

**CORPORATE
GOVERNANCE**



The corporate governance framework of FESCO is built to comply with the principles and requirements set out in the applicable laws of the Russian Federation, regulations of the Bank of Russia and the Listing Rules of the Moscow Exchange.

FESCO views corporate governance as a key to stability of the Company's operations, with the principles of corporate governance and business ethics placed at the heart of its business success and responsible behaviour.

The key role in the Company's governance belongs to the Board of Directors (the "BoD"), which regularly meets with the Company's management to make prompt strategic decisions on the most important matters for the Group.

The BoD has approved FESCO's action plan to improve corporate governance practices and procedures for 2019. This plan aims to ensure compliance with the Corporate Governance Code recommended by the Bank of Russia, and the Listing Rules of the Moscow Exchange, as well as to introduce best corporate governance practices.

It seeks to improve corporate procedures, including those regulating the activities of the Board of Directors. To this end, a schedule was adopted for it to follow, taking into account the strategic planning cycles for FESCO Group's projects and corporate events. A new format of materials was developed and introduced, together with improved procedures for approving documents to be submitted to the BoD. The Company also updated its by-laws and took steps towards better disclosure.