



MAYKOR


SOCIAL REPORT

2014


WITH NATIONAL FOOTPRINT
COMES GREAT
RESPONSIBILITIES

MAYKOR 

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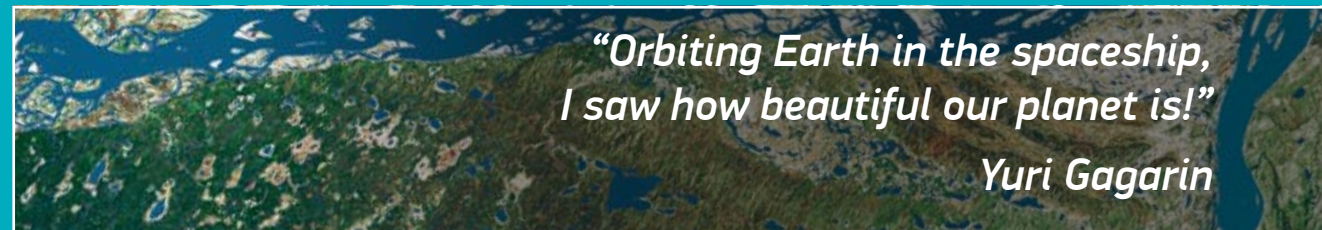
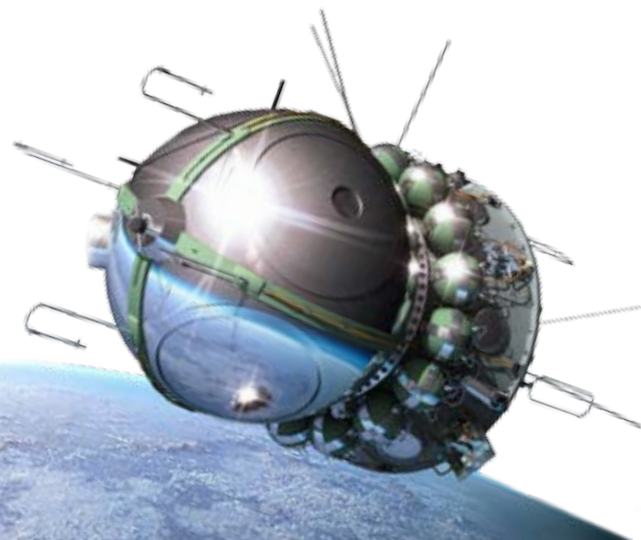
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*“Orbiting Earth in the spaceship,
I saw how beautiful our planet is!”*
Yuri Gagarin

COMPANY

MAYKOR is a leading Russian provider of IT and business process outsourcing services with an extensive network of branches and delivery centers across Russia.



MOSCOW CITY

*The business center of the capital,
the location of MAYKOR Headquarters*

Number of facilities:	19
Total number of buildings by the project:	39
Developed area:	100 ha
Total area of facilities:	386 ha
Record holder:	Federation Tower
Max height:	374 m
Max number of floors:	95



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KEY FACTS

Today MAYKOR has the largest network of branches, a large pool of qualified staff and a strong resource base in the country.

We offer high quality and effective end-to-end IT and business support and we pride ourselves in developing long-term relationships with our clients, partners, employees and other stakeholders.

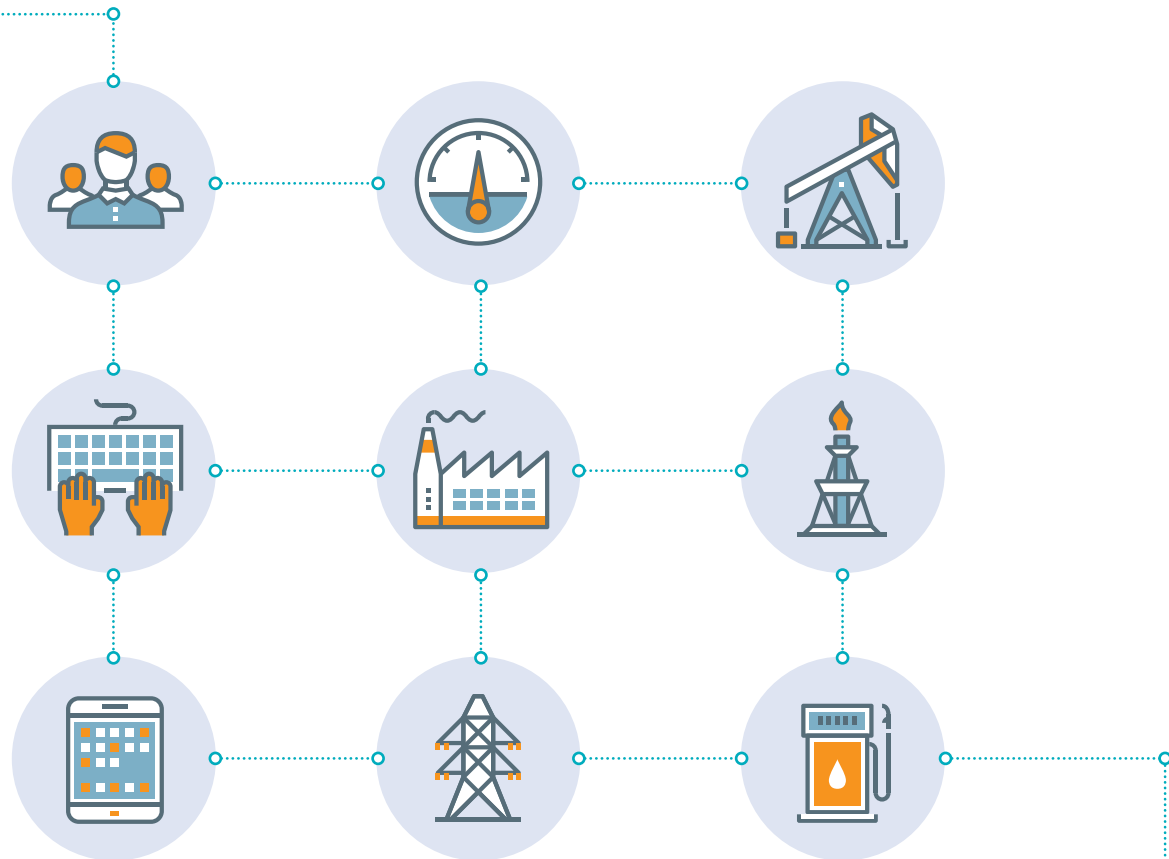
Our customer base consists of medium and large geographically distributed companies using an integrated approach to IT support, physical infrastructure and business applications.

MAYKOR is ranked as one of the leading Russian IT service providers and is among the Top 100 global leaders in outsourcing and the ten leading outsourcers in EMEA as recognized by IAOP and ISG respectively.

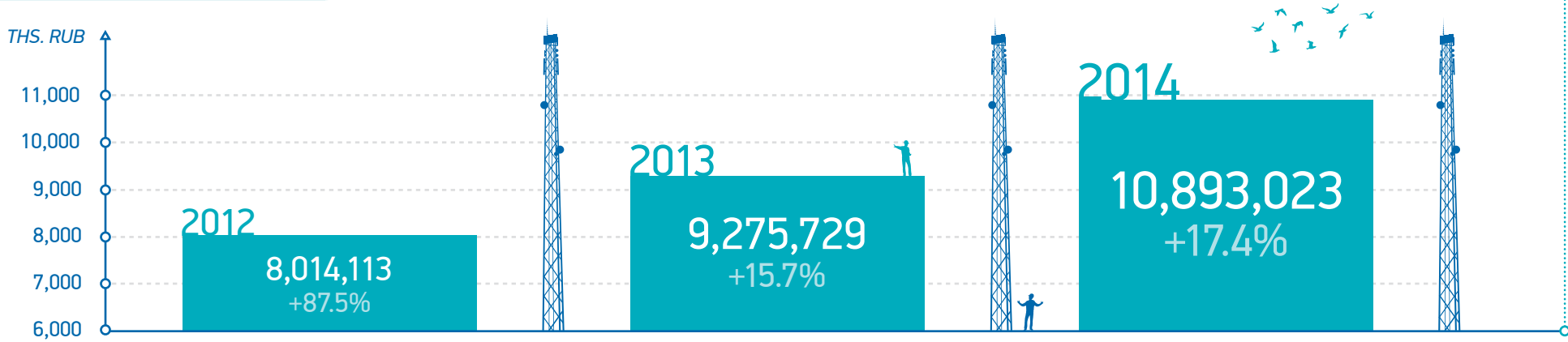
In 2013, the consortium, which includes the Russian Direct Investment Fund, the European Bank for Reconstruction and Development and CapManRussia II fund, completed a deal to invest US\$100 million in the company. These funds have allowed MAYKOR to strengthen our position in the Russian IT outsourcing market and expand the scale and diversification of our portfolio.

COMPANY FACTS

- ✓ 1,600,000 units being serviced & maintained
- ✓ 6,000 service requests processed daily
- ✓ 483 service centers
- ✓ 5,200 highly qualified specialists
- ✓ 1,200 customers throughout Russia
- ✓ Robust Competency Center
- ✓ Extensive resources and a mature logistics infrastructure
- ✓ Online automated system for 24/7/365 workforce management
- ✓ ISO certified quality management system



MAYKOR'S REVENUE



BUSINESS PRINCIPLES

The foundation of MAYKOR's business is building trust and long-term relationships with partners and customers.

We recognize the high social responsibility and impact of our activities on a large number of people across the country.

We set ambitious goals for ourselves, not only for business growth but also for continuous improvement of service quality.

High Quality Services

MAYKOR strives to be a reliable and trustworthy partner. Our goal is to ensure that we deliver the highest quality service to all stakeholders.

National Footprint

With a network spanning 83 branches and 400 local offices throughout Russia, MAYKOR delivers services on the driving principle of "one-stop shop" ensuring the same high level of service and support (through SLAs) no matter where our clients are located.

Innovations

MAYKOR is continuously developing innovative solutions based on best practices, proven

methodologies and state-of-the-art tools that ensure successful business outcomes for its clients. With MAYKOR, companies can reduce costs, improve their efficiency and achieve strong growth.

Talent-Centric

As a service provider, talent is a key focus area for MAYKOR. The company has more than 5,000 highly qualified experts in branches and delivery centers throughout Russia. MAYKOR focuses both on developing its staff and attracting new talent, with a goal of consistently creating jobs across the country.

Cooperation

As a leading player in IT services and a partner of a large number of customers, vendors, integrators, and global outsourcers, MAYKOR builds relationships based on trust, honesty and openness.

MAYKOR guarantees performance in all our business transactions while keeping the interests of all stakeholders in mind.

Our Services



IT Outsourcing



Industry-Specific Services



Facility Management



Business Solutions as a Service



Business Applications Implementation and Support Services



Business Process Outsourcing

CORPORATE SOCIAL RESPONSIBILITY

With a strong position in its market segment, and over 5,200 employees, MAYKOR is able to influence the social and ecological environment in the country. To this end, one of the key factors that guides our activity is on-going sustainable development of both the company and the environment we operate in.

Corporate social responsibility (CSR) is a key focus area for the company and we develop internal and external social programs to support it. The formation and implementation of these programs aim to combine best international practices with local Russian experience and services specific to our business.

In 2014, MAYKOR focused on developing and maintaining talent. To this end, we launched the Engineering as a Profession program aimed at addressing the shortage of IT personnel by raising the prestige of technical professions.

On the one hand, the program encourages staff development, professional pride, confidence in the future, increased loyalty to the company and involvement in the business. On the other hand, the program also raises the general awareness of the importance and significance of labor in the country, promote technical

professions among young people and attract talent to the company.

We also work in areas such as:



Staff development



Safety and environmental protection



Fair operating practices



Customer relationship management



Charitable programs



Development of corporate volunteering



Projects to address specific social problems in the region

As part of our CSR initiative, the company has developed the following legislative documents that are available to the public:

- ✓ Environmental and Social Policy
- ✓ Health, Safety and Environmental Protection Policy
- ✓ MAYKOR's Code of Ethics

To ensure the correct performance level, the following internal regulatory documents have been produced: Guidelines for OSH Management System for Health, Industrial Safety and Environmental Protection, MAYKOR's Environmental and Social Risks Management System, Labor Protection Education and Knowledge of Labor Protection Requirements Examination and others.

MAYKOR's 2014 annual results for CSR development is summarized in the Social Report.

HUMAN RESOURCE



TAZ RIVER

Flows in Western Siberia, included in the list of the longest Russian rivers

Channel length:	1,401 km
Max width:	1 km
Basin area:	150,000 sq. km
Total stream gradient:	139 m
Navigational part:	798 km
River flow:	0.2-0.5 m/s
Max depth:	14.5 m



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TALENT MANAGEMENT

Since the essence of our business is the provision of services, talent is a strategically important resource for the company.

Fulfillment of contracts involve a wide range of resources including service engineers, project managers, clients account managers, technical experts, managers and other professionals, distributed throughout Russia. In order to achieve our business goals MAYKOR has identified a number of key benchmarks in the human resources field, namely:



Forming a reserve pool



Adopting an effective system of incentives at all levels



Creating attractive jobs across the country



Reducing personnel outflow



Increasing the number of high-performance employees

Hiring is carried out by recruitment specialists as well as through regular interaction with the relevant universities and colleges. Direct contact with graduates can identify the best talent, which can then be recruited as MAYKOR employees.

New hires undergo a series of young professional introductory workshops and each one is assigned to an experienced professional for the required time period (ranging from 3 to 6 months). This ensures integration into the working environment and practical learning of the finer points of the profession.

Such coaching not only helps educate new strong specialists, it also translates into stronger corporate culture and team spirit.



Management system

The company established a hierarchy of controls: at the national level, the Federal District, and the regional branch level.

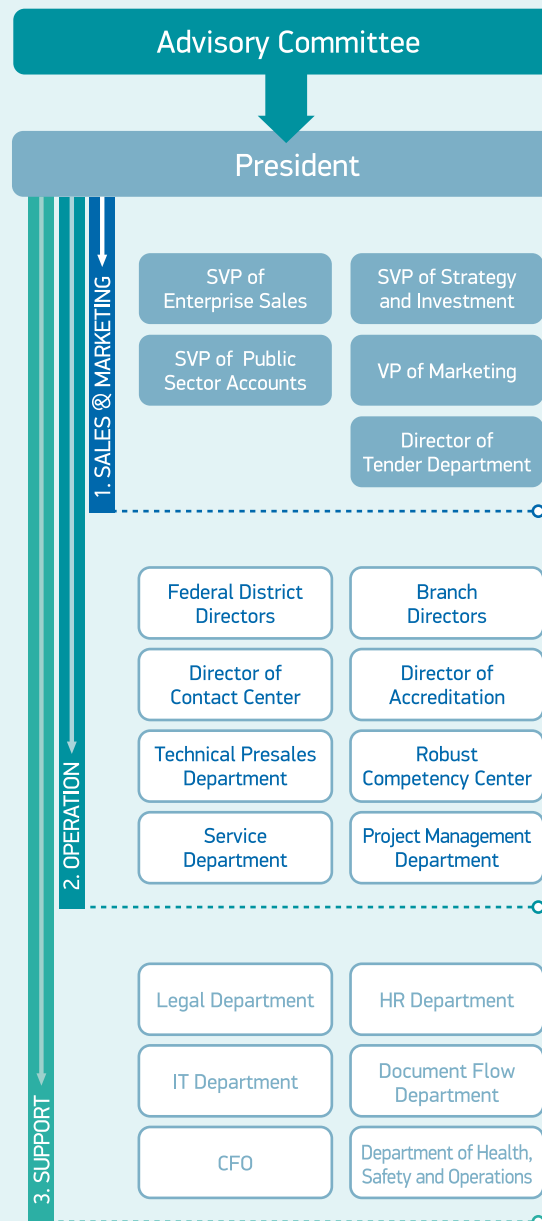
Managers at all levels are encouraged to stimulate their staff to maximize engagement and drive use of development opportunities offered by the company for its employees.

We focus on search, identification and development of talent in the company. That's the talent that creates innovation, new ideas and solutions.

We pay great attention to the construction of an effective system that facilitates interaction between the staff and the development of relationships based on respect, trust and support, and an objective assessment of professional qualities and achievements.

The work of employees in the company is governed by current legislation and internal regulations developed by the Human Resources Department. We do not tolerate any form of employee discrimination, personal preference by management, or lack of objectivity in employee evaluations.

CORPORATE STRUCTURE



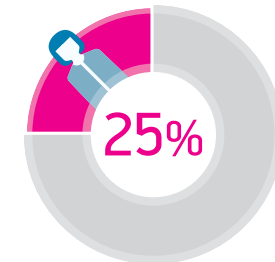
*SVP – Senior Vice President, *VP – Vice President

Facts about company staff:

- ✓ 5,200 qualified specialists in all regions of Russia
- ✓ More than 80% of staff work in the provinces



- ✓ Women make up 25% of management and 15% of branch heads positions



- ✓ Top managers of the company have been recognized as leaders in the Russian Managers Association and Kommersant publishing house rankings

DEVELOPMENTS IN EMPLOYEE STRENGTH

MAYKOR is creating attractive jobs and employing a large staff of specialists throughout Russia, thereby smoothing out the acuteness of social problems in the regions.

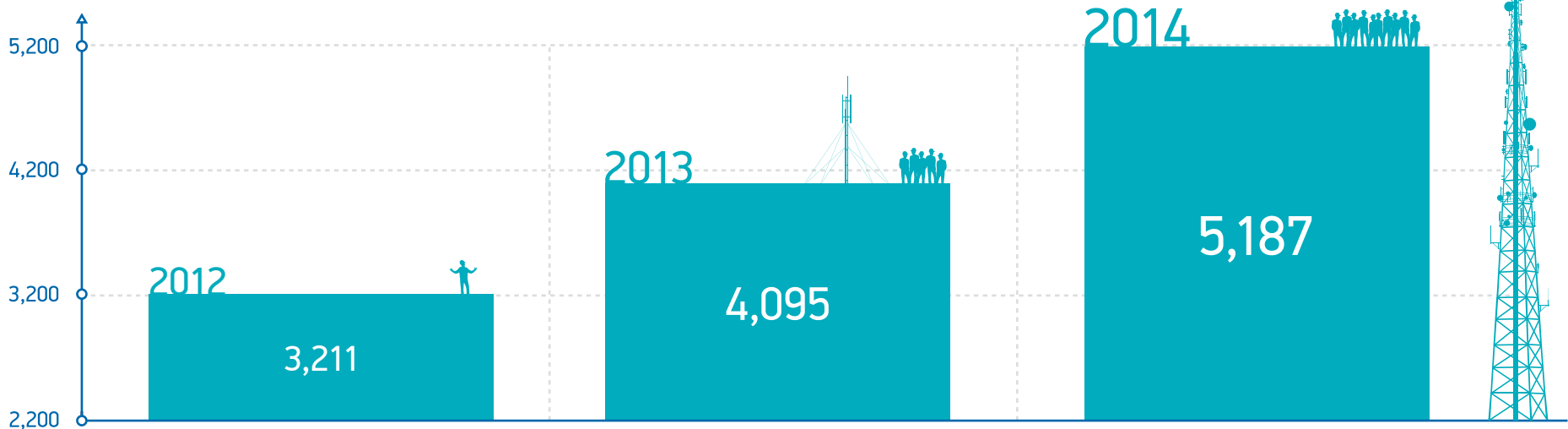
MAYKOR employees see a stable future, experience professional development and find their jobs interesting.

A common international practice during the transition of outsourcing customers is to transfer the customer's staff to the service provider with consent of all parties.

Accordingly, to meet the challenges of transferring several hundred people at a time, great importance is placed on helping the new personnel adapt to their new environment. To facilitate this, MAYKOR has established a special system that helps employees acclimatize with the new corporate culture including an introductory corporate presentation, group work techniques and personal meetings with lawyers and HR experts.

The company aims to complete such transitions as seamlessly as possible and has a policy of transparency for all parties involved especially the contracted personnel.

NUMBER OF EMPLOYEES



From 2012 to 2014 the company's staff has grown steadily at more than 25% per year. This was due to both the expansion of existing contracts as well as new client contracts. Layoffs in the company are largely due to the effect of temporary employment contracts associated with project implementations.

CAPACITY BUILDING AND TRAINING

The company has managed to create optimal conditions to maximize our staff's capabilities and professional expertise.

Particular attention is paid to the development of the engineering team and as a result MAYKOR established our in-house unique competence center, which has expert divisions in various regions throughout the country. The center is responsible for developing and growing competencies, as well as training and providing expert technical support to field engineering staff.

Given the shortage of qualified technicians in the country, it was important for us to build an effective training program. The company conducts regular in-person training for specialists through in-house courses, external courses and seminars vendors.

Most of our engineers work in smaller regions away from bigger cities. This means in-person courses conducted in Moscow are not sufficient as a means of obtaining training. To counter this, in 2013, we implemented a distance learning system and in 2014, significant work was made on the qualitative and functional changes in the system.

At the moment the system is operational, economical and innovative way of teaching staff in the company.

Our own training function has enabled us to produce a high level of technical expertise and competencies to successfully solve the problem of skills shortages in the regions.

Number of in-person and remote distance learning courses, the number of trained specialists and the number of training hours

Year	Courses offered	Courses completed	Employees enrolled	Training hours
2012	37 IN-PERSON 0 REMOTE	279 0	216 0	5,184 0
2013	68 58	406 2,788	305 1,583	7,320 12,664
2014	101 72	419 2,160	314 1,376	7,536 11,008

It is evident there is growth in the number of courses available for both in-person and remote training over the 3 year period.

Reduction in the number of trained professionals in 2014 compared with 2013 is due to the trend where specialists are focusing on fewer areas and thus participating in fewer courses.

MOTIVATING EMPLOYEES

MAYKOR applies a flexible reward system consisting of both monetary and non-monetary benefits. Monetary compensation includes income generated from the salary and bonus, which depends on employees' performance indicators.

The company also acts as a guarantor and if an employee is facing difficulty, MAYKOR provides assistance specific to the situation.

Non-monetary benefits include activities aimed at maintaining healthy professional competition, thereby encouraging employees to improve their own capabilities and expertise. For instance, every month MAYKOR gives out a best engineer award.

The company also publishes a corporate magazine, Digest, which focuses on the latest company news and events, as well as recognition of the best-performing branches, successful projects, the best employees, etc.

MAYKOR'S BEST ENGINEERS 2014

Monthly award



Vitaly Alenin
January
Central FD



Vyacheslav Demakov
February
Far Eastern FD



Andrey Belan
March
Southern FD



Pavel Titov
April
Central FD



Stanislav Kuralimov
May
Southern FD



Alexander Medvedev
June
Ural FD



Sergey Artemenkov
July
Central FD



Ivan Pastukhov
August
Far Eastern FD



Artem Nikolaevsky
September
Southern FD



Maksim Burtcev
October
North Caucasian FD



Marat Mirgunov
November
Volga FD



Dmitry Chevardin
December
Ural FD



ЕЖЕМЕСЯЧНЫЙ КОРПОРАТИВНЫЙ ДАЙДЖЕСТ

№ 26 | октябрь 2014

ГЛАВНАЯ ТЕМА:
**МАУКОР ВКЛЮЧЕН
В 10-КУ ВЕДУЩИХ
АУТСОРСЕРОВ
В РЕГИОНЕ ЕМЕА
(ЕВРОПА, БЛИЖНИЙ
ВОСТОК, АФРИКА)**
стр. 3

МАКСИМ БУРЦЕВ
лучший инженер октября
стр. 7

Орлы из Орловского
филиала
стр. 10

HEALTH AND SAFETY IN THE WORKPLACE

Of course, for a company with such an extensive service professional staff base who works often under difficult field conditions at customer sites, the issue of occupational safety and health is a priority.

Beginning in 2014, we carried out systematic work on building an effective safety management system to ensure safety and environmental protection.

This system focuses primarily on Russian legislation requirements, as well as customer requirements and recognized international standards in this area.

We developed and implemented the following:

- ✓ Health, Safety and Environmental Protection Policy
- ✓ Guidelines for OSH Management System for Health, Industrial Safety and Environmental Protection
- ✓ Other internal regulatory procedures and documents that meet the requirements of the Russian legislation

MAYKOR also established a committee for the implementation of the OSH management

system covering industrial safety and environmental protection.

The committee determines whether the system meets the goals and objectives of the Health, Safety and Environmental Protection Policy, the company's development strategy, as well as the requirements of stakeholders, including employees, government agencies, customers and contractors and, in cases of non-compliance, the committee develops corrective actions.

In 2014, the "Appeal for assistance to resolve issues and concerns related to labor safety and environmental protection" procedure was established. Every employee and/or person concerned (e.g. customer, contractor), in cases where there are violations or have any questions about this topic may submit a special request to the committee.



WORK SAFETY

The company pays special attention to providing quality education to employees on safe work methods and techniques required to reduce occupational exposure and safely perform job functions, as well as prevent occupational accidents and diseases.

All divisions have a committee to verify labor protection, fire safety and electrical safety examinations are carried out. Training and education is done in accordance with the applicable legislation and the internal policy “Labor Protection Education and Knowledge of Labor Protection Requirements Examination”.

ACCIDENTS STATISTICS

	2012	2013	2014
NUMBER OF ACCIDENTS	1	2	2
NUMBER OF FATALITIES	1	0	0
INJURY FREQUENCY RATE	0.66	0.84	0.62
NUMBER OF MAN-DAYS WITH DISABILITY <i>in patients with 1 day disability or more</i>	Death	36	170

All the accidents that took place in the company are investigated in accordance with applicable law. Results from investigations, where applicable, are deployed at all company branches and incorporated as part of training to avoid similar cases in the future.

MAYKOR implements a number of measures to identify hazardous and/or dangerous factors related to the labor process and minimize their impact on employees. The main identification method is through a special assessment of working conditions.



At the end of 2014, the majority of this assessment has been completed with the remaining to be finished in 2015. According to the results of the evaluation, 99% of work areas have optimal and acceptable work conditions. The company also developed measures to improve working conditions and carry out periodic medical examinations.

ENVIRONMENTAL AND SOCIAL POLICY



LENA RIVER AND ITS ESTUARY

The Lena River is the largest river in Eastern Siberia; its estuary is one of the largest in the world and exceeds the area of the Nile River estuary

Area of the estuary:	45,000 sq. km
Channel length:	4,400 km
Total basin area:	2,490,000 sq. km
Total stream gradient:	1,650 m
Navigational part:	3,620 km
River flow:	0.5-1.3 m/s



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ENVIRONMENTAL AND SOCIAL POLICY

MAYKOR's Environmental and Social Policy is aimed at long term sustainable development through our participation in commercial projects, which, along with financial performance, will maintain or have a positive impact on the environment and society.

In implementing the environmental and social policy we are guided by Russian legislation requirements, the relevant international treaties the Russian Federation has, as well as recommendations for this area from international financial institutions (based on OHSAS 18001:2007 and ISO 14001:2004), the European Bank for Reconstruction and Development (EBRD) and International Finance Corporation.

To ensure environmental safety, environmental protection and occupational safety in the company, the “Environmental and Social Policy” and “Health, Safety and Environmental Protection Policy” have been established. Implementation and monitoring of these policies are regulated by internal documents.



We do not engage in activities that directly or indirectly harm the environment, violate Russian and international law, or infringe universally recognized ethical and moral standards.

We strive to avoid having excessive number of resources and projects in sectors capable of causing significant damage to the environment and/or have significant negative social consequences.

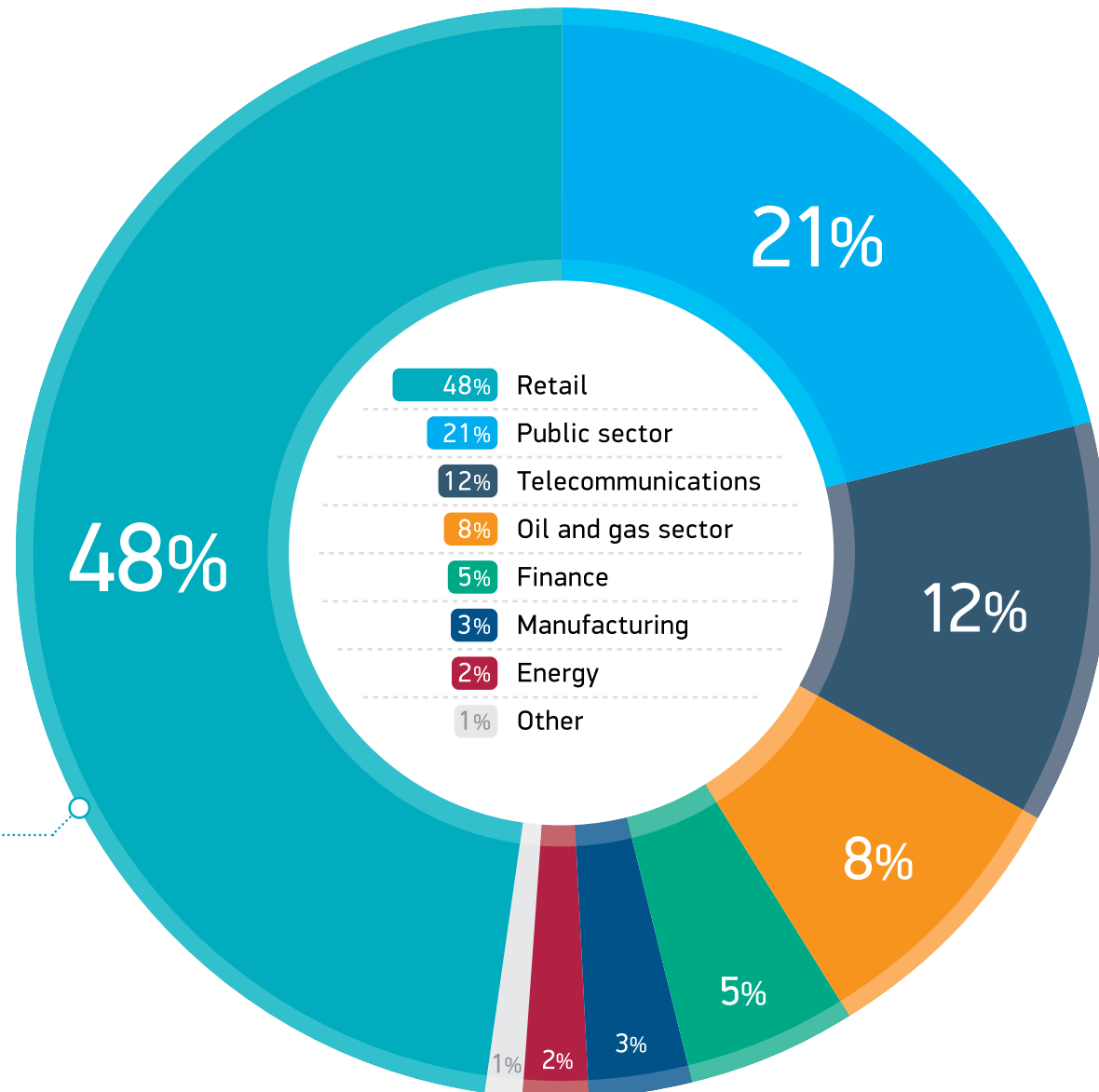
Our top priority is to support projects aimed at resource conservation to ensure efficient use of technology, human and other resources.

The chart above shows the industries we provide services to.

As is evident, almost half of our revenue comes from the retail industry. Together with the public sector and telecommunications, these represent the top 3 industries that contribute to our revenue and are sectors characterized by low environmental risk.

DISTRIBUTION OF MAYKOR'S ANNUAL REVENUE BY INDUSTRY

Information is based on 2014 results



ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

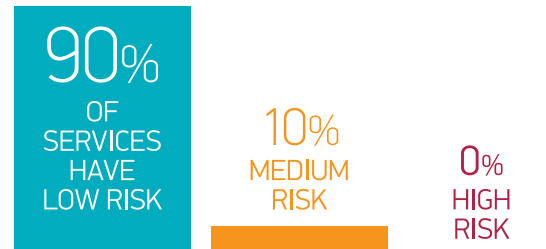
To implement the environmental and social policies, MAYKOR employs environmental and social risk management that includes:

- ✓ A process for assessing and approving the environmental and social risks and impacts of projects
- ✓ Risk management procedures
- ✓ Organizational structure and competency of the personnel involved
- ✓ Emergency preparedness and response procedures
- ✓ Stakeholder relationship management
- ✓ Controls to monitor and validate

In order to assess projects' environmental and social risks, MAYKOR developed a risk matrix in late 2014. Risk ranking in the matrix are derived according to service category and type of equipment serviced.

According to an expert estimate, 90% of services are classified as low risk and only 10% fall into the medium risk level. The exercise showed that the company had

no activities associated with a high level of environmental and social risks.



From 2014 onwards, all of our contracts have to pass a mandatory internal environmental and social assessment prior to being executed.

Decisions on whether to move forward with projects are based equally on environmental and social factors as well as financial feasibility.

Any risks identified are included in the contract as special conditions and measures to minimize environmental and social risks are also outlined in the contract.



OPEN BUSINESS



VOVNUSHKI TOWER COMPLEX

The defensive buildings in ancient Ingushetia are located within the reserve museum in the Dzhejrahsk district of Ingushetia

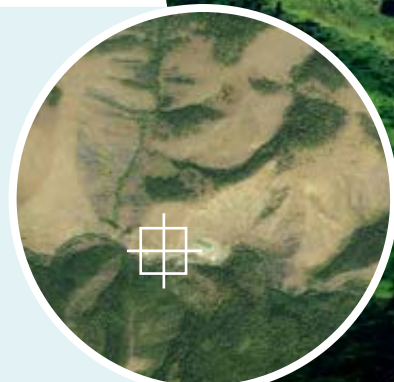
Period of construction (assumed): XII-XVII c.

Area of the complex: 4.5 ha

Number of towers: 3

Number of floors: 4 and 6

Max heigh: 30 m



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OPEN BUSINESS

We build relationships with customers, investors, partners and representatives from public agencies based on the following principles:

- ✓ high level of responsibility
- ✓ honesty
- ✓ integrity
- ✓ professionalism
- ✓ mutual respect
- ✓ transparency
- ✓ obligation to commitments
- ✓ risk minimization

Our principal foundation for doing business are:

- ✓ Transparency and prevention of corruption
- ✓ Fair competition

MAYKOR's business operations are guided by Russian laws. These laws are put into practice and internal rules, standards and procedures are constantly updated

in accordance with the legislation to ensure fair work, prevent corruption and ensure business transparency, including in combating money laundering.

We regularly educate all employees on these internal regulations. In addition, the company is making every effort to prevent situations where there is conflict of interest.

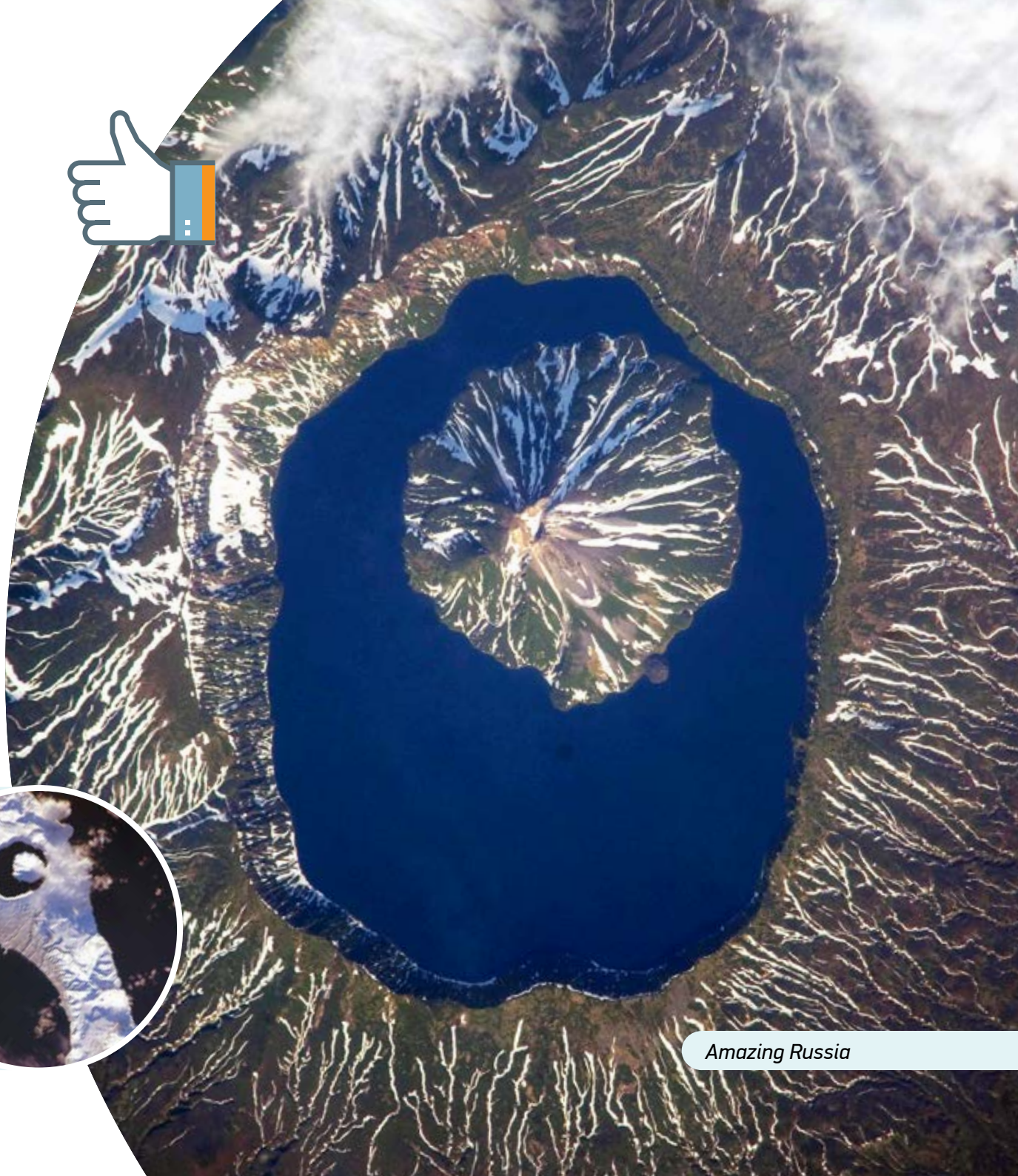
We abide and cooperate with law enforcement authorities in all situations. MAYKOR does not allow off-the-books or unofficial accounts and the use of forged documents.

Relationships with competitors are based on the principles of honesty and mutual respect. In case of disputes, the company will take steps to negotiate and find a compromise.

MAYKOR will not comment on the position and actions of other market participants be it in the media, social networks, professional communities or any other public forums.



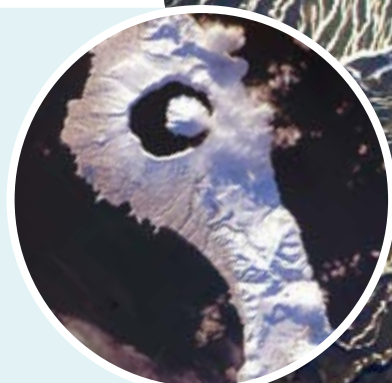
CUSTOMER RELATIONSHIP



KOLTSEVOYE LAKE AND KRENITSYN VOLCANO

The lake is a caldera of the volcano Mount Krenitsyn, located on the island of Onekotan

Lake circumference:	15 km
Area:	26 sq. km
Height of location:	400 m
Last eruption:	1952
Height of volcanic cone:	1,324 m



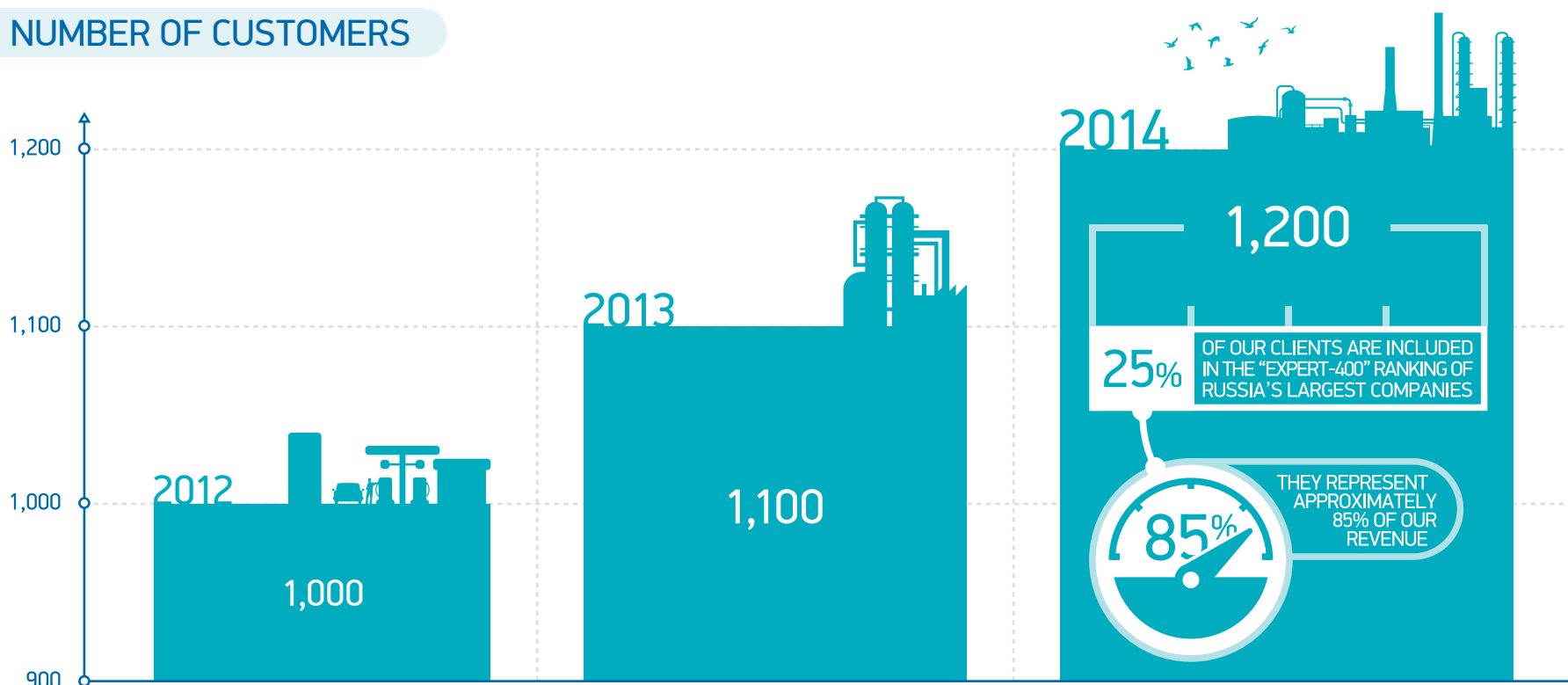
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OUR CUSTOMERS – THE CORNERSTONE OF OUR BUSINESS

MAYKOR's goal is to contribute to our economy's development by modernizing the IT infrastructure of enterprises and creating innovative technologies that improve business processes. Through our investments in new technologies and services, we aim to improve the efficiency of organizations throughout Russia.

Our main customers include the largest geographically distributed Russian companies as well as international firms.

NUMBER OF CUSTOMERS



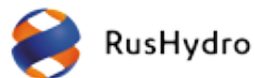
The number of customers has steadily increased over the past three years. In 2014, the company's main focus was not so much on attracting new customers, but rather on strengthening relationships with existing customers through introduction of complementary services, increase in volume of services provided, increase in the length of contracts and contract renewals.

Contract duration increase

MAYKOR has seen a general increase in contract duration. While previously contracts were for a period of 1 year, in 2014 we began to execute contracts lasting 3 to 5 years. This was due to the gradual maturation of the Russian IT outsourcing market and customers' increased satisfaction with the quality of services provided.

Our business allows customers to focus on their core competencies and reduce costs while freeing them from routine support functions. This enables them to accelerate their growth and contributes to their success and prosperity.

OUR CLIENTS *Over 1,200 customers across all industries*



INNOVATIVE SOLUTIONS

One innovative solution we have developed is an online automated system for 24/7/365 workforce management.

The system includes:

1. Automated management of field staff
2. A biometric attendance system

1. Automated management of field staff

This automated system operates 24/7/365 and has been implemented across all of the company's 83 branches and 400 service units throughout the whole of Russia.

At the heart of the system are the following key tasks:

- ✓ planning process automation, order execution distribution and control
- ✓ route calculation and service engineer selection based on work schedule, a set of competencies, geography and type of services provided

MAYKOR's service engineers use smartphones with a satellite beacon, which helps determine their location and give them access to all the data they need to perform service requests anywhere in Russia. The system also has:

- ✓ a list of applications assigned with corresponding priorities and target dates
- ✓ optimal transportation route
- ✓ spare parts availability
- ✓ and other background information

All data from smartphones are aggregated at a single point for monitoring and control purposes to enable further scheduling and accounting of resources used.

The uniqueness of the system is in the scale in which it has been implemented. The system allows us to plan and supervise the work of more than 5,000 engineers in real time and provide more than 1,200 customers the actual job status anywhere in the country.

As a result, service deployment has become absolutely transparent and efficient use of our resources has increased.

All managers from both the client and the contractor have access to reporting and operational analytics.



MAYKOR has been operating this automated solution since 2011, which is constantly being improved and updated with new functionality.

The functionality of the automated control systems service are:

- ✓ Monitoring and scheduling work in real time
- ✓ Access to the data by field staff who perform the work
- ✓ Quality control and time tracking
- ✓ Online tracking of the material base
- ✓ Manual and automatic staff selection
- ✓ Scheduling and routing
- ✓ Detailed analytics and reporting



2. A biometric attendance system

In order to optimize business processes and improve the efficiency of personnel management, in 2014 MAYKOR launched an internal pilot project that introduces biometric authentication in several branches.

A biometric attendance system was utilized and includes:

- ✓ Fingerprint scan with matching through employees database
- ✓ Accounting for the time of arrival and departure, number of hours worked, and correcting any deviations from the schedule: absences, tardiness, early departures and overtime
- ✓ Automatic timesheets logging, including the T-13
- ✓ Easy analysis and formation of the routine and specialized employee reports

The implementation of biometric attendance system at the pilot branches achieved the following:

- ✓ 40% increase in adherence to work schedule
- ✓ 15% reduction in labor costs associated with HR administration
- ✓ 30% increase in overall productivity



CONFIDENTIALITY

As an IT outsourcing and business process services provider, in the course of our business operations, certain groups of employees will be privy to important and confidential information belonging to our clients or partners.

We comply with all applicable laws, including those governing personal data.

We make every effort to ensure data is safe and prevent accidental or intentional disclosure of confidential information.

Our customers and partners can be confident that the confidential information provided shall not be disclosed without their consent or disclosed only in cases required by the legislation of the Russian Federation.

Information security is enforced through MAYKOR's security department based on existing internal regulations and laws.

Any actions taken for this area within the company and via external communications meet the latest quality business processes standards.

Official media communications is carried out by Public Relations Department and is regulated by MAYKOR's Information Policy.

The company has also developed recommendations and guidelines for informal communications and conduct on social networks, communities and online forums which have been disseminated and communicated to all staff.

QUALITY OF SERVICES

The quality of our services is manifested, first of all, to comply with service level agreements (SLAs). It takes into account a number of criteria such as speed of response to a customer request, project execution (for IT outsourcing), or business process performance dates (for business process outsourcing).

Due to the fact that all aspects of SLAs are incorporated into contracts and the monitoring system and full reporting can be accessed by the relevant parties, our service delivery process is completely transparent and controllable by all stakeholders.

However, the actual level of service is determined not only by SLAs. There is a whole system of KPIs and standards that characterize the quality of the services and that MAYKOR applies depending on the specific customer's business needs.

Outsourcing brings client's business processes to a new level, thus by partnering with MAYKOR the customer achieves continuous development and innovation.



QUALITY CONTROL SERVICES

Our image and reputation of a reliable and honest partner is one of the most important priorities for MAYKOR.

We focus on continuous improvement and quality assurance, with the goal of achieving high customer satisfaction.

To accomplish this, we developed and implemented a Quality Management System (QMS) based on the main provisions and principles of ISO 9001-2011 Quality Management System Requirements Standard. The QMS is updated annually and includes:

- ✓ policy and quality objectives
- ✓ a quality manual
- ✓ and internal procedures and regulatory documents

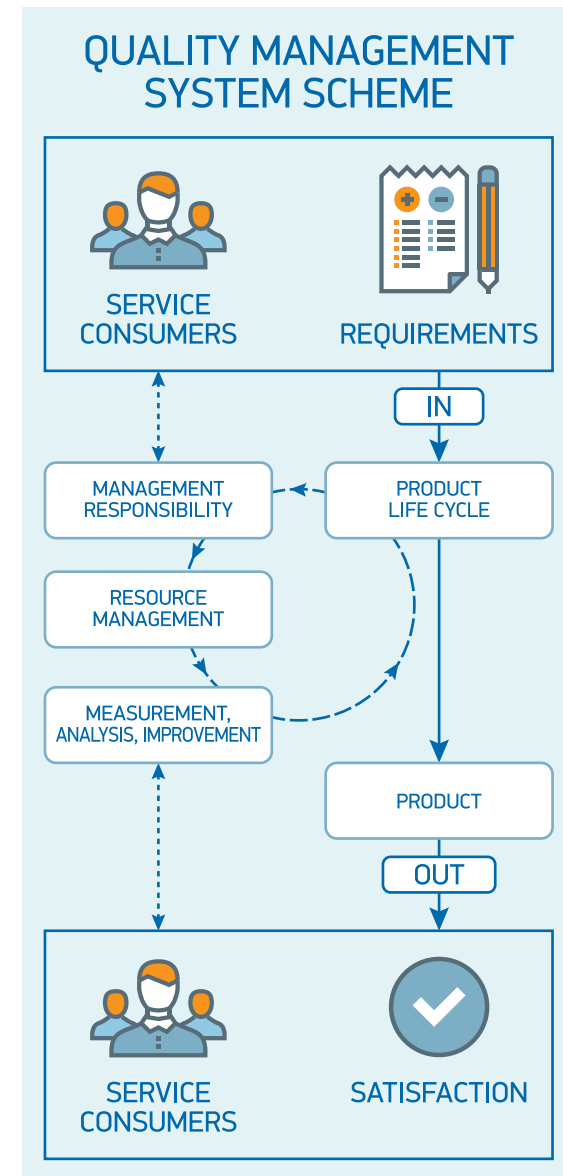
To solve any issues arising from the QMS, an internal Quality Council, which tackles general issues related to quality assurance of products and services, conducts a systematic analysis of the effectiveness of the QMS, makes recommendations and coordinates actions to improve the QMS and more.

At the end of each Quality Council meeting, there is mandatory documentation which contains the measures needed to implement corrective and preventive actions.

The effectiveness of the QMS is regularly reviewed by the company's management team. Key evaluation criteria include:

- ✓ Customer satisfaction with the service quality; evaluation of QMS requirements to prevent non-conformities in the processes
- ✓ Achievement of quality objectives
- ✓ Compliance of the units, services and company with the general provision of the quality policy

Under the current quality policy, the company's annual internal audit program is designed to test the effectiveness of the QMS. Also, each year the testing organization runs an external audit to certify the operation of and compliance with QMS requirements based on GOST ISO 9001-2011.



CUSTOMER SATISFACTION

We aim to exceed customers' and partners' expectations, giving due attention to every question, suggestion or comment received and putting in the maximum effort needed to resolve contentious and difficult situations.

We are constantly working to improve the level of service and provide a uniform level of quality across all areas by implementing new methods and technology.

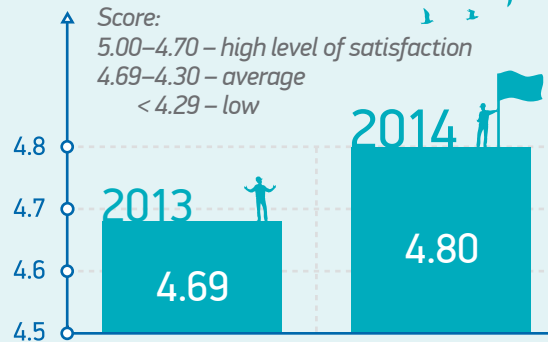
Thanks to the automated servicing system, customers have access to real time reports and operational analytics related to speed and service quality.

According to our contracts customers can receive training and information on how the system operates. Also, customers have the ability to quickly send a claim or complaint at any point in time.

Every year we conduct interviews with clients and partners via e-mail questionnaires or in-person interviews.

We also regularly listen to recordings at the call center. Survey data and results from these are then summarized and analyzed.

LEVEL OF CUSTOMER SATISFACTION



Rising customer satisfaction scores was the result of:

- ✓ Improved technical systems and equipment at branches
- ✓ Mandatory testing for staff at branches through the distance learning system which launched in March 2014
- ✓ Implementation of a CRM system as a tool for customer relationship management



COMMUNITY

In 2014, our social projects were mainly focused on the development and support of human resources, which corresponds to our business principles.

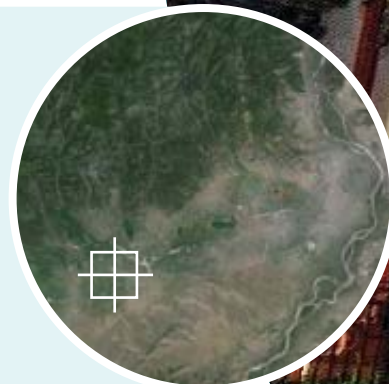


IVOLGINSKY DATSAN

Buddhist monastery-datsan, the center of the Buddhist Traditional Sangha of Russia. Located in the Republic of Buryatia

Year of foundation: 1945

The complex comprises: 10 temples and an orangery



Amazing Russia

THE ENGINEERING PROFESSION

Currently, technical professions in the country do not carry a high enough prestige to attract new young specialists. A prolonged technical and science education crisis in the country and the reluctance of young people to associate themselves with engineering jobs has negatively impacted the IT industry and the economy as a whole. At the same time, the value of engineering work as applied across various industries is now higher than ever before. A shortage of qualified professionals spurs us, as an employer, to invest in efforts and resources to find and train the necessary personnel.

MAYKOR has a direct interest in skilled human resources and is helping revive the status of technical professions. To achieve this, in 2014, the company developed and launched the Engineering Profession program, targeted towards the youth and general adult population. The program consists of a set of activities aimed at involving these target groups in our professional environment.

The program also gave MAYKOR staff the opportunity to demonstrate their work, interact with the participants as experts, share experiences that will positively impact the perception of their profession, take pride in the results the company produces and stimulate the desire for further development.



The team from MAYKOR's Orel branch

ARTS AND EDUCATION

The first initiative was an of amateur photography contest showing MAYKOR's service engineers performing work in the various regions where the company operates.

Employees submit photos to the panel of judges on such subjects as "MAYKOR's Engineers at Work", "Our Extensive Footprint", "Extreme Conditions" as well as an "Open" category.

Contest has spread to all 83 branches and has resonated well among the employees, with tens of thousands photo submissions from around the country.

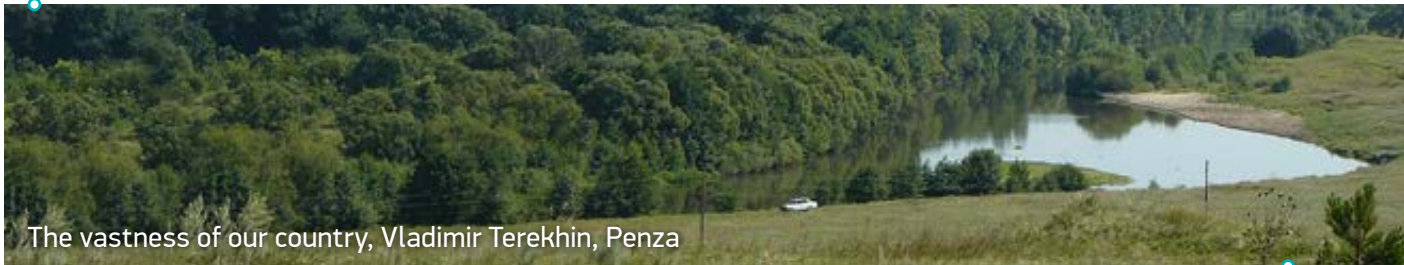
The competition is covered in the corporate digest and the most active members and most interesting pictures were awarded prizes. The company has also used winning photos as illustrations on marketing brochures and the corporate website.



The Way of the Engineer, Evgeny Braudo, Abakan



Cold frost and sunshine, Vadim Grachev, Syktyvkar



The vastness of our country, Vladimir Terekhin, Penza



Getting to the customer with a rover,
Roman Largin, Salekhard,
Mys-Kamenny

Engenirium

The program continued with the presentation of our service engineers' work to external audiences through a PR campaign aimed at encouraging the general public to explore the creations.

To achieve this, MAYKOR became an art partner of "The Museum of Contemporary Art: Department of Labor and Employment" exhibition at the State Tretyakovskaya Gallery, which was organized as part of the 5th Moscow Biennale that took place from September 2013 to March 2014. The exposition had a theme that reflected the perception of labor by contemporary artists.

The exhibition included an "Engenirium" stand on which the most interesting photographs submitted in MAYKOR's photo contest were placed.

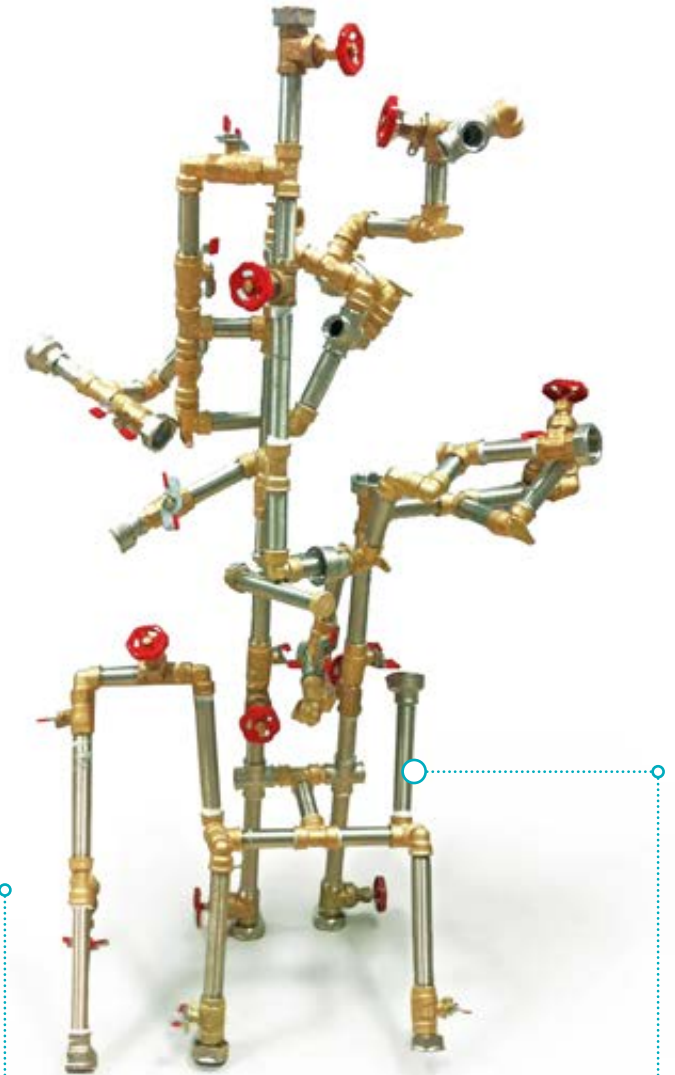


MAYKOR also put on a demonstration of a few art objects created by our staff from tools, spare parts and materials used in their daily work.

During the exhibition, MAYKOR's experts organized workshops to train artists and visitors on engineering specialties.



Support for this exhibition meant the company's involvement in the process related to rehabilitation of the idea of labor, not only in terms of specific business and social initiatives, but also from a conceptual point of view, to bring awareness of the importance of the issue to the public.



An art object Asynchronous that was created at one of the workshops became part of the exhibition and post-exhibition became part of the MAYKOR's Engineering Museum collection.

The goal of our ideological contributions is to help society look at the profession in a new way and acknowledge activities that generate real benefits without which modern man cannot live a normal life and work.

Buildings with their infrastructure, computers, mobile phones and other usual amenities all of this help us live better thanks to the workers who know how they work and how to maintain and repair the increasingly sophisticated modern intelligent systems.

“The Museum of Contemporary Art: Department of Labor and Employment” exhibition has become one of the most visited during this period and was widely covered in the Russian and foreign media.



MAYKOR's participation in this project was recognized in “The Best Social Projects of Russia” national program where we became the winner in the “Culture, Art and Religion” category. This national program was organized by the “Social Projects and Programs” fund with the support of the Moscow Government, the Agency for Strategic Initiatives and City of Moscow's Department of Natural Resources and Environmental Protection.



FUTURE RESERVES

In such a dynamic field as IT services, there is consistently high demand for qualified specialists by employers coupled with acute shortage of professionals. That is why partnerships with universities and colleges are one of the fundamental steps MAYKOR has taken to create a reserve pool of personnel resources.

The objectives of these partnerships are to improve the skills and education of young people in the IT field and to further develop future professionals in the outsourcing industry, which will increase the number of qualified personnel in this field.

Specialists and managers conduct workshops and master classes for students and pupils of the universities to educate them on the trade and industry.

In 2014, MAYKOR together with the Association of Strategic Outsourcing (ASTRA) held an open master class for students of Moscow State University covering the topic of “Innovative Outsourcing Destinations”.

The event was held as part of the “Fundamentals of Corporate Service Centers and Outsourcing” interdepartmental course. The purpose of the course was to give students basic knowledge about outsourcing

as an effective business tool, a fast-growing international industry and a promising profession.

MAYKOR’s representatives spoke at the “Global Perspective on the Effective Management of Universities” roundtable held at Kazan Federal University (KFU) where outsourcing industry experts discussed the features of the university’s service organization and how outsourcing is a possible strategy for its further development, the creation of Russia’s first specialized education in the field of outsourcing and the employment prospects of graduates in the specialty.

MAYKOR has a successful partnership with Moscow State University of Economics, Statistics and Informatics (MESI) that involves specialized business applications training based on existing programs in higher education, including vocational retraining and improvement of professional skills.

This strategic partnership contributes to the high training quality needed for a modern economy and information society and is aimed at cultivation practice and training for MESI students and teaching staff from the various specialized courses. It also helps increase employment for MESI students and graduates and foster participation from MESI teachers and students in MAYKOR’s projects.

MAYKOR regularly participates in open house and career fairs events as well as special meetings in colleges and universities, offering graduates personal incentives to increase its attractiveness as an employer.

MAYKOR offers graduates promising jobs, thereby helping alleviate the social problem of youth unemployment.



TECHNOLOGY DEVELOPMENT

One key direction in the outsourcing model for MAYKOR is the implementation of innovative technologies in urban areas.

The company is engaged in such projects in specific regions of Russia as well as in those that are nationwide in scope. The main focus areas for these projects are public safety, as well as quality of life improvements.

SMART CITY

Modern cities consume about 75% of the world's resources and city officials face major challenges daily: poor security, lack of public transportation, road congestion, poor quality water, high levels of air pollution, unsustainable use of energy resources, increasing amount of waste to be disposed and more.

To solve these challenges and optimize urban life management, the concept of integrated development of IT-based technologies was designed – the “Smart City”.

The concept involves providing high quality of life through the use of innovative technologies that provide cost-effective and environmentally friendly use of systems needed for urban living.

Moscow and St. Petersburg are actively in the process of building a “Smart City”. Some elements of the “Smart City” work just as effectively in other regions.



MAYKOR has developed a range of solutions for “Smart City” management including smart utilities delivery for public service agencies and toll road operation systems.

Solutions are already being used in practice, in government at the federal level. For example, the Federal Property Management Agency manages federal property with the help of an automated system that enables personalized management of state property.

“Smart Utilities”

The initial step in establishing “Smart Utilities” was a pilot project to automate an electricity metering system launched by MAYKOR along with some partners.

The system included smart electricity meters and the software that controls equipment operation and performs analytical and financial calculations.

The project objectives were to control energy consumption, curb illegal connections and reduce losses at all stages from generation to distribution and consumption by end users.

“Safe City”

The “Safe City” system which is a part of the “Smart City” concept has proved to be extremely popular. In 2014, we implemented several “Safe City” projects.

In the case of Republic of Dagestan, MAYKOR implemented the latest photography equipment comprising video camera and special software which are being used by public services to monitor compliance with traffic rules.

MAYKOR experts fully implemented the system and provided IT support as well as the traffic information required to the relevant services and departments.

MAYKOR also implemented a number of “Safe City” projects in Khanty-Mansiysk, Vologda, Volkhov (Leningrad region).



Russia, Vologda. City panorama

SOCIAL OUTSOURCING

One of the social business initiatives MAYKOR has launched is the establishment of common service centers (CSCs) in single-industry Russian towns.

CSC is a resource unit, which operates with a few dozen to several thousand professionals. These professionals perform auxiliary back-office functions remotely for areas such as IT support, accounting and finance, document management, marketing, call centers and others.

Setting up remote service centers in economically challenged areas is a worldwide practice in outsourcing. Remote service centers management are usually made from the service provider's head office.

In forming the CSCs, MAYKOR carried out retraining of specialists and created new jobs, thus diversifying employment in the region and at the same time solving the acute social problems in the cities, where the bulk of the working population works in one or several major employers that support the cities' economies.

The remote service centers can reduce the cost of services to clients through the use of lower cost labor, and on the flip side, provide new opportunities for the population and improve the quality of life.

For CSC projects, MAYKOR relies not only on its own strength, but also on cooperation with the authorities and other big businesses. Only with their support and close partnerships can post-industrial towns be converted into remote services centers.



CHARITY IN LIEU OF SOUVENIRS

The initiative “Charity in Lieu of Souvenirs” has been successfully operating in the country since 2007, with the number of participants exceeding 500 companies and more than 200 million rubles worth of “souvenir” donated.

The main idea of the initiative is to encourage companies to donate their souvenir budgets to charities to solve social problems in Russia.

MAYKOR has been involved in the project since 2010. In 2014, the company donated part of its gift budget to purchase the necessary materials for art classes at Ivanovo “Raduga (Rainbow)” orphanage, an institution for disabled orphans.

MAYKOR held a creative competition on the topic of “The Engineering Profession” at the orphanage where children depicted in drawings their vision of what it means to be a MAYKOR service engineer. The winner received a tech gift, a convertible tablet. The best drawings were then used to create MAYKOR’s charitable calendar which were sent as corporate New Year gifts to customers.



THE ENGINEERING PROFESSION

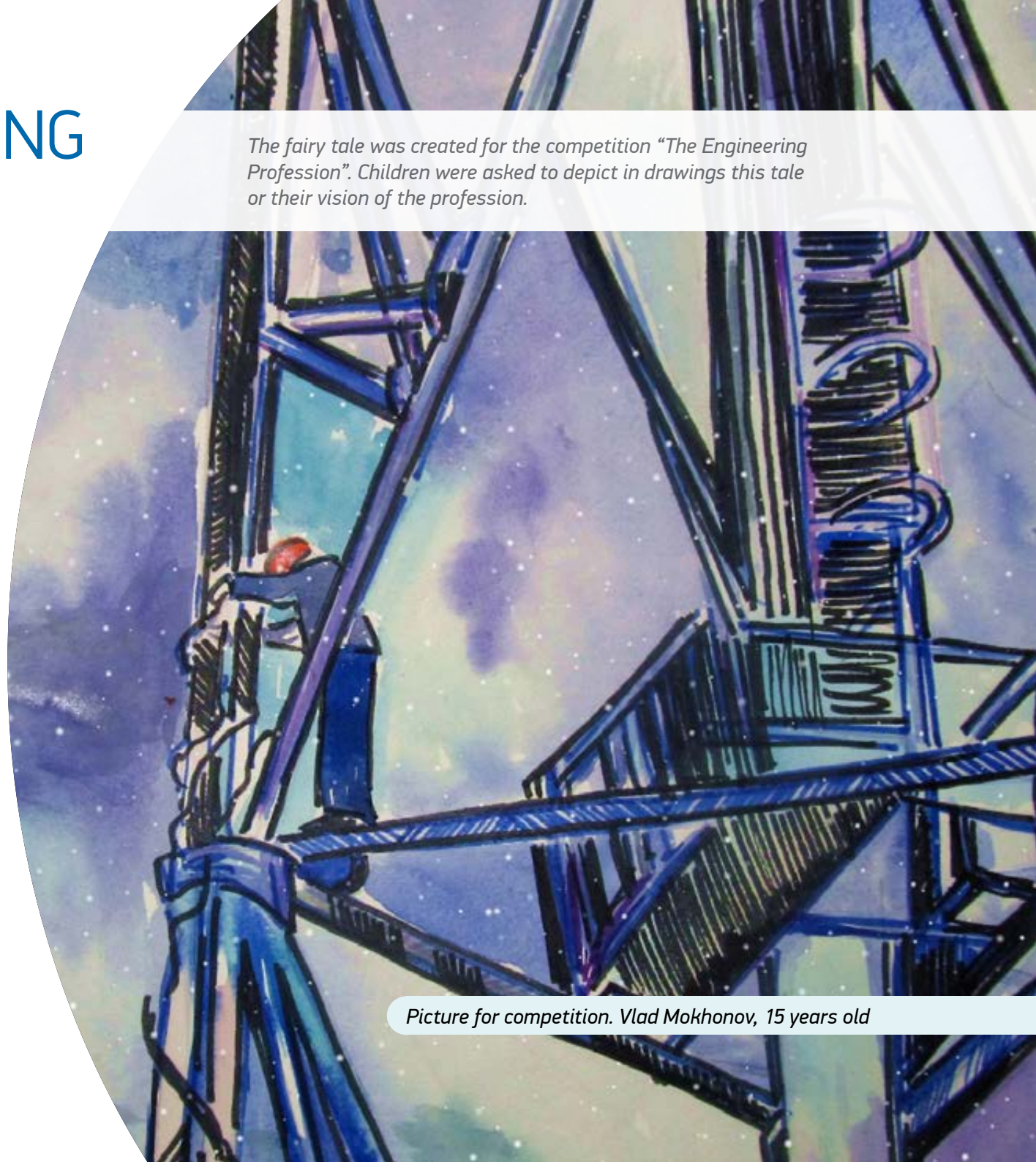
Once there was an engineer. At first, of course, he was just a boy. He went to school, and loved to play with other boys the game of cops and robbers, and football. But most of all he liked cars and robots, especially to disassemble and assemble them. And so he made them worked again, and maybe even better than before. As time passed, our hero graduated from high school and entered the Technical University. Oh, and it was not easy to learn! There's drafting, and programming, and electronics!

But he was happy when he received a diploma on which the qualification "engineer" was written!

And when MAYKOR hired him, the young engineer felt he was the luckiest man in town! Such pride and honor to work in the biggest and best service company in the country!

Of course, he had a difficult and responsible job. Clients, projects and even more projects! And all the different equipment! Well, all the knowledge gained at the university has become useful! But there are too few of them!

The fairy tale was created for the competition "The Engineering Profession". Children were asked to depict in drawings this tale or their vision of the profession.



Picture for competition. Vlad Mokhonov, 15 years old

That is where the robust Competency Center comes in. Engineers like him can ask the experts any technical question by phone, email or online chat.

There are in-person and distance learning programs plus interesting courses that are constantly available. He can learn to read and to study about any equipment. Sit at the computer to learn or learn through trips that give him the opportunity to practice on-site with colleagues.

Again, just like in school, tests and exams need to be taken. Even the drawings he did as a student, he is now doing them using computer programs. But after receiving the certificates and gaining the knowledge he can now undertake more challenging tasks.

He has to master banking techniques because after all, the city factory wages will be issued, and the ATM was broken. Go urgently to the factory gates and repair the ATM!

The city hospital brought new equipment and needs uninterruptible power supplies to be installed so technical failures can be avoided and everything can work without interruption to operations, and patients can recover faster.

It is also necessary to head to a distant village by road. Be sure to head to the post office and check the scales to make sure parcels are weighed accurately!

And as the deadline approaches, he needs to climb the tower of the cellular operator to perform technical maintenance work, so that at any moment it is possible to make calls without any problems.

At the gas station there is also a need to check whether all gasoline pumps work properly.

Today, colleagues will go to the garage to install tachometers in cars. Another will be at the supermarket to clean the air conditioners and repair refrigerators. The store has brought a batch of fresh meat and the refrigerators have gone haywire! Urgent fix needed!

In wintertime, our hero can't even catch a cold because for once there is so many work to do!



Picture for competition. Ilya Smirnov, 10 years old



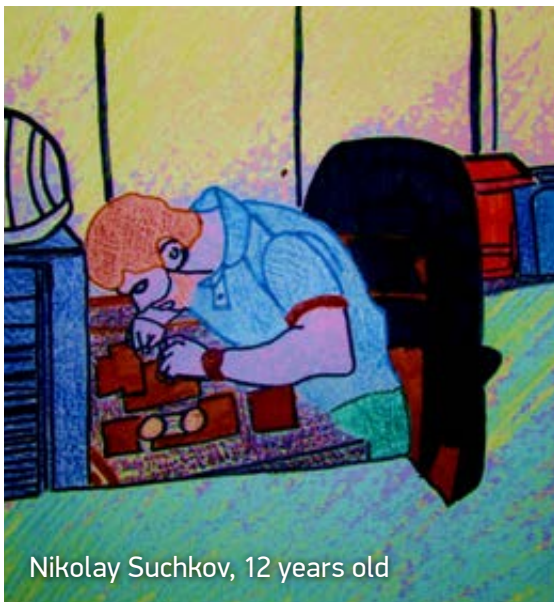
Ilya Smirnov, 10 years old



Evgeny Kimmel, 13 years old



Vlad Mokhonov, 15 years old



Nikolay Suchkov, 12 years old



Natalia Khrenova, 12 years old



Pavel Bolitkov, 14 years old

CORPORATE VOLUNTEERING

A significant part of MAYKOR's corporate culture is the development of volunteerism among employees.

A CARING FUTURE WITH MAYKOR

MAYKOR has been a sponsor of Reshemsкая correctional boarding school for children with disabilities for several years. The children at this school have an especially difficult time integrating with society. Therefore, one of the most important tasks the school has is to help children identify their place in society, instill in them a love for work, provide the necessary skills for further independent life and learn to work the land.

There are extensive infields on the school grounds where the children grow flowers, vegetables, fruit trees and berry bushes.

On the eve of the field season in 2014 funds collected by MAYKOR's staff with the support of the company, was used to acquire a motor-plow to help children with their agricultural work.

New this year was a campaign by MAYKOR's volunteers that was devoted to outdoors sports activities.

Children at Mansurov boarding school received a gift of winter sports footwear and accessories. Of course, communication with children via in-person contact is a very important part of volunteering.

MAYKOR's volunteers came to visit the children to take part in a festival, gladly acting as holiday helpers.



LABOR FOR LABOR

Striving to be a full part of society, to work despite the physical or other difficulties – this correlates with MAYKOR’s strategy and values.

As an IT outsourcing services leader in Russia, we attach importance to the computerization and automation of business processes, improvement of labor conditions and prevention of diseases.

With the support of the company, MAYKOR’s volunteers collected funds for Penza Production Association “Voskhod (Sunshine)” at the All-Russia Society for the Blind. The funds were used to acquire computer equipment to improve the organization’s efficiency and equip the workshops with special sound tonometers to monitor health status. Each employee also received a personal radio with headphones to create a favorable ambiance during work days.

As evident, MAYKOR’s volunteering programs cover various social groups. Recipients of assistance are determined by the volunteers, as well as by non-managerial employees.

The volunteer programs manager has an exclusively coordinating role, helping disseminate information to employees and advising all employees on the most

effective ways and actions to volunteer for projects.

In general, MAYKOR has 2-3 volunteering projects per year at the federal level, where all employees are invited to participate personally in projects.

At the regional level, staff at one or several branches get together to address social challenges in their local communities, undertaking up to 10 projects a year.



AWARDS & RECOGNITION

As of the end of 2014, MAYKOR holds leading positions in Russian and international industry rankings.



MIR DIAMOND MINE

This is where the biggest Russian diamond was mined. Currently, diamond recovery is carried out only in the underground minee

Discovery:	1955
End of mining:	2001
Depth of open cut:	525 m
Annual production:	1,000,000 tons
Diamond – record holder:	342.5 carats
Date of mining:	December 23, 1980



Amazing Russia

AWARDS & RECOGNITION

International Association of Outsourcing Professionals (IAOP):

- ✓ TOP 100 World's Best Outsourcing Service Providers in the Leaders category of The 2015 Global Outsourcing 100

Information Services Group (ISG):

- ✓ Recognized as one of the Top 10 Service Providers in the EMEA region according to the ISG Global Outsourcing Index

“Time for Innovations” Award supported by the Russian Ministry of Economic Development, Russian Ministry of Telecommunications and Russian Venture Company:

- ✓ Winner of the Innovation Project of the Year in Banking Service in the “Business and Service” category

Kommersant Dengi, the first popular economic weekly in Russia:

- ✓ Recognized as one of the Top 10 IT Service Providers in Russia

CNews, the leading IT and technology analyst in Russia:

- ✓ 2nd Place in the Largest IT Providers for Retailers in Russia
- ✓ 1st Place in the Largest IT Providers of IT Support in Russia
- ✓ One of the Largest IT Service Providers in the Telecom Sector

RAEX (Expert RA), the leading Russian rating agency with a global presence:

- ✓ Recognized as one of the Top 10 IT Service Providers in Russia

RIA Rating, Russian rating agency:

- ✓ Recognized as one of the Largest IT Companies in Russia

Superjob.ru:

- ✓ Named “Employer of Choice for 2014”



The rating “Leaders of the Information Technology Industry for 2015” recognition by the Production Management industry portal, given to subsidiary company MAYKOR-GMCS:

- ✓ Recognized as one of the Top 5 in the category “The best supplier of ERP solutions”
- ✓ Winner in the “Best supplier of BI / CPM solutions” category

Microsoft, recognition given to subsidiary company MAYKOR-GMCS:

- ✓ Best partner in the “Energy and Utilities” category in the Microsoft Dynamics ERP Awards 2014
- ✓ Best partner in “The biggest deal” category in the Microsoft Dynamics ERP Awards 2014
- ✓ Best partner in “The biggest sales” category in the Microsoft Dynamics ERP Awards 2014
- ✓ Best partner in the “Public Sector” category in the Microsoft Dynamics ERP Awards 2014
- ✓ Best partner in “The largest deals” category in the Microsoft Dynamics CRM Awards 2014
- ✓ Best partner in “The greatest volume of sales” category in the Microsoft Dynamics CRM Awards 2014
- ✓ Best partner in the “Federal Government Agencies” category in the Microsoft Dynamics CRM Awards 2014





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