

# JSC FPC Corporate Governance

## Overview of the corporate governance model and practice at JSC FPC

### 1

#### CORPORATE GOVERNANCE PRINCIPLES

#### Protecting shareholder interests and rights

The Regulations on Preparing and Holding the General Shareholders Meeting of JSC FPC (published on FPC's website) provide for the corporate governance rights of shareholders.

Protection of interests and rights of the Company's shareholders is provided due to a reliable method for recording their rights to shares – the share register is maintained by an independent entity, Company STATUS.

As part of the preparation for the General Shareholders Meeting, shareholders are provided with additional information in addition to the mandatory information required by law.



*Link to the Regulations on the Procedure for Preparing and Holding the General Shareholders Meeting of JSC FPC*

### 2

#### Equal treatment of all shareholders

Shareholders have equal and fair rights to share profits of JSC FPC by receiving dividends. The Regulations on JSC FPC's Dividend Policy (published on FPC's website) establish a mechanism for determining the amount of dividends and their payment.

All shareholders are provided with materials required for the General Shareholders Meeting and have equal access to all required information at the offices of the Company.



*Link to the Regulations on JSC FPC's Dividend Policy*



### 3

#### Timely disclosure of information

The Company ensures timely disclosure of information on JSC FPC's website at <http://www.fpc.ru> and in the news feed of SKRIN information agency, which is authorised to disclose information about securities and other financial instruments.

### 4

#### A uniform Corporate Policy for all subsidiaries and affiliates of the Company

JSC FPC pursues a uniform Corporate Policy covering its subsidiaries to ensure the implementation of uniform corporate standards, including standard Articles of Association and Regulations governing the activities of management and control bodies, uniform business planning standards, uniform corporate reporting, and uniform principles of financial and budget control.

### 5

#### Mutual trust and respect for all stakeholders

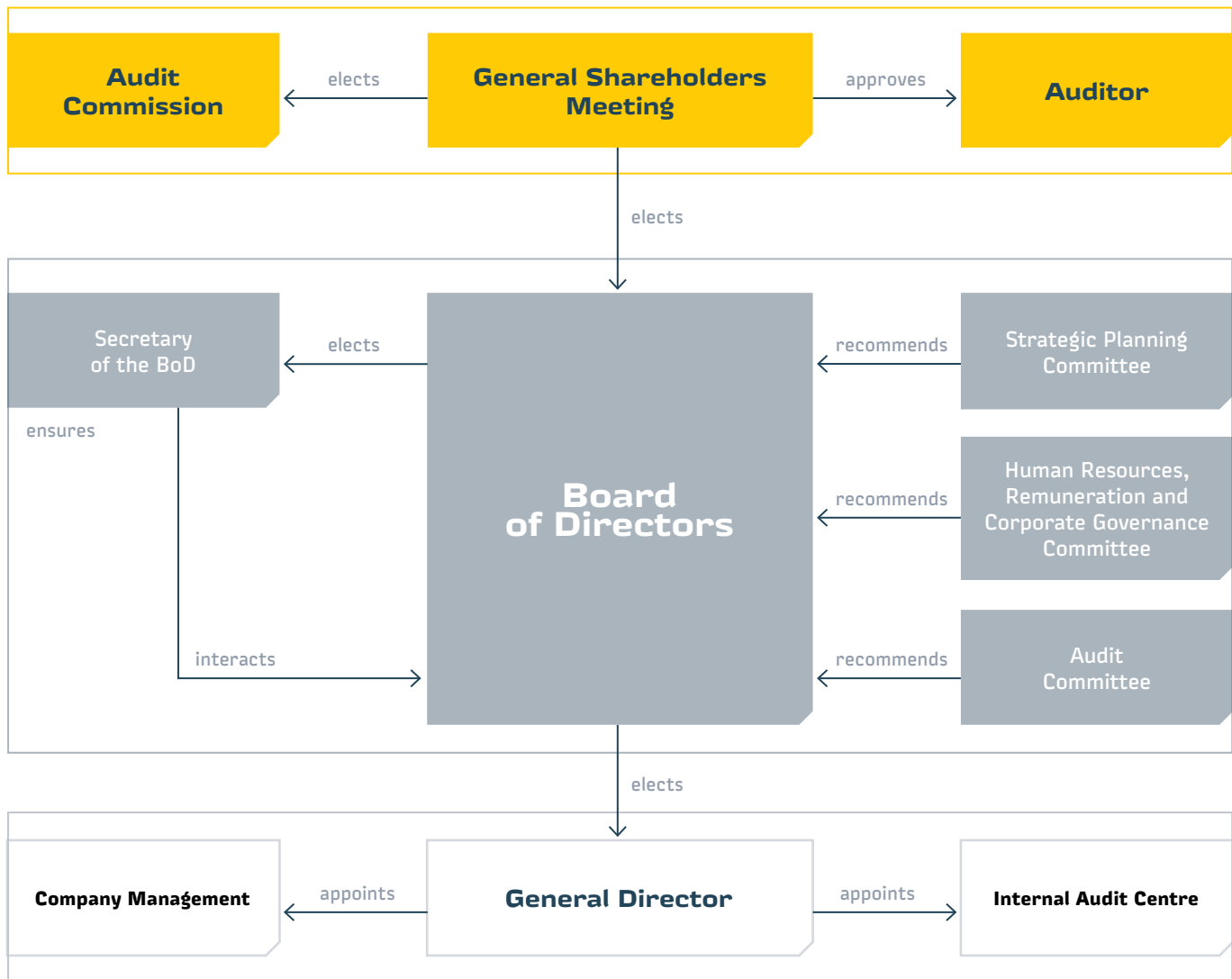
Relationships between the Company's shareholders, members of the Board of Directors and management are based on integrity, trust, mutual respect for legitimate interests, and all parties performing their obligations in good faith.



*Link to FPC's official website*

# The Company's corporate governance model

The Company's corporate governance model





JSC FPC's corporate governance model is built in line with Russian statutory requirements and is a multi-tier system of relationships between participants in the corporate governance process.

The Company's supreme management body is the General Shareholders Meeting, with the Board of Directors occupying a central place in the corporate governance system, and the management of Company's day-to-day operations delegated to the General Director.

The General Director is accountable to the General Shareholders Meeting and the Board of Directors. The Board of Directors, in its turn, reports to the General Shareholders Meeting of JSC FPC.

The jurisdiction of all management bodies is clearly defined and formalised in the provisions of the Company's Articles of Association.

Matters reserved to the General Shareholders Meeting include approval of the Company's independent Auditor, election of the Audit Commission and the Board of Directors, payout (declaration) of dividends following the first quarter, the first six months, the first nine months of the financial

year, approval of the Company's annual reports, annual accounting statements, including profit and loss statements (profit and loss accounts), as well as distribution of the Company's profit (including payout (declaration) of dividends, except for the profit distributed as dividends following the results of the first quarter, first six months, and first nine months of the financial year) and loss following the end of the financial year, approval of transactions as provided for by Federal Law No. 208-FZ On Joint Stock Companies dated 26 December 1995.

The Board of Directors occupies a key position in JSC FPC's system of corporate governance, as it determines the focus areas for the Company's development, approves the key financial and economic targets for the Company and monitors their achievement, sets strategic priorities both for the near- and longer-term, and oversees the activities of the Company's executive bodies.

Election of the General Director and the Corporate Secretary of the Board

of Directors, and appointment of members to the Board of Directors Committees are reserved to the Board of Directors.

Three Committees have been set up at JSC FPC's Board of Directors for preliminary consideration of the most important matters related to the Company's activities: the Strategic Planning Committee, the Audit Committee and the Human Resources, Remuneration and Corporate Governance Committee.

The Corporate Secretary of the Board of Directors ensures effective ongoing interaction with shareholders, coordinates the Company's efforts to protect shareholder rights and interests and supports the activities of the Board of Directors.

To provide the Company's shareholders with reliable and complete information on the Company's financial and business activities the Company appoints its Auditor on an annual basis and has the Audit Commission in place.