

**ANNUAL REPORT
RBC PJSC
2015**

Moscow, 2016

**RBC PJSC
RBC annual report**

Approved by the Annual General Meeting of Shareholders
Minutes No. 17 dated June 24, 2016

Preliminary approval received from the Board of Directors
Minutes No. 91 dated May 20, 2016.

General Director
Nikolay Molibog

RBC parent company shall hereinafter be referred to as RBC PJSC (RBC OJSC until August 4, 2015), and RBC Group shall be referred to as “Company,” “RBC,” or the “Holding.”

Disclaimer regarding forward-looking statements by RBC

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.

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1. INFORMATION ABOUT THE JOINT-STOCK COMPANY'S POSITION

RBC is a leading Russian multimedia group of companies, with leadership positions in news and business media as well as in domain name registration and hosting.

RBC employs key media platforms such as the Internet, TV, and press, develops B2B media services, and provides hosting and domain registration services (RU-Center Group).

In 2015, RBC introduced a new way of business segmentation in line with the holding's strategy.

Three key segments:

1. **B2C information and services** - an advertising-based business model. These are RBC 360 projects that include the website www.rbc.ru, RBC TV, RBC newspaper, and RBC magazine, as well as RBC's topical projects: RBC Real Estate (reality.rbc.ru), Autonews (autonews.ru), RBC Style (style.rbc.ru), and RBC Sport (sport.rbc.ru).

2. **B2B information and services** based on paid access. These projects include RBC Research (marketing.rbc.ru), RBC Conferences (bc.rbc.ru), QuoteTerminal (qt.rbc.ru), and Public.ru.

3. Domain name registration and hosting business, which is part of the B2B Infrastructure segment. These are brands and key operating companies form RU-CENTER Group: RU-CENTER, R01, Reggi, Hosting Center, SpaceWeb, Peterhost

Two auxiliary units:

4. Projects that first appeared thanks to the RBC brand's strength promoting principles of running a transparent business in Russia. These are events that inspire prominent business people in Russia. This unit is called Inspiration from RBC. From late 2014, this unit includes RBC Awards and EFFIE RUSSIA, a marketing award.

5. Non-core assets that we support and develop as best as we can, but are ready to sell to companies interested in their strategic development. Current major projects: dating website Loveplanet.ru and IT publication Cnews.ru.

2. JOINT-STOCK COMPANY'S PRIORITY AREAS OF BUSINESS

B2C information and services

What all of RBC's content projects have in common is a single brand, ideology, and an editorial policy regardless of which platform is being used. This increases RBC's brand awareness and allows the company to act promptly and provide the audience with information it needs in a convenient way and at any time of the day. This also allows us to implement a comprehensive advertising sales strategy and creative ad campaigns.

RBC's topical online projects help the audience to stay current on the latest news about real estate, cars, style, and sports and, on the one hand, allows them to take a break from the economy and politics and, on the other hand, to discover new ideas outside financial markets to invest their capital.

Rbc.ru portal

RBC business portal is a leading source for business and financial information. Rbc.ru features newlines about economy, finance, and politics, in-depth analysis, comments, forecasts, topical articles, and interviews with prominent Russian businessmen and politicians, allowing readers to trace changes in the information picture of the day in real time and to make effective business decisions. The website provides access to all current and exclusive news.

all cities, ages 12-64), December 2014

RBC TV

RBC channel was launched in 2003. Today, RBC remains Russia's only business TV channel focusing on the coverage of economic, financial, and political developments in Russia and worldwide. RBC broadcasts 24/7, featuring relevant comments, interviews and insightful analysis from experts, live on-the-spot reports, feature programs and industry reviews, as well as materials from international news agencies.

The channel is available in all major cities of Russia, and has proprietary TV stations in Rostov-on-Don and Novosibirsk. The channel's technical reach exceeds 100m viewers in Russia. RBC TV is broadcast in all districts of Moscow, its key market. In addition, it is broadcast in all major cities near Moscow. RBC TV is broadcast in the CIS and Baltic countries, Western Europe, North Africa, Middle East and Central Asia, a total of 43 countries.

RBC also operates two remote TV studios in Moscow's center - at Ararat Park Hyatt hotel and Moscow International Business Center (Moscow-City). Another studio is located in St. Petersburg at Kempinski Hotel Moika 22. RBC TV has a news bureau in New York, which provides live coverage from one of the world's financial centers.

RBC's print publications

RBC publishes two business publications: RBC daily business newspaper and a monthly magazine RBC.

The RBC newspaper offers its readers a daily roundup of the latest economy and political news. The publication features investigations, interviews, and insightful analysis from both Russian and foreign experts.

RBC magazine is a monthly analytical business magazine examining a key topic of the month from every angle. The magazine also provides an in-depth analysis of businesses using rankings, interviews with prominent figures, business maps, and investigations.

Topical online projects

All of RBC's topical online projects rank among the five most popular online resources in their respective categories, according to TNS.

RBC Real Estate is one of the most modern and actively developing platforms dedicated to real estate on the Russian Internet.

Autonews deals with everything that has to do with cars. This is the only RBC online business project that has its own brand history and a reputation of a segment leader.

RBC Style is a publication that suits varied needs and interests of readers, be it cars, real estate, culture, sport, fashion, or technology. RBC Style provides a regular coverage of the most exciting events. The project is run by a united editorial office which is also in charge of topical information for RBC's printed publications.

RBC Sport is an online resource about everything that has to do with sport.

B2B information and services

RBC Research

RBC Research is the No. 1 resource on the Runet selling ready-made research in various economy sectors produced both by the company's experts and its partners. The project was rolled out on the market in 2001. It partners with over 150 research agencies, and their products are also available in the online store at marketing.rbc.ru.

RBC Conferences

RBC Conferences is the first department to react to the key global events that have an impact on the business processes in Russian companies.

QuoteTerminal

QuoteTerminal is an information and analytical system for professional investors, traders, and financial analysts. Organized in a single operating space, all types of information feeds required for managing investments are featured with convenient options: stock exchange quotes, indexes and calculated rates, the results of fundamental and technical analysis (historic data in the form of graphs, stock quotes, and the multiples and yield calculator), newlines, market reviews, expert commentaries, key macroeconomic metrics, and a database of Russian companies.

Public.ru

Public.ru is one of the leading digital Russian-language media libraries. An extensive information database allows users to access the latest content and analysis contained in over 100m publications from more than 15,000 media resources: newspapers, magazines, information agencies' newlines, online publications, and industry-specific websites, and TV channels' and radio stations' news. Public.ru's media database covers all Russian regions, CIS and non-CIS states. An object search produces the results with over 6,000 public figures and organizations.

B2B infrastructure

RU-CENTER Group is an amalgam of key players on the Internet infrastructure market to deliver domain registration, web hosting, and associated products. Group companies offer hosting and domain registration services in worldwide extensions for a wide range of audiences: from beginners to professionals. The customers enjoy complete legal and accounting assistance and technical support 24/7. As part of the business, the group companies: provide additional services for domain parking, SSL certificates, domain name auctions, etc. (more information about the services can be found at <https://www.nic.ru/dns/service/>). participate in international communities regulating Internet media.

The RU-CENTER Group is one of the largest domain name registrar and provider of hosting services. The group has the largest regional network among all market players: more than 40 offices in Russia and 10 abroad. RU-CENTER Group's customer database has more than 1m users. The company is also a holder of 80% of domains from the top 300 Russian companies.

Inspiration from RBC

RBC supports Russian entrepreneurs by motivating it, recognizing its achievements, and rewarding it with attention and acknowledgment.

RBC Awards

An event aimed at promoting entrepreneurship and social responsibility in Russia. The Award recognizes the most prominent Russian businessmen and community leaders.

EFFIE RUSSIA

EFFIE is the most prestigious global award in the sphere of marketing. Since 1968, Effie is presenting awards globally in 40 countries for the main achievement in marketing communications and advertising - efficiency.

Non-core assets**CNews**

One of the leading daily publications about the IT industry in Russia and the CIS. CNews publishes a monthly magazine of the same name. It also organizes seminars, press conferences, round table discussions, and CNews Forum conferences. In its 15-year history, CNews has become synonymous to the term "IT publication" for the Russian business audience.

Loveplanet

The leading dating website in Runet. More than 20m users have registered on the website since 2005. The service uses the latest online trends: geotargeting - searching people within the radius of several hundred meters, authorization through social networks, "likes," matches based on common interests, etc. Since 2012, Loveplanet has been actively developing its mobile applications.

3.

REPORT BY THE COMPANY'S BOARD OF DIRECTORS ON THE COMPANY'S PERFORMANCE IN PRIORITY AREAS OF BUSINESS

2015 revenue of RBC group of companies

Mln rubles	2014	2015	Change, %
B2C information and services	2,746	2,780	1%
B2B information and services	133	162	22%
B2B infrastructure	1,600	1,789	12%
Inspiration from RBC	36	18	-50%
Non-core assets	418	337	-19%
Aggregate revenue	4,933	5,086	3%

2015 EITDA of RBC group of companies

Mln rubles	2014	2015	Change, %
B2C information and services	557	485	-13%
B2B information and services	22	3	-85%
B2B infrastructure	517	662	28%
Inspiration from RBC	-26	-22	15%
Non-core assets	31	84	171%
Operating EBITDA of business divisions	1,101	1,212	10%
Management expenses	-832	-786	6%
Aggregate EBITDA	269	426	58%

B2C information and services

In this segment, the company focused all of its efforts on maintaining revenue despite a general negative trend on the market. The company managed not only to do that, but also to expand its market share in key display advertising market segments.

Breakdown of B2C information and services segment by platform in 2015

Mln rubles	2014	2015	Change, %	
			RBC	Market ¹
Internet	1,628	1,702	5%	-2%
TV	878	863	-2%	-38%
Printed publications	240	215	-11%	-29%
Aggregate B2C revenue	2,746	2,780	1%	

Highlights of the B2C information and services segment in 2015:

- Expansion of the advertising product lineup
 - Development of cross-platform advertising on RBC (RBC 360 project, which makes it possible to run advertising campaigns on all platforms: the website, the TV channel, the newspaper, and the

¹ Advertising market dynamics in 2015 according to RACA (http://www.akarussia.ru/knowledge/market_size/id6462)

- magazine). Revenue from this segment made up more than 40% of RBC's total revenue from advertising projects in 2015.
- Development of partnership projects (special advertising and RBC+ projects). The company made 128 partnership projects (or 558 partnership materials) online, in printed publications, and on the TV channel in 2015.
 - Native video advertising on the website.
 - 3D ORAD on RBC TV.
 - Advertising products on mobile devices. Revenue from mobile advertising surged 65% year-on-year in 2015. The share of RBC's mobile audience reached 29% last year.
- The company carried out a more aggressive marketing policy in H2 2015, which somewhat cut the EBITDA of the media unit as compared to the previous year. This policy is expected to help the company further increase the share of its sales on the advertising market, which is partly evidenced by the sales results of Q1 2016.
 - The rbc.ru website maintained its leading position as the most frequently cited federal mass media² and visited website in the News and mass media category³. The Russian audience of RBC newspaper rose 36% last year⁴ and the publication advanced to the top 10 most frequently cited newspapers⁵. RBC newspaper has been the leader in audience among business dailies since September 2015⁶. RBC TV launched a new season in the fall of 2015, having asserted its leadership in the segment.
 - A cross-platform ranking of Russia's 500 largest companies compiled by the editorial team has become a highlight in the country's business and public life and sparked significant interest of the audience: there were more than 500 mentions of the ranking in federal media during the first week after its release and over 5m views on the rbc.ru website⁷.
 - RBC Money project (money.rbc.ru), which was launched in 2015, has become the company's response to the economic crisis that offers information and services. The company has taken a more practical approach to news and educates its audience not only on how to make money but on ways of investing and saving it.
 - RBC was a special information partner of the St. Petersburg International Economic Forum in 2015. It published more than 200 materials on its media platforms, made 70 exclusive interviews, and over 12 hours of TV broadcasts during the special project for the Forum.

B2B infrastructure

The revenue in this segment climbed 12%, while the revenue of the key brand, RU-CENTER, increased 18%. The segment's EBITDA rose by RUB 145m (28%) despite a considerable increase in the prime cost as a result of a steep rise in the U.S. dollar value against the ruble. The profitability ratio improved to 37% from 32% on the back of the optimization of non-production costs.

Higher revenue is attributable to the following factors:

- Expansion of the product lineup
 - RU-CENTER launched over 130 new top-level domains and registration of domains became available to the clients of the company's other brands. Around 15% of clients chose domain names in new top-level domains as of the end of the year.
 - SSL certificates, the sales of which rise over 20% annually at RU-CENTER, became available to the clients of the company's other brands, including the hosting ones.
 - The company began selling solutions for online businesses, in particular it launched contextual advertising and website monitoring services, and experimented with offering partnership products and services. It became evident that these solutions were in high demand and the company intends to develop this line of business in 2016.

² According to the ranking of federal media in 2015 compiled by Medialogia (http://www.mlg.ru/ratings/federal_media/4009/2015/0/)

³ According to data from Liveinternet (<http://www.liveinternet.ru/rating/ru/#geo=ru;group=media>)

⁴ TNS Russia, NRS Russia (cities 100K+, age 16+), 1st wave 2016

⁵ According to the ranking of federal media in 2015 by Medialogia (http://www.mlg.ru/ratings/federal_media/4009/2015/0/)

⁶ TNS Russia, the analysis of printed publications' audience, 1st wave 2016 (September 2015 - February 2016)

⁷ According to the internal statistics of rbc.ru

- In 2015, an upgrade of nic.ru website began. Specifically, the domain selection service was upgraded with an introduction of smart domain ranking system. This improvement resulted in an 8% rise in the number of registered domains. The websites of hosting brands, Hosting Center and SpaceWeb, were completely revamped, which led to a noticeable improvement in user metrics.
- The commercial policy was revised and new plans for hosting products were introduced.

Among the company's other priorities in 2015 were the improvement of hosting products, greater stability of operation, and reliability and safety of infrastructure.

B2B information and services

The revenue of this segment shot up 22%, whereas EBITDA dropped by RUB 19m. The company continues investing in the development of www.public.ru project, which it acquired earlier.

Inspiration from RBC

RBC gave up a number of ineffective projects in this segment way back in 2014. EBITDA rose 15% thanks to the optimization of business processes in the segment.

Non-core assets

The increase in this segment's EBITDA by 164% (RUB 52m) is attributable to a considerable improvement in the business indicators of LovePlanet project.

4.

INFORMATION ON THE USE OF EACH TYPE OF ENERGY RESOURCE BY THE COMPANY IN MONETARY TERMS AND IN-KIND

The cost of electrical and thermal power in 2015 was included in the cost of the lease payment for the building used by the company for its office.

Information on the cost of electricity in 2015:

RBC PJSC	in-kind	in monetary terms
	1,084,987 kW	4,352,967.84 RUB

Other types of energy resources were not used in the reporting year.

5.

OUTLOOK FOR THE DEVELOPMENT OF THE JOINT-STOCK COMPANY

The business of RBC Group has been on the rise.

In 2015, RBC was able to outperform the market in all lines of sales.

The group's aggregate sales totaled RUB 5.086bn, up 3% on 2014.

The group's EBITDA reached RUB 426m, a 58% increase year-on-year.

The profitability ratio rose to 8.4% from 5.5%.

For the first time in four years, RBC did not borrow funds or raise them from asset sale in order to finance its operations in 2015.

The outlook for the Company's development: to continue with this policy and maintain the development pace of 2015 in 2016.

6.

INFORMATION ABOUT THE COMPANY'S PAYOUT OF DIVIDENDS

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.

7.

DESCRIPTION OF KEY RISK FACTORS RELATED TO THE COMPANY'S ACTIVITIES

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 segments of "B2B information and services" and "B2B infrastructure."
- Sanctions imposed against Russia and the increase of the U.S. dollar against the Russian ruble have an adverse effect on the cost of domain names in New gTLDs for the segment of RBC's "B2B infrastructure."
- 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 advertising 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 implemented 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 19 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.
- The operations of Russian domain name registrars can be subject to politically motivated actions of foreign partners (registry operators of top-level domains, including those being launched under the New gTLD program; domain name registrars having Russian registrars as resellers; business partners of Russian registrars providing domain registration and maintenance services in Russia-related top-level domains abroad) that could inflict material reputational and business losses.

Legal risks

- Changes in the regulatory environment for the activities of Russian 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.
- Repeated changes in the laws governing the operations of domain name registrars and hosting providers along with the tighter government control over content distributed via the internet could prompt customers to opt for service providers located abroad.

Market risks

- The advertising market is subject to cyclical movements and is reflective of the 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 commercial 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 types of 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 in the segment of domain registration and hosting services, as well as 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 and technically support RBC's business operations could have an adverse influence on RBC's market share 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 solutions being developed by the company and impair the company's ability to protect its intellectual property. 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

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- 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 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 and customers, damage its reputation and have a negative impact on its revenue. RBC maintains backup servers and isolated generators to ensure the uninterrupted operation of the company, 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 business 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 360 sales. Furthermore, cross promotion of its products helps RBC bolster the recognition of its existing and newly created products.

8.

A LIST OF TRANSACTIONS THAT WERE PERFORMED BY THE JOINT-STOCK COMPANY IN THE REPORTING YEAR AND THAT ARE CLASSIFIABLE AS MAJOR TRANSACTIONS IN ACCORDANCE WITH THE FEDERAL LAW "ON JOINT-STOCK COMPANIES," AS WELL AS ANY OTHER DEALS THAT ARE SUBJECT TO APPROVAL AS MAJOR DEALS IN ACCORDANCE WITH THE PROCEDURE STIPULATED IN THE COMPANY'S ARTICLES OF ASSOCIATION, WITH INFORMATION ABOUT MATERIAL TERMS OF EACH DEAL AND THE JOINT-STOCK COMPANY'S MANAGEMENT BODY THAT APPROVED IT

In 2015, the Company 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.

9.

A LIST OF TRANSACTIONS THAT WERE PERFORMED BY THE JOINT-STOCK COMPANY IN THE REPORTING YEAR AND THAT ARE CLASSIFIABLE AS RELATED-PARTY TRANSACTIONS IN ACCORDANCE WITH THE FEDERAL LAW "ON JOINT-STOCK COMPANIES", AND THAT MUST BE APPROVED BY THE JOINT-STOCK COMPANY'S MANAGEMENT BODY IN ACCORDANCE WITH CHAPTER XI OF THE FEDERAL LAW "ON JOINT-STOCK COMPANIES"

1. An agreement on the sale of RBC PJSC's stake in BusinessPress LLC to RBK Online LLC.

Information about a related party including the reason why this person or entity was a related party to the deal:

Nikolay Molibog was the general director of RBC PJSC and a member of its board of directors, as well as the general director of RBK Online LLC at the time of the deal.

PRAGLA LIMITED held over 20% of shares in RBC PJSC at the time of the deal and its affiliated company RBK Online LLC was a party to the deal.

The above-mentioned circumstances constitute a related-party transaction in accordance with the applicable laws of the Russian Federation.

Material terms of the transaction:

- The Seller: RBC PJSC
- The Buyer: RBK Online LLC;
- Nominal value of the participatory interest subject to sale: RUB 50,000 (fifty thousand rubles), which is 100% of the authorized capital;
- Acquisition price (value of the transaction): RUB 7,983,000 (seven million nine hundred eighty three thousand rubles).

The company's management body that passed a resolution to approve the transaction: the board of directors (Minutes No. 81 dated April 24, 2015)

2. An agreement on the sale of RBC PJSC's stake in BusinessPress SPB LLC to RBK Online LLC.

Information about a related party including the reason why this person or entity was a related party to the deal:

Nikolay Molibog was the general director of RBC PJSC and a member of its board of directors, as well as the general director of RBK Online LLC at the time of the deal.

PRAGLA LIMITED held over 20% of shares in RBC PJSC at the time of the deal and its affiliated company RBK Online LLC was a party to the deal.

The above-mentioned circumstances constitute a related-party transaction in accordance with the applicable laws of the Russian Federation.

Material terms of the transaction:

- The Seller: RBC PJSC
- The Buyer: RBK Online LLC;
- Nominal value of the participatory interest subject to sale: RUB 100 (one hundred rubles), which is 1% of the authorized capital;
- Acquisition price (value of the transaction): RUB 874,000 (eight hundred seventy four thousand rubles).

The company's management body that passed a resolution to approve the transaction: the board of directors (Minutes No. 81 dated April 24, 2015)

3. The transaction involving RBC PJSC's additional contribution to the authorized capital of RBK Online LLC.

Information about a related party including the reason why this person or entity was a related party to the deal:

Nikolay Molibog was the general director of RBC PJSC and a member of its board of directors, as well as the general director of RBK Online LLC at the time of the deal.

PRAGLA LIMITED held over 20% of shares in RBC PJSC at the time of the deal and its affiliated company RBK Online LLC was a party to the deal.

The above-mentioned circumstances constitute a related-party transaction in accordance with the applicable laws of the Russian Federation.

Material terms of the transaction:

- **contribution amount (value of the transaction):** RUB 206,743,000 (two hundred six million seven hundred forty three thousand rubles);
- **an amount of the increase in the nominal value of the Company's participatory interest in the authorized capital of RBK Online LLC:** RUB 206,743,000 (two hundred six million seven hundred forty three thousand rubles);
- **the composition of the contribution:**

a) the following property:

- Shares of RBC TV Closed Joint-Stock Company (RBC TV CJSC) (OGRN 1027700202683) in the amount of 18,000 units with a par value of RUB 10 each; the total par value of contributed shares equals RUB 180,000 (one hundred eighty thousand rubles) or 100% of the authorized capital;
- Shares of RBC TV Novosibirsk Closed Joint-Stock Company (RBC TV Novosibirsk CJSC) (OGRN 1035402457155) in the amount of 3 units with a par value of RUB 84 each; the total nominal value of contributed shares equals RUB 252 (two hundred fifty two rubles) or 3% of the authorized capital;

b) monetary funds in the amount of RUB 8,857,000 (eight million eight hundred fifty seven thousand rubles);

- **procedure and time frame for making the contribution:** the contribution shall be made by wiring the monetary funds to RBK Online LLC's settlement account no later than six months from the passing of the resolution on the said contribution by RBK Online LLC's meeting of members in accordance with Article 19 Clause 2 of the Federal Law "On limited liability companies";
- **aggregate nominal value and size of the Company's participatory interest in the authorized capital of RBK Online LLC as a result of the additional contribution:** RUB 206,753,000 (two hundred six million seven hundred fifty three thousand rubles) or 19.537% of the authorized capital of RBK Online LLC.

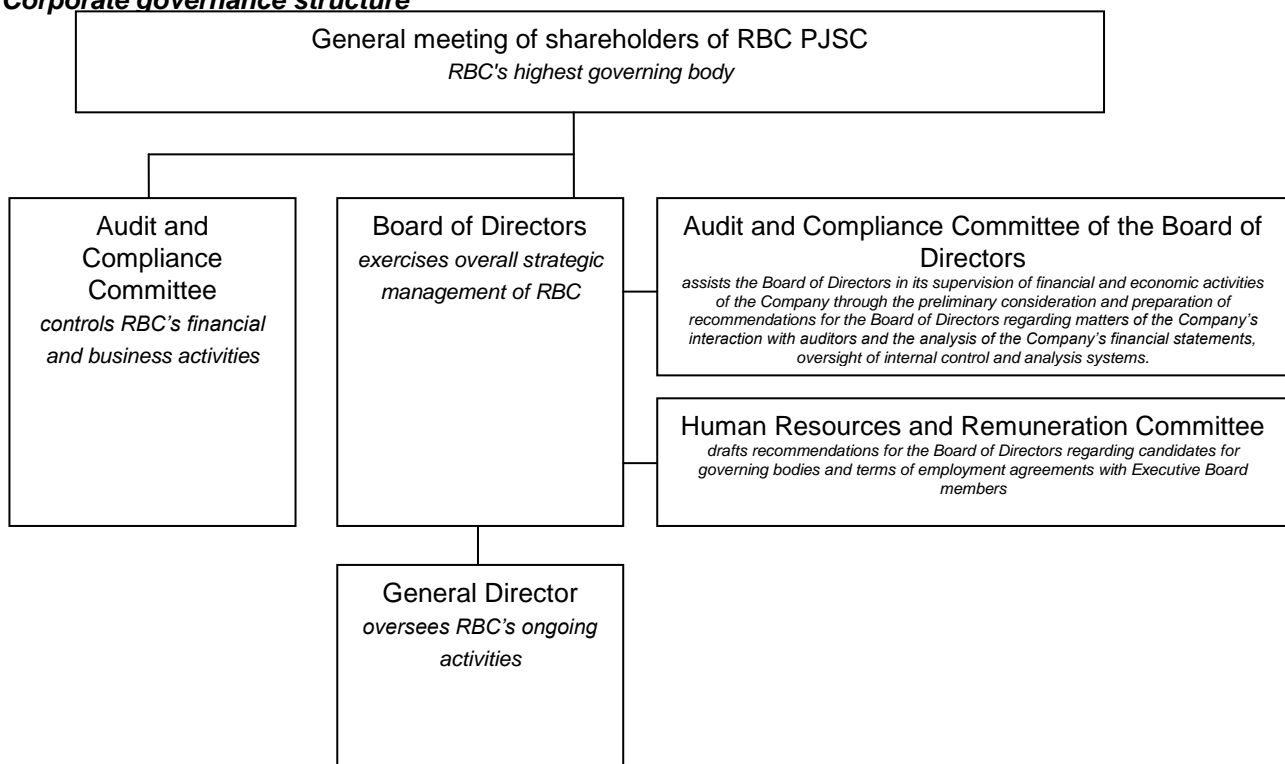
The company's management body that passed a resolution to approve the transaction: the board of directors (Minutes No. 81 dated April 24, 2015)

10.

COMPOSITION OF THE COMPANY'S BOARD OF DIRECTORS (SUPERVISORY COUNCIL), INCLUDING INFORMATION ABOUT CHANGES IN THE COMPANY'S BOARD OF DIRECTORS (SUPERVISORY COUNCIL) THAT TOOK PLACE IN THE REPORTING YEAR, AND DATA ABOUT MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS (SUPERVISORY COUNCIL), INCLUDING BRIEF BIOGRAPHIES, PARTICIPATORY INTEREST IN THE COMPANY'S AUTHORIZED CAPITAL, AND SHARES OF THE COMPANY'S COMMON STOCK OWNED BY THEM, AND, IN THE EVENT OF ANY PURCHASE OR SALE TRANSACTION INVOLVING THE COMPANY'S SHARES BY THE MEMBERS OF THE BOARD OF DIRECTORS (SUPERVISORY COUNCIL) DURING THE REPORTING YEAR - INFORMATION ABOUT EACH TRANSACTION, INCLUDING TRANSACTION'S CLOSING DATE, ITS TERMS, AND CATEGORIES (TYPES) AND THE AMOUNT OF THE COMPANY'S SHARES THAT WERE THE SUBJECT OF THE TRANSACTION

RBC regards corporate governance as a system of relations between owners of the Company's securities, the Company's Board of Directors, its senior executives, and other related parties, the purpose of which is to ensure the efficiency of RBC's business operations and protect investors' interests. In its day-to-day operation, the Company is guided by the globally recognized information disclosure standards.

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.ru.

The general meeting of shareholders is RBC PJSC'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, approval of new versions 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 PJSC'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.

In the reporting period, the general meeting of shareholders was held on June 26, 2015. In accordance with the voting results, the shareholders approved the annual report, annual financial statement, including the profit and loss statement, and adopted a resolution not to pay out dividends for 2014. Grant Thornton CJSC was approved as RBC PJSC's auditor for 2015 (its new name is Baker Tilly Rus JSC). The shareholders also elected members of the Board of Directors and members of the Audit and Compliance Committee of RBC PJSC.

RBC PJSC's Audit and Compliance Committee oversees the Company's financial and business activities. In its operation, the Audit and Compliance Committee is governed by the Russian laws and other legal acts, the Federal Law on "On Joint-Stock Companies", RBC PJSC's Articles of Association, the Regulations on the Company's Audit and Compliance Committee, as well as resolutions of the Company's general meeting of shareholders and the Board of Directors. Members of the Audit and Compliance Committee are elected by the general meeting of shareholders for the period until the next annual general meeting.

Following the annual general meeting dated June 26, 2015, the following members were elected to the Audit and Compliance Committee: Marina Risukhina, head of accounting and reporting department of the Finance Department of Onexim Group, Alexandra Filippenko, chief specialist of the investment accounting division, accounting and reporting bureau of the Finance Department of Onexim Group, and Olga Chernova, CFO of RBC PJSC.

RBC's 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 PJSC'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;
- 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.

The Executive Board members 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 annual general meeting dated June 26, 2015 elected new Board of Directors which included Andrey Kononov, Alexander Lyubimov, Anastasiya Maksimova, Nikolay Molibog, Elena Myasnikova, Sergey Podsypanin, Ekaterina Salnikova, Derk Sauer, and Natalia Sharshova.

On November 26, 2015, the extraordinary general meeting of shareholders terminated prematurely the powers of the members of the Board of Directors elected at the annual general meeting held on June 26, 2015 and

appointed the new Executive Board. The voting determined the new members of the Executive Board: Andrey Kononov, Alexander Lyubimov, Nikolay Molibog, Elena Myasnikova, Sergey Podsypanin, Ekaterina Salnikova, Derk Sauer, Dmitry Razumov, and Dmitry Usanov.

Members of RBC PJSC's Board of Directors as of 31.12.2015

Dmitry Razumov
Chairman

Mr. Razumov has served as General Director of ONEXIM Group since 2007. He was elected Chairman of Renaissance Credit's Board of Directors in August 2015 and Chairman of RBC PJSC's Board of Directors in December of the same year. He was elected a Board member of Uralkali PJSC and UKRAINIAN AGRARIAN INVESTMENTS S.A. in 2014 and Chairman of Brooklyn Nets' Board of Directors in May of the same year. Mr. Razumov was elected Chairman of Renaissance Financial Holdings Limited's Board of Directors in 2013. He served as a Board member of RENAISSANCE CAPITAL INVESTMENTS LIMITED in 2012-2013 and as a Board member of Polyus Gold International Limited in 2011-2013. He has been a Board member of Intergeo MMC Ltd. since 2012 and was elected its Chairman in April 2015. Mr. Razumov also serves as Chairman of Onexim Holdings Limited's Board of Directors. He has chaired the Board of Directors of [Soglassye IC LLC](#) since 2011. He sat on the Board of Directors of Norilsk Nickel MMC OJCS and chaired Board of Directors of International Financial Club bank in 2009-2010. Mr. Razumov served as a Board member of Renaissance Financial Holdings Limited since 2009. He was a member of [UC RUSAL's](#) Board of Directors in 2008-2012. He has been a Board member of [OPIN PJSC](#) since 2008 and its Chairman since 2010, as well as a Board member of Intergeo Managing Company LLC since 2008. Since 2001, Mr. Razumov has served as Deputy CEO for M&A at [Norilsk Nickel MMCOJSC](#) and was responsible for groundbreaking deals, acquiring foreign assets of [Stillwater Mining Company](#) and [Gold Fields](#) and spinning off [Polyus Gold](#). In 2000-2003, he was a Board member of Sonic Duo and MegaFon, the third-largest mobile network operator in Russia. In 1999-2003, he served as Managing Director at LV Finance, an investment fund specializing in consultancy services in corporate finance and venture investments. In 1997-1998, he was Deputy Head of Investment Banking at [Renaissance Capital Investment Bank](#). He practiced law at the international law firm of [Clifford Chance](#) in 1994-1997. Mr. Razumov graduated from the Moscow State Institute of International Affairs, majoring in international law.

Participatory interest in the share capital of RBC PJSC: 0%

Share of owned ordinary shares of RBC PJSC: 0%.

Derk Sauer
Deputy Chairman

Year of birth: 1952

Citizenship: Dutch

Member of RBC PJSC's Board of Directors since December 2012 and Chairman of the Board of Directors since his election to the Board of Directors until November 2013. He held the position of Deputy Chairman of the Board of Directors from November 2013 to January 9, 2014 and served as Chairman of RBC's Board of Directors from January 10, 2014 to June 26, 2015. He held the position of RBC PJSC President from December 2012 to December 2015 and was RBC PJSC's CEO from November 2013 until January 9, 2014. Since 1992, Mr. Sauer was at the helm of Sanoma Independent Media (publishes The Moscow Times and Vedomosti newspapers, Cosmopolitan, Esquire, Harvard Business Review magazines, etc.). In particular, he served as Sanoma Independent Media CEO in 1992-2008 and Chairman of the Supervisory Board in 2007-2013.

He graduated from Gymnasium Amstelveen and Trinity College Dublin.

Participatory interest in the share capital of RBC PJSC: 0%

Share of owned ordinary shares of RBC PJSC: 0%.

Dmitry Usanov

Mr. Usanov was appointed Deputy CEO of ONEXIM Group in April 2015. He is

currently a Board member of [Soglassye IC LLC](#), [RBC PJSC](#), and [Renaissance Credit](#). Since 2010 and prior to joining ONEXIM, Mr. Usanov was in charge of strategic development and capital markets at MMK Group, one of the world's largest steel producers. He started his career as consultant at PriceWaterhouseCoopers. Mr. Usanov served as CEO at a private investment and construction holding in 2008-2010. In 2004-2008, he held a number of senior management positions at Norilsk Nickel MMC and was responsible for strategy, business development, investor relations and corporate governance. In 2001-2004, he served as M&A Director at LV Finance, an investment fund specializing in consultancy services on corporate finance and venture investments.

Mr. Usanov graduated magna cum laude from the Institute of International Economics of the State University of Management with a degree in international economics.

Participatory interest in the share capital of RBC PJSC: 0%

Share of owned ordinary shares of RBC PJSC: 0%.

Ekaterina Salnikova

Year of birth: 1957

Citizenship: Russian

Member of the RBC PJSC's Board of Directors since 2010. She has held the post of Deputy CFO at Onexim Group since 2007. She is also a Board member of: Soglassye IC LLC, Quadra PJSC, and OPIN PJSC. Earlier, she was Deputy CFO for corporate governance at Interros Holding Company CJSC.

Ms. Salnikova graduated from the Sergo Ordjonikidze Management Institute with a major in organization management and from the Russian Presidential Academy of National Economy and Public Administration with a degree in general law. Ms. Salnikova holds a PhD in Economics.

Participatory interest in the share capital of RBC PJSC: 0%

Share of owned ordinary shares of RBC PJSC: 0%.

Andrey Kononov

Year of birth: 1974

Citizenship: Russian

Member of RBC PJSC's Board of Directors since 2015.

Mr. Kononov has headed the Corporate Governance Standards Department at Onexim Group LLC since 2010. He has been a Board member of Profotech JSC since 2012; Rublevo JSC since 2012; Kraus-M CJSC since 2013; and Quadra PJSC from 2014 to 2016.

He graduated from the Moscow Technical University of Communications and Informatics with a degree in economics and management.

Participatory interest in the share capital of RBC PJSC: 0%

Share of owned ordinary shares of RBC PJSC: 0%.

Nikolay Molibog

Year of birth: 1975

Citizenship: Russian

Member of RBC PJSC's Board of Directors since June 2014. Mr. Molibog has been CEO of RBC since January 2014. He held the position of First Deputy CEO of RBC PJSC from August 2013 until his appointment as CEO. Mr. Molibog was a manager of a regional network of Kommersant Publishing House CJSC in 2000-2003. He worked as Deputy Managing Director of broadsheet newspaper Gazeta in 2003-2004. Since 2004, he worked for Afisha where he advanced from the position of Director for Distribution and Regional Development to CEO of Afisha Comany LLC. Mr. Molibog was CEO of Rambler Internet Holding LLC

from July 2010 to May 2013.

He graduated from the Novosibirsk State Technical University with a degree in economics.

Participatory interest in the share capital of RBC PJSC: 0%

Share of owned ordinary shares of RBC PJSC: 0%.

Elena Myasnikova

Year of birth: 1957

Citizenship: Russian

Member of RBC PJSC's Board of Directors since December 2012. Ms. Myasnikova has also been Vice President of RBC PJSC since November 2012. Earlier, she was CEO of Sanoma Independent Media, a publishing house, from January 2008 to October 2012. She served as CEO of FashionPress LLC in 2005-2008.

Ms. Myasnikova graduated from Lomonosov Moscow State University with a degree in philology.

Participatory interest in the share capital of RBC PJSC: 0%

Share of owned ordinary shares of RBC PJSC: 0%.

Sergey Podsypanin

Year of birth: 1970

Citizenship: Russian

Member of RBC PJSC's Board of Directors since June 2013. Mr. Podsypanin has headed the Legal Department at Onexim Group and has been a Board member of OPIN PJSC since 2008. Earlier, he was a Board member of Quadra PJSC, Deputy CEO of Agros APK CJSC, and Director of Legal Department at First OVK Bank.

Mr. Podsypanin graduated from Lomonosov Moscow State University with a degree in law.

Participatory interest in the share capital of RBC PJSC: 0%

Share of owned ordinary shares of RBC PJSC: 0%.

Alexander Lyubimov

Year of birth: 1962

Citizenship: Russian

Member of RBC PJSC's Board of Directors since June 2014. Mr. Lyubimov headed RBC TV channel from November 2011 to 2014. He is a co-founder of VID TV company and has been President of VID TV JSC since April 2015. Mr. Lyubimov was First Deputy CEO of Channel One Russia and produced several TV shows in 2001-2003. In 2007-2011, he worked for Russia TV channel as a host, and in December 2007 was named First Deputy CEO.

Mr. 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.

Participatory interest in the share capital of RBC PJSC: 0.333333%.

Share of owned ordinary shares of RBC PJSC: 0.333333%.

Date of the deal: October 9, 2015

Content of the deal: share purchase agreement

Category (type) of shares: ordinary

The number of the joint-stock company's shares subject to the deal: 1,218,770 shares

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 11 meetings were held in 2015, three 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 PJSC in 2015

	Meeting of the Board of Directors	
	Joint presence	Meeting by mail-in ballot
Derk Sauer	1/1	5/8
Valery Senko*	1/1	3/3
Ekaterina Salnikova	1/1	8/8
Elena Myasnikova	1/1	8/8
Sergey Podsypanin	1/1	8/8
Natlya Sharshova**	0/0	3/3
Andrey Kononov***	0/0	5/5
Nikolay Molibog	1/1	8/8
Pavel Danilov****	0/1	2/3
Jurijs Adamovics*****	0/1	2/3
Alexander Lyubimov	1/1	8/8
Anastasia Maksimova*****	0/0	2/3
Dmitry Razumov*****	0/0	2/2
Dmitry Usanov	0/0	2/2

**Valery Senko acted as a member of the Board of Directors until June 26, 2015.

***Natalya Sharshova acted as a member of the Board of Directors from June 26, 2015 until November 26, 2015.

****Andrey Kononov acted as a member of the Board of Directors from June 26, 2015.

*****Pavel Danilov acted as a member of the Board of Directors until June 26, 2015.

*****Jurijs Adamovics acted as a member of the Board of Directors until June 26, 2015.

*****Anastasiya Maksimova acted as a member of the Board of Directors from June 26, 2015 until November 26, 2015.

*****Dmitry Razumov acted as a member of the Board of Directors from June 26, 2015.

*****Dmitry Usanov acted as a member of the Board of Directors from June 26, 2015.

Note: The first number indicates the number of meetings attended by a member of the Board of Directors, and the second number - a total number of meetings held during the term of the Board member performing its obligations as a Board member.

Committees of the Board of Directors

Committees of the Board of Directors of the Company are formed to work on issues that fall within the scope of powers of the Board of Directors, and two committees were set up to issue recommendations to the Board of Directors: the Audit and Compliance Committee 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 are: Dmitry Usanov (chairman), Elena Myasnikova, and Andrey Kononov.

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 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 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 are: Ekaterina Sahnikova (chairwoman), Sergey Podsypanin, and Alexander Lyubimov.

11.

INFORMATION ABOUT A PERSON HOLDING THE POSITION OF (ACTING AS) THE COMPANY'S SOLE EXECUTIVE BODY, INCLUDING BRIEF BIOGRAPHY, PARTICIPATORY INTEREST IN THE COMPANY'S AUTHORIZED CAPITAL, AND THE SHARE OF THE COMPANY'S COMMON STOCK OWNED BY HIM, AND, IN THE EVENT OF ANY PURCHASE OR SALE TRANSACTIONS INVOLVING THE COMPANY'S SHARES BY THE PERSON ACTING AS THE COMPANY'S SOLE EXECUTIVE BODY DURING THE REPORTING YEAR – INFORMATION ABOUT EACH TRANSACTION, INCLUDING TRANSACTION'S CLOSING DATE, ITS TERMS, AND CATEGORIES (TYPES) AND THE AMOUNT OF THE COMPANY'S SHARES THAT WERE THE SUBJECT OF THE TRANSACTION

The Company's CEO (sole executive body) oversees RBC's ongoing activities. Moreover, the CEO arranges for the implementation of resolutions issued by the general meeting of shareholders and the Board of Directors of the Company. The CEO acts on the basis of RBC PJSC's Articles of Association and internal documents. The CEO is appointed by the Company's Board of Directors for a term of three years, and the Board of Directors is entitled to remove him from office before this term expires.

From January 10, 2014, Nikolay Molibog has been the Company's CEO.

Nikolay Molibog

Year of birth: 1975

Citizenship: Russia

Mr. Molibog has been a member of RBC PJSC's Board of Directors since June 2014. He has been CEO of RBC PJSC 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 Company Afisha LLC. Since July 2010 and until May 2013, Mr. Molibog was CEO of Rambler Internet Holding LLC.

He graduated from the Faculty of Economics of Novosibirsk State Technical University.

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

12.

MAIN PROVISIONS OF THE COMPANY'S REMUNERATION AND/OR COMPENSATION POLICY AND DATA ABOUT EACH MANAGEMENT BODY OF THE COMPANY

In 2015, members of the Company's Board of Directors and CEO were paid a total of RUB 21.2m.

13. STATE OF THE COMPANY'S NET ASSETS

As of December 31, 2015, the value of the Company's net assets stood at RUB (529,673,000).

Results showing changes in the Company's net asset value and authorized capital in the last three reporting years:

Reporting period	Net asset value, RUB, thousand	Total authorized capital, RUB, thousand
As of December 31, 2013	2,639,184	234
As of December 31, 2014	1,048,199	234
As of December 31, 2015	(529,673)	234

The analysis of reasons and factors which, according to the Company's Board of Directors, led to the Company's net asset value being lower than its authorized capital

As of December 31, 2015, the net asset value was negative and lower than the Company's total authorized capital. A decrease in the Company's net asset value below its authorized capital was registered for the first time in the past three reporting periods. This can be traced to a rise in the dollar exchange rate from mid-2014 and is also indicative of a heavier debt burden of the Company in the overall financial performance due to losses from currency fluctuations. 2015 losses from currency difference totaled RUB (1,353,173,000).

A list of measures aimed at bringing the company's net asset value in balance with its authorized capital.

The Company uses its best efforts to restructure its foreign currency loans and ease the debt burden. In preparation of the annual financial statement, the Company's management assumed that in foreseeable future the Company would continue running its business and it has no intentions or need to liquidate or significantly curtail the scope of its activities; therefore, the liabilities would be discharged and assets would be sold in the ordinary course of business, which should have a positive effect on the buildup of net asset value in future.

14. ON COMPLIANCE WITH RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE

Statement of the Company's Board of Directors on compliance with the corporate governance principles stipulated by the Corporate Governance Code.

The Company in its activities follows the Corporate Governance Code recommended by the Bank of Russia, which ensures the Company's efficient operation and helps maintain shareholders' trust. The Company fully complies with the requirements of the Russian laws, including laws on corporate governance, anti-corruption legislation, and securities market regulations. Moreover, the Company applies corporate governance principles to the work of its departments and employees, regardless of their position and place of work, as well as all of its members of the executive bodies.

The Company acknowledges the importance of high-level corporate governance for its successful development and plans to continue taking steps to introduce the best corporate governance practices, including those based on the Corporate Governance Code, both by adopting internal documents that regulate the Company's bodies, and by amending internal documents that regulate activities of management, executive, and other bodies.

The Board of Directors believes that the Company is in compliance with the principles and recommendations of the Corporate Governance Code, subject to certain reservations.

A brief description of major aspects and practices of corporate governance within the Company:

The Company uses the corporate governance model approved by the requirements of the Russian laws, and seeks to comply with the requirements for issuers of securities whose shares are included in the "Second Tier" list of securities accepted for trading by MICEX Stock Exchange CJSC.

The Company's corporate governance model ensures the efficiency of corporate governance and operation of the Company in the best interests of its shareholders, as well as the highest standards of information disclosure.

Pursuant to the Company's Articles of Association, the Company's management bodies include:

- General meeting of shareholders;
- Board of Directors;
- General Director.

The Company's CEO who reports to the Board of Directors oversees all current operations as a sole executive body of the Company.

The Company's Audit and Compliance Committee is elected by the General meeting of shareholders and oversees the Company's financial and economic activities. If the Audit and Compliance Committee detects any major violations, it is entitled to convene an extraordinary general meeting of the Company's shareholders.

The description of methodology used by the Company for assessing compliance with the corporate governance principles contemplated by the Corporate Governance Code:

The assessment of compliance with the corporate governance principles contemplated by the Corporate Governance Code was conducted in line with the form of Reporting on compliance with the principles and recommendations of the Corporate Governance Code recommended by the Bank of Russia.

The assessment was carried out by means of analyzing and comparing the Company's Articles of Association and internal documents, as well as other available and accessible information with the principles and recommendations of the Corporate Governance Code.

The Company's planned (intended) activities and steps aimed at improving the corporate governance model and practices and the timeframe for implementing them:

As part of the efforts on improving the corporate governance system, a corporate governance improvement plan will be compiled by the Company before 2020. In 2016-2017, the Company will analyze its Articles of Association and internal documents for their compliance with the Russian laws, Listing Rules of MICEX Stock Exchange, and the Corporate Governance Code.

If changes are required in these documents, they will be submitted to the General Meeting of Shareholders/Board of Directors for approval.

In addition, in compliance with the recommendations of the Corporate Governance Code, the Company will review the feasibility and necessity of approving its new internal documents.