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Rostelecom's Former President Pays Back $3 Million Golden Parachute

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Alexander Provotorov

Alexander Provotorov, the former president of state-owned telecommunications giant Rostelecom, has returned the 200 million ruble ($3.3 million) golden parachute he received for the pre-term cancellation of his contract in 2013, the company said in a statement Tuesday.

After Rostelecom payed out the full compensation to Provotorov, minority shareholders in the company challenged the contract's terms in court. Although the court eventually upheld the company's decision, Provotorov in December said he would give the money back to Rostelecom, calling it the "only right solution" under the circumstances.

However, he retained the roughly 30 million rubles ($480,000) paid out to him under a clause that gave him salary compensation equal to the months remaining under his contract.

In April last year President Vladimir Putin signed a bill into law limiting the amount of compensation for premature cancellation of contracts of state-owned company executives to the equivalent of three months' worth of salary.

Before the law came into force one of the biggest sole compensations from state-owned companies in Russia was in 2004 when Dmitry Skarga, ousted general director of shipping company Sovcomflot, was handed a $1 million golden parachute.

In 2008 a number of top executives, including the prematurely ousted head of electricity-generating company OGK-2, received a total of more than 550 million rubles ($8.7 million in current value) in compensation.

The biggest compensation to the executive of a private company so far was paid out to the former head of Norilsk Nickel, Vladimir Strzhalkovsky, who received a total of $100 million.

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