

Governing and supervisory framework

General Shareholders Meeting

The General Shareholders Meeting is the supreme governing body through which shareholders exercise their right to participate in the Company's governance. The procedure for shareholders to participate in the governance of the Company and the General Shareholders Meeting's scope of authority are defined in FESCO's Articles of Association and Regulations on the General Shareholders Meeting.

On 20 June 2019, the Annual General Shareholders Meeting approved an updated version of FESCO's Articles of Association, Regulations on the Sole Executive Bodies and Regulations on the Executive Board, and elected the Board of Directors.

Board of Directors

The Board of Directors is responsible for the overall governance of the Company. It acts within the scope of authority defined in the Company's Articles of Association and consists of nine members.

The rules of procedure for the Board of Directors are set out in FESCO's Regulations on the Board of Directors.

In the reporting year, it held 22 meetings (two in person and 20 in absentia) and reviewed 89 matters related to the Company's economic and financial activities, strategy and HR policy.

The Board of Directors supervised the management by reviewing reports on the Company's results and fulfilment of the Board's and its committees' assignments.

Another focus of the Board of Directors was to ensure independence of the internal audit service and continuously monitor risks of the Company and its controlled entities and affiliates. To this end, it evaluated quarterly reports covering performance of the Internal Audit Department, approved the Group's material risk maps and implemented initiatives to manage such risks in the corresponding period.

In 2019, the Board of Directors made a number of important decisions on the restructuring of the Group's outstanding financial debt and the issuance of irrevocable public offers to the Company's bondholders. Please see the section on the capital market for more details.

Directors are elected by the General Shareholders Meeting for the period until the next Annual General Shareholders Meeting. In the reporting year, the composition of the Board of Directors and its committees remained unchanged.

Membership of the Board of Directors

As at the beginning of 2019, the following directors served on FESCO's Board of Directors:

- Leyla Mamedzadeh (Chair);
- Konstantin Kuzovkov (Deputy Chair);
- Shagav Gadzhiev;
- Mark Garber;
- Natalia Izosimova;
- Alexander Isurin;
- Denis Kant Mandal;
- Konstantin Kurlanov;
- Dmitry Shvets.

On 20 June 2019, the Annual General Shareholders Meeting re-elected the Company's Board of Directors in full.