

Board Leadership

Chairman of the Board of Directors and his role

The Chairman of the Board of Directors is elected by members of the Board of Directors from among its members and may be re-elected at any time. The Board Chairman has a casting vote in the event of a tie vote.

The Chairman of the Board of Directors organises the work of the Board of Directors; convenes its meetings and absentee voting; takes all requisite measures to ensure that all members of the Board of Directors timely receive any information required for the approval of resolutions set forth in the agenda; chairs the meetings; if necessary, undertakes drafting decisions on agenda items under consideration; and ensures that minutes of any meeting and absentee voting of the Board of Directors are duly maintained. The Board Chairman is not entitled to delegate its functions to any other person.

Independent Directors and their roles

In accordance with the Corporate Governance Code approved by the Bank of Russia on 21 March 2014, as well as the listing rules of Moscow Stock Exchange, the following directors are recognized by the Company as independent directors:

1. Ruben Aganbegyan;
2. Alexander Auzan;
3. Anatoly Milyukov;
4. Vadim Semenov.

In accordance with the Company's Charter, the Board of Directors shall carry out a review aimed at assessing compliance of members of the Board of Directors with independence criteria and approve their status as independent directors. At its meeting on 8 October 2015, the Board of Directors evaluated the abovementioned members of the Board against the independence criteria set forth in the Corporate Governance Code and reaffirmed their independence status.

The key responsibility of independent directors, that are not influenced by their relationship with executive bodies of the Company or certain shareholders, is to provide judgments fairly balancing interests of all stakeholders.

In addition, independent directors are responsible for overseeing the implementation of the decisions approved by the Board of Directors and foster improved corporate governance standards in the Company. The Board's independent members also oversee the formation and work of the Committees of the Board of Directors, which are responsible for the development of the Company's Strategy, internal audit and control systems, and remuneration payable to the management team. The Committee's tasks also include oversight of the Company's relationship with auditors, as well as the audit and control bodies. In particular, the Audit Committee and Nomination and Remuneration Committee of the Board of Directors elected in October 2015 include independent directors only.