



APPROVED by
the Board of Directors of
PJSC Rostelecom
on November 10, 2016

Minutes No. 07 of 10.11.2016

**REGULATION ON CORPORATE SECRETARY
AND CORPORATE SECRETARY'S OFFICE OF THE
PUBLIC JOINT STOCK COMPANY LONG-DISTANCE AND INTERNATIONAL
TELECOMMUNICATIONS ROSTELECOM**

(Revised version No. 2)

Moscow

2016

1. General provisions

- 1.1. This Regulation on Corporate Secretary and Corporate Secretary's Office (hereinafter referred to as the "Regulation") of the Public Joint Stock Company Long-Distance and International Telecommunications "Rostelecom" (hereinafter referred to as the "Regulation") is the main document governing the activities of the Company's Corporate Secretary (hereinafter referred to as the "Corporate Secretary") and the Corporate Secretary's Office and outlines its competence, the procedure of his appointment and termination of appointment, requirements to an applicant for the position of the Corporate Secretary, the Corporate Secretary duties, powers, rights and obligations, remuneration and responsibility.
- 1.2. The Corporate Secretary's activities are governed by the Civil Code of the Russian Federation, Federal Law No. FZ "On Joint Stock Companies" of 26.12.1995 (hereinafter – "the Federal Law on Joint-Stock Companies"), the Corporate Governance Code recommended for application by the Bank of Russia of 10.04.2014, other laws and regulations of the Russian Federation, the Company Charter, Regulation on the Company General Shareholders' meeting (hereinafter – "Regulations on the General Shareholders' meeting of the Company"), Regulation on the Company Board of Directors (hereinafter – the "Board of Directors"), the Corporate Governance Code of the Company, requirements of the governing bodies of other countries, within the jurisdiction of which the Company falls in the event of a listing of securities at stock exchanges of those countries (hereinafter - the "Applicable law", "Rules and Regulations"), this Regulation and other corporate documents of the Company as approved in accordance with the established procedure (hereinafter referred to as the "Corporate Documents").
- 1.3. The Corporate Secretary ensures efficient current coordination of activities with the Company shareholders, coordination of the Company activities as regards protection of rights and interests of its shareholders, and support of efficient performance of the Board of Directors.
- 1.4. The Corporate Secretary reports and is administratively subordinated to the Company President (hereinafter – the "President").
- 1.5. The Corporate Secretary is entitled to combine his activities with performance of other duties in the Company or other entities with the consent of the Nomination and Remunerations Committee of the Board of Directors.
- 1.6. By a decision of the Board of Directors an office of the Company's Corporate Secretary can be established.
- 1.7. For the purpose of this Regulation the terms used herein shall have the meanings assigned to them by the applicable law, rules and regulations as well as internal documents.

2. Procedure of appointment and termination of appointment of the Corporate Secretary, requirements to the Corporate Secretary

- 2.1. The Nomination and Remunerations Committee of the Board of Directors considers at its meeting an applicant(s) for the position of the Corporate Secretary and submits its recommendation to the Board of Directors.
- 2.2. The Board of Directors takes a decision on preliminary approval of the applicant(s) for the position of the Corporate Secretary.
- 2.3. The Corporate Secretary is appointed and dismissed by the President on agreement with the Board of Directors. An employment contract with the Corporate Secretary shall be approved by the Board of Directors. The employment contract with the Corporate Secretary on behalf of the Company shall be signed by the Chairman of the Board of Directors.
- 2.4. The following information and details shall be provided to the Nomination and Remunerations Committee of the Board of Directors and to the Board of Directors as regards an applicant(s) for the position of the Corporate Secretary:

- surname, name and patronymic;
- date of birth;
- address;
- nationality;
- education;
- employment history for the past five (5) years;
- the number, category and type of the Company shares owned by the applicant;
- information on whether the applicant is the Company's affiliate;
- whether the applicant is associated with the person exercising control over the Company or with the Company executive bodies;
- existence /absence of a criminal record of economic crimes or disqualification in accordance with the Code of Administrative Offences of the Russian Federation;
- additional information prepared by the applicant at his discretion.

2.5 An applicant for the position of the Corporate Secretary shall meet the following requirements:

- higher education in law, economics or business;
- at least 2 (two) years' experience in corporate governance or administration;
- knowledge of the Russian Federation corporate law and securities market as well as regulations of government authorities governing issuers' activities;
- knowledge of Russian and international corporate governance standards;
- fluent English;
- existence of such personal qualities as sociability, sense of responsibility, ability to settle conflicts between participants of corporate relations;
- spotless business reputation;
- organizational and analytical skills.

2.6 A person that is the Company affiliate or is associated with the person exercising control over the Company or with the Company's executive bodies may not be appointed Corporate Secretary.

2.7. The Board of Directors may decide to dismiss the Corporate Secretary in accordance with the terms of the employment contract made with him.

3. Functions, powers, rights and duties of the Corporate Secretary

3.1 As part of his duties the Corporate Secretary shall ensure efficient cooperation of the Company with its shareholders, the Chairman of the Board of Directors and Chairmen of the Board committees, take part in prevention of corporate conflicts, ensure implementation and exercise control over compliance by the Company with procedures ensuring enjoyment of rights and safeguarding legitimate interests of the Company shareholders in accordance with the applicable law, rules and regulations.

3.2 Participation in preparation and holding of a General Shareholders' meeting whereby the Corporate Secretary is endowed with the following powers:

3.2.1 receipt of proposals that come to the Company regarding inclusion in the agenda of a General Shareholders' meeting of items and proposals concerning nomination of candidates to the

- management and control bodies of the Company, elected by the General Shareholders' Meeting, and requests to hold an Extraordinary General Shareholders' Meeting;
- 3.2.2 keeping records of requests and proposals with regard to a General Shareholders' meeting and making arrangements for their preliminary legal assessment in compliance with the applicable law, rules and regulations;
- 3.2.3 submission of received requests and proposals to the Chairman of the Board of Directors no later than 2 (two) days following the date of their receipt, with inclusion, where necessary, of a legal opinion as regards a received proposal or request to be reviewed by the Board of Directors;
- 3.2.4 delivery to shareholders of a decision taken by the Board of Directors on the basis of requests received from these shareholders with regard to holding a General Shareholders' Meeting;
- 3.2.5 preparation and delivery within 2 (two) days to nominees to the Board of Directors of requests for consent to be elected into a relative executive body of the Company management, if such consent was not initially attached by the nominee to the Board of Directors;
- 3.2.6 preparation and delivery within 2 (two) days to nominees to the Company Audit Committee (hereinafter – the "Audit Committee") of requests for consent to be elected into a relative executive body of the Company management, if that agreement was not initially attached by the nominee to the Audit Committee.
- 3.3 Ensuring operation of the Board of Directors, whereupon the Corporate Secretary is vested with the following powers:
- 3.3.1 provision of clarifications to elected members of the Board of Directors with regard to procedures established in the Company that govern operation of the Board of Directors and other bodies of the Company, provision of information that is important for proper performance of their duties by members of the Board of Directors;
- 3.3.2 preparation of a draft plan of operation of the Board of Directors and submitting it for consideration by the Board of Directors;
- 3.3.3 overseeing preparation of draft resolutions related to the agenda of the Board of Directors' meetings (absentee voting);
- 3.3.4 making arrangements for holding meetings of the Board of Directors (absentee vote);
- 3.3.5 ensuring timely notification of the members of the Board of Directors and persons invited to take part in the meeting of holding a meeting of the Board of Directors (absentee vote);
- 3.3.6 preparation and delivery to the members of the Board of Directors of papers related to the agenda of the Board of Directors' meeting (absentee voting);
- 3.3.7 ensuring scrupulous compliance with the procedure of holding meetings of the Board of Directors' (absentee voting);
- 3.3.8 supply of a meeting of the Board of Directors (absentee voting) with regulations as well as reference and other materials that are necessary for taking decisions by the Board of Directors with regard to the meeting agenda (absentee voting);
- 3.3.9 taking minutes of a meeting of the Board of Directors or preparing minutes of absentee vote by the Board of Directors;
- 3.3.10 making and witnessing extracts from minutes of meetings and absentee voting of the

Board of Directors;

- 3.3.11 communication of decisions taken by the Board of Directors to business units and/or employees of the Company;
 - 3.3.12 collection of bulletins and written opinions of the members of the Board of Directors and counting of votes with regard to the agenda of the Board of Directors' meeting (absentee voting);
 - 3.3.13 notification of the Board of Directors' members that are absent from a Board meeting of the results of the Board of Directors' meeting (absentee voting);
 - 3.3.14 making familiar members of the Board of Directors that are present at a meeting with written opinions of other members of the Board of Directors that cannot be present at the meeting and giving them an opportunity to express their opinion as regards draft decisions contained in those documents;
 - 3.3.15 control over enforcement of judgments of the Board of Directors and delivery quarterly reports to the Board of Directors of the results of such control;
 - 3.3.16 preparation of proposals for the Chairman of the Board of Directors about hearing at a meeting of the Board of Directors of a report or information of the Company executive bodies about fulfilment of assignments given by the Board of Directors;
 - 3.3.17 provision to the members of the Board of Directors of documents requested by them and information about the Company activities including minutes and materials regarding the Board of Directors meetings (absentee voting);
 - 3.3.18 provision of information to the Chairman of the Board of Directors about all factors impeding compliance with the procedures the enforcement of which is a duty of the Corporate Secretary;
 - 3.3.19 sending written questionnaires to the members of the Board of Directors on a quarterly basis asking them to provide information about their intention to hold a position in management bodies of other organizations, information about associated persons and information provided for in Article 82 of the Federal Law "On Joint Stock Companies" and all changes in them.
- 3.4 Ensuring operation of the Board of Director's committees (hereinafter referred to as the "Committees") with the following powers:
- 3.4.1 performance of the duties of the secretary of committees established by the Board of Directors in compliance with regulations governing their activities;
 - 3.4.2 preparation and solution of organizational issues related to holding meetings of the committees in accordance with the applicable law, rules and regulations;
 - 3.4.3 notification of the committees' members and persons invited to take part in meetings of convening meetings of the Board of Directors' committees;
 - 3.4.4 preparation and delivery to members of the committees of materials related to the agenda of meetings of the Board of Directors committees;
 - 3.4.5 keeping and formalization of minutes of the committees' meetings and absentee voting by the Board of Directors;
 - 3.4.6 making and endorsement of extracts from the minutes of meetings and absentee voting by the Board of Directors;
 - 3.4.7 collection of written opinions of members of the committees;

REGULATION ON THE CORPORATE SECRETARY AND THE CORPORATE SECRETARY'S OFFICE

- 3.4.8 representation of the committees' recommendations related to materials concerning relative issues of the agenda of the Board of Directors meetings;
- 3.4.9 collection and storage of recommendations, minutes and materials of the committees' meetings;
- 3.4.10 rendering assistance to members of the committees in the course of exercising by them of their powers.
- 3.5 Participation in implementation of the Company's policy regarding disclosure of information in compliance with the applicable law, rules and regulations.
- 3.6 Participation in improvement of the system and practice of the Company corporate governance.
- 3.7 Ensuring cooperation of the Company with regulatory authorities, trading organizers, registrar, other securities traders within the powers assigned to the Corporate Secretary.
- 3.8 Prompt notification of the Board of Directors of all revealed violations of applicable law, rules and regulations as well as provisions of internal documents the compliance with which is the Corporate Secretary's duty.
- 3.9 Maintaining business correspondence and other business contacts within the limits of his competence with members of the Board of Directors, executive bodies of the Company, members of the Audit Committee, the Company Auditor, other members of the Company and third persons.
- 3.10 The duties specified in this Section shall be performed by the Corporate Secretary independently.
- 3.11 In the event of absence of the Corporate Secretary his duties shall be performed by another person appointed by the Board of Directors for the period of the Corporate Secretary's absence with account of recommendations of the Nomination and Remuneration Committee of the Board of Directors.
- 3.12 Within the limits of his competence the Corporate Secretary shall have the right to:
 - 3.12.1 put issues for consideration by the Company management bodies;
 - 3.12.2 request that the Company bodies and employees should submit information and documents that are necessary for preparation of materials related to the agenda of the Board of Directors meetings, deliver reports on the progress in implementing resolutions of a General Shareholders' meeting, the Board of Directors committees and explain reasons of non-compliance with the said resolutions;
 - 3.12.3 ask the Company employees to prepare a draft document or consider a draft document, the development (consideration) of which falls both within the competence of the Corporate Secretary, and the business unit of the Company in accordance with the approved Regulations pertaining to the latter;
 - 3.12.4 manage preparation by the Company employees of materials falling within the competence of the General Shareholders' meeting, the Board of Directors, committees of the Board of Directors in line with the practice established in the Company;
 - 3.12.5 ask the Company bodies and employees to stop any activities that could (possibly) lead to corporate conflicts with simultaneous reporting that fact to the President and Chairman of the Board of Directors;
 - 3.12.6 initiate development and introduction of provisions and procedures aimed at enhancement of the procedures of Corporate governance in the Company, improvement of the efficiency of interaction between the Company bodies and employees for the purpose of compliance by the Company with the applicable law, rules and regulations;
 - 3.12.7 receive reimbursement for expenses related to performance by him of his duties as well as bonuses based on the assessment of his performance by the Board of Directors.
- 3.13 Within his competence the Corporate Secretary shall:

- 3.13.1 keep records and store incoming and outgoing documents of the Board of Directors;
- 3.13.2 provide extracts from the minutes of meetings and absentee voting of the Board of Directors at the request of the Company shareholder in compliance with the Federal Law "On Joint Stock Companies";
- 3.13.3 not disclose any information about the Company activities that became known to him in the course of performance by him of his duties, which is not in the public domain and access to which is restricted pursuant to the Russian Federation law and the Company internal documents.

4. Remuneration for the Corporate Secretary

- 4.1 The size of the Corporate Secretary's remuneration, the manner and time limits for its payment are established by an employment agreement, the terms of which shall be approved by the Board of Directors.
- 4.2 According to the employment agreement made with the Corporate Secretary the Board of Directors may decide to pay him bonuses with account of recommendations made by the Nomination and Remuneration Committee.
- 4.3 The Board of Directors makes quarterly assessments of the Corporate Secretary's performance and takes a decision to pay him a bonus in compliance with the Company's Charter with account of recommendations made by the Nomination and Remuneration Committee.

5. Responsibility of the Corporate Secretary

- 5.1 The employment agreement with the Corporate Secretary establishes responsibility for violation of this Regulation and at the same time for any violation of confidentiality obligations and misuse of insider information and obligates the Corporate Secretary to inform the Board of Directors of any conflict of interests between the Corporate Secretary and the Company.
- 5.2 The Corporate Secretary shall be liable towards the Company for damage incurred to the Company as a result of violation of the employment agreement, negligence, breach of confidentiality and non-disclosure of a conflict of interests. The extent of such liability is foreseen by the applicable law, rules and regulations.

6. Final provisions

- 6.1 Approval of the Regulations, introduction into it of changes and additions and considering it void shall be effected by a decision of the Board of Directors with account of recommendations of the Corporate Management Committee of the Board of Directors.
- 6.2 If any provisions of this Regulation come in conflict with applicable law, rules and regulations as well as the Company Charter and other internal documents resulting from any changes in them, this Regulation shall be applied in the part that complies with the applicable law, rules and regulations as well as the Company's internal documents.