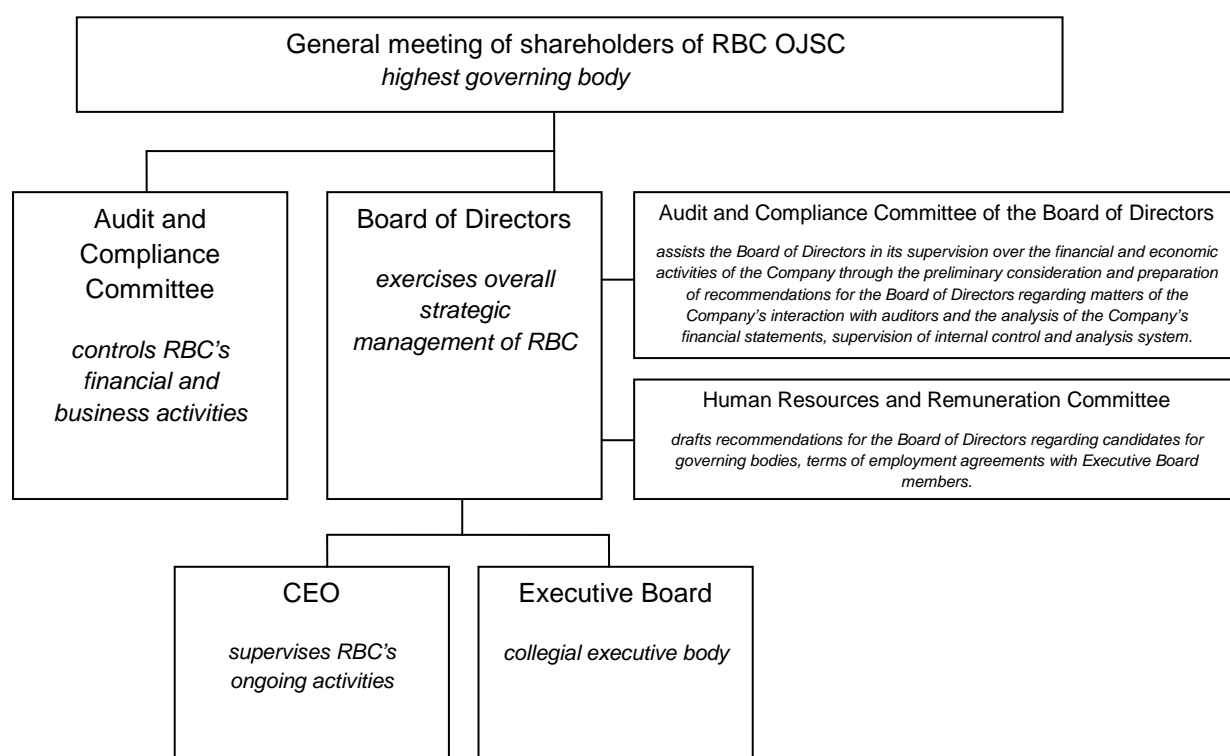


Chapter 4. Corporate governance

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.

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 OJSC⁵. 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

Valery Senko	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

⁵ 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.

Marat Cherkasov	<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>
Neil Osborn	<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

Derk Sauer	Year of birth: 1952
Chairman	Citizenship: Dutch
(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, 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 and 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.