local governance, or has been subjected to administrative penalties for offences in the sphere of business activities, finance, taxes and duties, or the securities market.	Compliance	
69	No one on the company's audit and compliance service is a member of the company's executive bodies or is a participant, CEO (manager), member of management bodies, or employee of a legal entity that competes with the joint-stock company.	Compliance	
70	The company's internal documents specify a deadline for submitting documents and materials to the audit and compliance service to assess financial and business activities, as well as the liability of company officers and employees for the late submission of such documents and materials.	Partial compliance	Clause 3.1 of the Regulations on RBC OJSC's Audit and Compliance Committee.

71	The company's internal documents mandate the audit and compliance service to report to the audit and compliance committee about any discovered violations, and in the absence of such committee, to the board of directors of the company.	Compliance	Clause 3.3.4 of the Regulations on Internal Control over RBC OJSC's Financial and Business Activities.
72	The company's Articles of Association stipulate that the audit and compliance service perform a preliminary assessment of the feasibility of making transactions that are not contemplated by the company's financial and business plan (non-standard transactions).	Non-compliance	This function falls within the scope of powers of RBC OJSC's Board of Directors.
73	The company's internal documents stipulate the procedure for approval of non-standard transactions by the Board of Directors.	Compliance	Clause 2.3.6 of the Regulations on RBC OJSC's Audit and Compliance Committee of the Board of Directors.
74	The board of directors has approved an internal document that determines the procedure for the audit and compliance committee conducting audits of the company's financial and business activities.	Compliance	The Company's annual general meeting approved Regulations on the Audit and Compliance Committee of RBC OJSC. Minutes No.9 dated June 29, 2011.
75	The Audit and Compliance Committee reviews the audit opinion before it is submitted to shareholders at the general meeting of shareholders.	Compliance	Clause 2.3.1 (g) of the Regulations on RBC OJSC's Audit and Compliance Committee of the Board of Directors.
<b>Dividends</b>			
76	The board of directors has approved an internal document from which it seeks guidance when making recommendations on the amount of dividend payout (Regulations on Dividend Policy).	Non-compliance	Regulations on the Dividend Policy will be adopted before the end of 2014.
77	Regulations on the Dividend Policy contain a procedure for determining the minimum share of the company's net profit to be allocated for dividend payout, and conditions that preclude the company from making dividend payouts or partial dividend payouts are made in respect of preferred shares, whereas the amount of dividend payout is stipulated in the company's Articles of Association.	Not applicable	

78	Information on the company's dividend policy and amendments thereto are published in a bulletin stipulated in the company's Articles of Association for publishing notices on the general meetings of shareholders, and this information is placed on the company's website.	Not applicable	

## Contact information

Online versions of RBC OJSC's annual reports for 2013, as well as all other up-to-date data are available on the Company's corporate website at [www.rbcholding.com](http://www.rbcholding.com).

### POSTAL ADDRESS

RBC OJSC  
78 Profsoyuznaya St.,  
Moscow 117393, Russia

### CENTRAL DESK

tel.: +7 (495) 363 1111

### INVESTOR INFORMATION

To receive any additional information, please contact Maria Sorokina  
tel.: +7 (495) 363 1111  
fax: +7 (495) 363 1125  
e-mail: [ir@rbc.ru](mailto:ir@rbc.ru)  
[www.rbcholding.com](http://www.rbcholding.com)

### COMPANY'S SHARES

The company's ordinary shares are traded on the Moscow Exchange under the RBCM ticker.

### REGISTRAR

Computershare Registrar CJSC  
8 Ivana Franko St.  
Moscow, Russia 121108  
tel.: +7 (495) 926 8160  
fax: +7 (495) 926 8178  
e-mail: [info@nrcreg.ru](mailto:info@nrcreg.ru)

### INDEPENDENT AUDITORS

Grant Thornton is responsible for auditing RAS annual financial reports, and Deloitte & Touche CIS audits annual and semi-annual consolidated financial reports under IFRS.

Grant Thornton  
32A Khoroshevskoye Shosse,  
Moscow, Russia 123007  
tel.: +7 (495) 258 9990  
fax: +7 (495) 580 9196

Deloitte & Touche CIS  
5 Lesnaya St.,  
Moscow, Russia, 125047  
tel.: +7 (495) 787 0600  
fax: +7 (495) 787 0601