

Appendix 3

**(Report on Compliance
With the Principles
and Recommendations
of the Corporate
Governance Code
the Bank of Russia)**

Report on compliance with the principles and recommendations of the Corporate Governance Code

This report on compliance with the principles and recommendations of the Corporate Governance Code (the Report) was reviewed by Rosneft's Board of Directors at a meeting held on 21 April 2020 (Minutes No.22 dated 22 April 2020) as part of the 2019 Annual Report.

The Board of Directors certifies that this Report contains complete and reliable information on Rosneft's compliance with the principles and recommendations of the Corporate Governance Code in 2019¹.

Rosneft assesses its compliance with the Corporate Governance Code as per the guidelines recommended by the Bank of Russia in Letter No. IN-06-52/8 on Disclosure of Compliance with the Principles and Recommendations of the Corporate Governance Code in the Annual Report of a Public Joint Stock Company dated 17 February 2016. Key aspects of the Company's corporate governance model and practice are outlined in Section Corporate Governance of Rosneft's 2019 Annual Report.

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
The Company shall ensure equitable and fair treatment of all shareholders exercising their right to participate in managing the Company.				
1.1.1	The Company provides the best possible conditions for shareholders to participate in General Shareholders Meetings, make informed decisions on agenda items, coordinate their actions and express their opinions on matters under consideration.	<ol style="list-style-type: none"> The Company's internal regulation on conducting General Shareholders Meetings approved by the General Shareholders Meeting is publicly available. The Company provides an easily accessible communication channel, such as a hotline, email or online forum, for shareholders to express their opinions and put questions regarding the agenda in preparation for a General Shareholders Meeting. The Company provided such communication channels before every General Shareholders Meeting held in the reporting period. 	✓ Complied with Complied with in part Not complied with	<p>To maintain effective relations with shareholders, Rosneft provides the following communication channels: a shareholder hotline, mail and email, fax.</p> <p>The Company does not consider setting up a dedicated online forum, as it has other communication channels in place, as well as provides for the opportunity to discuss agenda items at General Shareholders Meetings and, if relevant, using Rosneft's social networks, which are mentioned on Rosneft's official website.</p> <p>The Corporate Governance analytical information system was put into operation. It enables shareholders to vote online and interact with the Company and the registrar via shareholder's personal account.</p>
1.1.2	The procedure to notify shareholders of a General Shareholders Meeting and provide them with relevant materials enables them to get well-prepared.	<ol style="list-style-type: none"> The notice of a General Shareholders Meeting is posted on the Company's website at least 30 days prior to the date of the Meeting. The notice specifies the venue of the Meeting and documents required for admission to the venue. Shareholders are informed of who proposed agenda items and nominated candidates to the Company's Board of Directors and Audit Commission. 	✓ Complied with Complied with in part Not complied with	

¹ Specifies either the reporting year or, if the report on compliance with the principles and recommendations of the Corporate Governance Code contains data related to the post reporting period up to the date of the Report, the date of the Report.

² The "complied with" status is assigned only if the Company meets all of the criteria for compliance with a corporate governance principle. Otherwise, the "complied with in part" or "not complied with" status is assigned.

³ Explanations are given for each criterion for compliance with a corporate governance principle if the Company meets only some of the criteria or none of them. If the Company indicates the "complied with" status, no explanations are required.

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
1.1.3	<p>When preparing for and participating in a General Shareholders Meeting, shareholders have unrestricted and timely access to any relevant information and materials, and are able to put questions to the Company's executive bodies and directors, as well as communicate with one another.</p>	<p>1. In the reporting period, shareholders had the opportunity to put questions to the Company's executive bodies and directors both before and during the Annual General Shareholders Meeting.</p> <p>2. The Board of Directors' opinions (including dissenting opinions recorded in the minutes) on each of the agenda items of the General Shareholders Meetings held in the reporting period were added to the materials for the General Shareholders Meeting.</p> <p>3. The lists of persons entitled to participate in each General Shareholders Meeting in the reporting period were made available to the shareholders eligible to review such lists as soon as the Company received those.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
1.1.4	<p>There are no unjustified difficulties preventing shareholders from exercising their rights to convene a General Shareholders Meeting, nominate candidates to the governing bodies and propose items for the agenda.</p>	<p>1. In the reporting period, shareholders had the opportunity to propose items for the agenda of the Annual General Shareholders Meeting during at least 60 days after the end of the respective calendar year.</p> <p>2. In the reporting period, the Company rejected no item proposed for the agenda and no candidate nominated to the Company's bodies due to misprints or other minor flaws in shareholders' proposals.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
1.1.5	<p>Each shareholder is able to exercise their voting right without hindrance, in the simplest and most convenient way.</p>	<p>1. The Company's internal regulation (corporate policy) authorises each General Shareholders Meeting participant to request a copy of their completed ballot certified by the ballot committee before the end of the respective meeting.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
1.1.6	<p>The procedure for holding a General Shareholders Meeting established by the Company provides all persons present at the Meeting with equal opportunities to express their opinions and ask questions.</p>	<p>1. In the reporting period, sufficient time for reporting on and discussing agenda items was provided at General Shareholders Meetings held in the form of a meeting (joint presence of shareholders).</p> <p>2. Candidates nominated to the Company's governing and supervisory bodies were available for answering shareholders' questions at the Meeting where they were voted upon.</p> <p>3. When making decisions on the preparation and holding of General Shareholders Meetings in the reporting period, the Board of Directors considered using telecommunications equipment to provide shareholders with remote access to participate in the Meetings.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
1.2. Shareholders are provided with an equitable and fair opportunity to receive a share of the Company's profits in the form of dividends.				
1.2.1	The Company has developed and implemented a transparent and clear procedure to determine the amount of dividends and pay them out.	<p>1. The Company's Dividend Policy has been developed, approved by the Board of Directors and disclosed.</p> <p>2. If, in accordance with the Company's Dividend Policy, the amount of dividends is determined based on the Company's results recorded in its financial statements, the Dividend Policy shall employ the consolidated financial statements.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
1.2.2	The Company does not resolve to pay out dividends if such resolution, though not in breach of the legislation, is not economically viable and may lead to false assumptions about the Company's operations.	1. The Company's Dividend Policy clearly stipulates financial/economic circumstances under which the Company should not pay dividends.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
1.2.3	The Company does not allow any negative changes in the dividend rights of its current shareholders.	1. In the reporting period, the Company did not perform any actions causing negative changes in the dividend rights of its current shareholders.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
1.2.4	The Company makes every effort to prevent shareholders from receiving profit (gain) from the Company other than in the form of dividends and liquidation value.	1. In order to prevent shareholders from receiving profit (gain) from the Company other than in the form of dividends and liquidation value, the Company's internal regulations provide for controls that ensure timely identification and approval of transactions with affiliates (related parties) of substantial shareholders (persons entitled to exercise votes attached to voting shares), where the law does not formally recognise such transactions as related-party transactions.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
1.3. Corporate governance framework and practices ensure equality of all shareholders owning shares of the same class (type), including minority and foreign shareholders, and their equitable treatment by the Company.				
1.3.1	The Company ensures fair treatment of each shareholder by its governing bodies and controlling persons, specifically allowing no abuse of minority shareholders by major shareholders.	1. In the reporting period, the procedures to manage potential conflicts of interest between substantial shareholders were effective, and the Board of Directors paid due attention to conflicts between shareholders, if any.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
1.3.2	The Company does not perform any actions that will or may result in artificial redistribution of corporate control.	1. The Company has no quasi-treasury shares, or no quasi-treasury shares were used in voting during the reporting period.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
1.4. Shareholders are provided with reliable and effective methods of registering their ownership of shares and the opportunity to dispose of their shares freely and without hindrance.				
1.4.1	Shareholders are provided with reliable and effective methods of registering their ownership of shares and the opportunity to dispose of their shares freely and without hindrance.	1. The quality and reliability of the work performed by the Company's registrar to keep the register of security holders meet the Company's and its shareholders' needs.	✓ Complied with Complied with in part Not complied with	
2.1. The Board of Directors is responsible for the strategic management of the Company, formulating key principles of and approaches to risk management and internal controls in the Company, supervising the work of the Company's executive bodies and performing other core functions.				
2.1.1	The Board of Directors is responsible for the appointment of executive bodies and their dismissal, including as a result of failure to perform properly. The Board of Directors also ensures that the Company's executive bodies act in accordance with the approved development strategy and the Company's business profile.	1. The Board of Directors has the powers stated in the Charter to appoint and dismiss members of executive bodies and to determine the terms and conditions of their contracts. 2. The Board of Directors has reviewed the report (reports) of the sole executive body and members of the collective executive body on the implementation of the Company's strategy.	✓ Complied with Complied with in part Not complied with	
2.1.2	The Board of Directors sets major long-term targets for the Company, as well as assesses and approves its key performance indicators and primary business goals, along with the Company's strategy and business plans with regard to its core operations.	1. In the reporting period, the Board of Directors addressed matters related to the strategy implementation and revision, approval of the Company's financial and business plan (budget), and review of criteria and indicators (including interim ones) as regards delivering on the Company's strategy and business plans.	✓ Complied with Complied with in part Not complied with	
2.1.3	The Board of Directors formulates the principles of and approaches to risk management and internal controls in the Company.	The Board of Directors has formulated the principles of and approaches to risk management and internal controls in the Company. In the reporting period, the Board of Directors assessed the Company's risk management and internal control system.	✓ Complied with Complied with in part Not complied with	
2.1.4	The Board of Directors determines the Company's policy on remuneration and/or reimbursement of expenses (compensations) to its directors, executive bodies and other key managers.	1. The Company has developed and implemented the policy (policies) approved by the Board of Directors on remuneration and reimbursement of expenses (compensations) to its directors, executive bodies and other key managers. 2. In the reporting period, the Board of Directors addressed matters related to the above policy (policies).	✓ Complied with Complied with in part Not complied with	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
2.1.5	The Board of Directors plays a key role in preventing, identifying and resolving internal conflicts between the Company's bodies, shareholders and employees.	<p>1. The Board of Directors plays a key role in preventing, identifying and resolving internal conflicts.</p> <p>2. The Company has developed a framework for identifying transactions involving a conflict of interest and a set of measures for resolving such conflicts.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.1.6	The Board of Directors plays a key role in ensuring the Company's transparency, full and timely information disclosure, and unhindered access of shareholders to the Company's documents.	<p>1. The Board of Directors has approved a regulation on Information Policy.</p> <p>2. The Company has determined persons responsible for the implementation of the Information Policy.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.1.7	The Board of Directors oversees the Company's corporate governance practices and plays a key role in the Company's material corporate events.	1. In the reporting period, the Board of Directors reviewed the Company's corporate governance practices.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.2. The Board of Directors is accountable to the Company's shareholders.				
2.2.1	Information on the performance of the Board of Directors is disclosed and provided to shareholders.	<p>1. The Company's Annual Report for the reporting period includes information on attendance of meetings of the Board of Directors and Committees by individual directors.</p> <p>2. The Annual Report includes information on key results of the Board of Directors' performance assessment carried out in the reporting period.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.2.2	The Chairman of the Board of Directors is available for contact with the Company's shareholders.	1. The Company has a transparent procedure enabling shareholders to submit their questions and opinions thereon to the Chairman of the Board of Directors.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
The Board of Directors manages the Company in an effective and competent manner, and is able to make objective and independent judgements and decisions in the best interests of the Company and its shareholders.				
2.3.1	Elected to the Board of Directors are only those individuals who have an impeccable business and personal reputation, as well as the knowledge, skills and experience required for making decisions within the remit of the Board of Directors and performing its functions effectively.	<p>1. The Company's procedure for assessing the Board of Directors' performance includes, among other things, the assessment of directors' professional expertise.</p> <p>2. In the reporting period, the Board of Directors (or its Nomination Committee) assessed candidates to the Board of Directors in terms of their required experience, knowledge, business reputation, lack of conflict of interest, etc.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
2.3.2	The Company's directors are elected through a transparent procedure providing shareholders with sufficient information on candidates to form an opinion about their personal and professional qualities.	1. In all cases where the agenda of a General Shareholders Meeting held in the reporting period included election to the Board of Directors, the Company provided shareholders with biographical details of all candidates to the Board of Directors, results of their assessment by the Board of Directors (or its Nomination Committee), information on their compliance with the independence criteria as per Recommendations 102-107 of the Code, and their written consent to be elected to the Board of Directors.	✓ Complied with Complied with in part Not complied with	
2.3.3	The composition of the Board of Directors is balanced, including in terms of directors' expertise, experience, knowledge and business skills, and worth of shareholders' trust.	1. As part of the Board of Directors' performance assessment in the reporting period, the Board of Directors reviewed its own needs for professional expertise, experience and business skills.	✓ Complied with Complied with in part Not complied with	
2.3.4	The number of directors ensures the most effective arrangement of activities of the Company's Board of Directors, including by way of establishing Committees, and enables a candidate voted for by the Company's substantial minority shareholders to be elected to the Board of Directors.	1. As part of the Board of Directors' assessment carried out in the reporting period, the Board of Directors reviewed whether the number of directors was in line with the Company's needs and shareholders' interests.	✓ Complied with Complied with in part Not complied with	
The Board of Directors includes a sufficient number of Independent Directors.				
2.4.1	An Independent Director is a person with sufficient professional skills, experience and independence to form their own opinions and make objective and fair judgements not influenced by the Company's executive bodies, certain groups of shareholders or other stakeholders. Under normal circumstances a candidate (elected director) may not be considered independent if they are related to the Company, its substantial shareholder, its substantial counterparty or competitor, or the government.	1. In the reporting period, all Independent Directors met all of the independence criteria as per Recommendations 102-107 of the Code or were recognised as independent by the Board of Directors.	✓ Complied with Complied with in part Not complied with	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
2.4.2	Candidates to the Board of Directors are assessed for compliance with the independence criteria, with Independent Directors being regularly checked against these criteria. Such assessments should be in line with the substance over form principle.	<p>1. In the reporting period, the Board of Directors (or its Nomination Committee) formed an opinion regarding the independence of each candidate to the Board of Directors and submitted the relevant report to shareholders.</p> <p>2. In the reporting period, the Board of Directors (or its Nomination Committee) at least once reviewed the independence of current directors specified in the Company's Annual Report as Independent Directors.</p> <p>3. The Company has developed procedures determining actions to be taken by a director if they cease to be independent, including their obligation to notify the Board of Directors accordingly and in a timely manner.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.4.3	Independent Directors make up at least one third of the elected directors.	1. Independent Directors make up at least one third of the Board of Directors.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.4.4	Independent Directors play a key role in preventing internal conflicts in the Company and taking material corporate actions by the Company.	1. Independent Directors (with no conflict of interest) make a preliminary assessment of material corporate actions involving a potential conflict of interest and submit the results thereof to the Board of Directors.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
The Chairman of the Board of Directors ensures that the Board of Directors performs its functions in the most effective way.				
2.5.1	The Chairman of the Board of Directors has been elected from among Independent Directors, or a Senior Independent Director has been appointed from among the elected Independent Directors to coordinate their work and liaise with the Chairman of the Board of Directors.	<p>1. The Chairman of the Board of Directors is an Independent Director, or a Senior Independent Director has been appointed from among Independent Directors.</p> <p>2. The role, rights and responsibilities of the Chairman of the Board of Directors (and, if applicable, of the Senior Independent Director) are duly specified in the Company's internal regulations.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.5.2	The Chairman of the Board of Directors ensures constructive atmosphere during meetings, facilitates open discussion of agenda items and oversees implementation of the Board of Directors' resolutions.	1. In the reporting period, the performance of the Chairman of the Board of Directors was assessed as part of the Board of Directors' performance assessment.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.5.3	The Chairman of the Board of Directors ensures that directors are provided with information required to make informed decisions on agenda items in a timely manner.	1. The responsibility of the Chairman of the Board of Directors to ensure timely provision to directors of materials on agenda items is specified in the Company's regulations.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
Directors act reasonably and in good faith in the best interests of the Company and its shareholders, based on sufficient awareness and with due diligence and care.				
2.6.1	Directors make decisions taking into account all available information, having no conflict of interest, ensuring equitable treatment of the Company's shareholders and keeping within the limits of common business risks.	<p>1. The Company's internal regulations specify that directors shall notify the Board of Directors of any conflict of interest they might have in relation to any agenda item prior to the discussion of that item at a meeting of the Board of Directors or its Committee.</p> <p>2. The Company's internal regulations specify that a director shall abstain from voting on any item where they have a conflict of interest.</p> <p>3. The Company has established a procedure enabling the Board of Directors to get professional advice on matters within its remit at the Company's expense.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.6.2	Directors' rights and responsibilities are clearly stated and set forth in the Company's internal regulations.	1. The Company has adopted and published an internal regulation clearly specifying directors' rights and responsibilities.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.6.3	Directors have sufficient time to perform their duties.	<p>1. Individual attendance of meetings of the Board of Directors and Committees and the time spent to prepare for such meetings were taken into account during the Board of Directors' assessment in the reporting period.</p> <p>2. As per the Company's internal regulations, directors shall notify the Board of Directors of their intention to join the governing bodies of other companies (excluding those controlled by or affiliated with the Company) and of the fact of such an appointment.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.6.4	All directors have equal access to the Company's documents and information. Newly elected directors are provided with sufficient information on the Company and the Board of Directors' activities as soon as practicable.	<p>1. As per the Company's internal regulations, directors have the right to access documents and make enquiries related to the Company and its controlled entities, and the Company's executive bodies are obliged to provide the relevant information and documents.</p> <p>2. The Company has a formalised induction programme for newly elected directors.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

¹

² The Company specifies which of the two suggested approaches it uses and why.

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
The Board of Directors establishes Committees for preliminary consideration of the most important matters related to the Company's operations.				
2.7.1	Meetings of the Board of Directors are held as necessary, given the Company's scope of operations and objectives at any given time.	1. The Board of Directors held at least six meetings in the reporting year.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.7.2	The Company's internal regulations set out a procedure to prepare and hold meetings of the Board of Directors enabling directors to make proper preparations.	1. The Company has approved an internal regulation setting out the procedure to prepare and hold meetings of the Board of Directors and specifying, among other things, that the notice of a meeting shall be generally given at least 5 days prior to the date of the meeting.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.7.3	The format of a meeting of the Board of Directors is determined taking into account the importance of agenda items. Resolutions on the most important matters are adopted at in-person meetings.	1. The Company's Charter or another internal regulation specifies that the most important matters (as per the list set out in Recommendation 168 of the Code) shall be reviewed at in-person meetings of the Board of Directors.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.7.4	Resolutions on the most important matters related to the Company's operations are adopted at meetings of the Board of Directors by a qualified majority vote or by a majority vote of all elected directors.	1. The Company's Charter specifies that resolutions on the most important matters, as per Recommendation 170 of the Code, shall be adopted at meetings of the Board of Directors by a qualified majority of at least three quarters of the votes or by a majority vote of all elected directors.	<p>Complied with</p> <p>✓ Complied with in part</p> <p>Not complied with</p>	<p>Paragraph 10.5.5 of Rosneft's Charter specifies the range of matters to be resolved by the Board of Directors by a qualified majority vote.</p> <p>Given the scope of Rosneft's operations, the number of matters reviewed by the Board of Directors, the composition of the Board of Directors and the economic sanctions the Company is exposed to, expanding this range to include all matters set out in Recommendation 170 of the Code may materially impede or prevent the resolution of matters material to the Company.</p> <p>Therefore, setting a higher quorum as recommended by the Code may result in the Board of Directors not being able to resolve a number of key matters.</p> <p>At the same time, the number of directors, the structure of the Board of Directors, including four Independent Directors, the procedure to prepare for meetings, discuss matters thereat and disclose information thereon guarantee the protection of rights of all shareholder groups and reflect the Company's shareholding structure. The Company has no intention to change its approach in the medium term.</p>

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
-----	---------------------------------	---	---	--

The Board of Directors establishes Committees for preliminary consideration of the most important matters related to the Company's operations.

2.8.1	For preliminary consideration of matters related to the monitoring of the Company's financial and business operations, an Audit Committee composed of Independent Directors has been established.	<p>1. The board of directors has a standing audit committee comprised entirely of independent directors.</p> <p>2. The Company's internal regulations specify the Audit Committee's objectives, including those set out in Recommendation 172 of the Code.</p> <p>3. At least one member of the audit committee, who is an independent director, has knowledge and expertise in the preparation, analysis, evaluation and audit of accounting (financial) statements.</p> <p>4. The audit committee held at least one meeting per quarter during the reporting period.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.8.2	For preliminary consideration of matters related to the development of an effective and transparent remuneration framework, a Remuneration Committee composed of Independent Directors and chaired by an Independent Director not being the Chairman of the Board of Directors has been established.	<p>1. The board of directors has a standing remuneration committee comprised entirely of independent directors.</p> <p>2. The remuneration committee is chaired by an independent director who is not the chairman of the board of directors.</p> <p>3. The Company's internal regulations specify the Remuneration Committee's objectives, including, among others, those set out in Recommendation 180 of the Code.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	<p>The principle is not complied with inasmuch as the HR and Remuneration Committee of the Board of Directors is not exclusively composed of Independent Directors.</p> <p>The HR and Remuneration Committee of the Board of Directors is mostly made up of Independent Directors. The elected Chairman of the HR and Remuneration Committee of the Board of Directors is an Independent Director.</p> <p>The remit of the HR and Remuneration Committee of the Board of Directors includes matters reserved for a Nomination Committee and a Remuneration Committee by the Corporate Governance Code.</p> <p>Taking into account the three Committees established by the Company (the Audit Committee, the HR and Remuneration Committee, the Strategic Planning Committee) and the recommendations and restrictions set out in the Corporate Governance Code (on the minimum number of Committee members (three), on the maximum number of Committees a director may sit on, on the minimum number of Independent Directors on a Committee (two), and on the composition of Committees based on directors' relevant expertise), compliance with the principle of the Corporate Governance Code requiring independence of all members of the HR and Remuneration Committee is impracticable.</p> <p>At the same time, the Company's internal regulations, including the Regulations on the Board of Directors, specify procedures to prevent any conflict of interest and eliminate the risk of recommendations by the HR and Remuneration Committee of the Board of Directors being affected by the controlling shareholder or executive bodies.</p> <p>The Company has no intention to change its approach in the medium term.</p>

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
2.8.3	For preliminary consideration of matters related to human resources (succession) planning, expertise and performance of the Board of Directors, a Nomination (Appointment, HR) Committee mostly composed of Independent Directors has been established.	<p>1. The board of directors has a standing nomination committee (or its objectives specified in recommendation 186 of the Code are implemented by a different committee) with the majority of its members being independent directors.</p> <p>2. The Company's internal regulations specify the objectives of the Nomination Committee (or another relevant Committee with combined functionality), including, among others, those set out in Recommendation 186 of the Code.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
2.8.4	Given the scope of operations and risk levels, the Company's Board of Directors has ensured that the composition of its Committees is fully in line with the Company's objectives. Additional committees have been either established or found unnecessary (a Strategy Committee, a Corporate Governance Committee, an Ethics Committee, a Risk Management Committee, a Budget Committee, a Health, Safety and Environment Committee, etc.).	1. During the reporting period, the company's board of directors reviewed the relevance of its standing committees to the board's functions and the company's objectives. Additional committees have been either established or found unnecessary.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
2.8.5	The composition of Committees enables comprehensive discussion of matters subject to preliminary consideration with due regard to varying opinions.	1. Committees of the board of directors are chaired by independent directors. 2. The company's by-laws (policies) contain provisions that prohibit the non-members to attend meetings of the audit, nomination or remuneration committees, unless they are invited by the chairman of a respective committee.	Complied with V Complied with in part Not complied with	As recommended by the Code, the Audit Committee and the HR and Remuneration Committee of the Board of Directors are chaired by Independent Directors. Taking into account the recommendations and restrictions set out in the Code (on the minimum number of members (three), on the maximum number of Committees a director may sit on, on the minimum number of Independent Directors on an Audit Committee and an HR and Remuneration Committee, and on the composition of Committees based on directors' relevant expertise), compliance with the recommendation to have all Committees chaired by Independent Directors is impracticable. The Strategic Planning Committee is not chaired by an Independent Director. At the same time, the Strategic Planning Committee arranges independent reviews and engages external experts for the Board of Directors to consider varying opinions when discussing the Committee's recommendations. Together with independent directors' involvement with the Strategic Planning Committee, these procedural guarantees ensure the diversity of opinions it takes into account before issuing recommendations. The Company has no intention to change its approach in the medium term.
2.8.6	Committee Chairmen report on their Committees' performance to the Board of Directors and its Chairman on a regular basis.	1. In the reporting period, Committee Chairmen regularly reported to the Board of Directors on their Committees' performance.	V Complied with Complied with in part Not complied with	
The Board of Directors arranges performance assessment of the Board of Directors, its Committees and directors.				
2.9.1	The Board of Directors' performance assessment is aimed at evaluating the effectiveness of the Board of Directors, its Committees and directors, checking their performance against the Company's development needs, enhancing their activities and identifying areas for improvement.	In the reporting period, self-assessment or external assessment of the Board of Directors' performance included performance assessment of Committees, individual directors and the Board of Directors as a whole. Results of the self-assessment or external assessment of the Board of Directors carried out in the reporting period were reviewed at an in-person meeting of the Board of Directors.	V Complied with Complied with in part Not complied with	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
2.9.2	Performance assessment of the Board of Directors, its Committees and directors is carried out on a regular basis at least once a year. To assess the Board of Directors' performance on an independent basis, an external organisation (consultant) is engaged at least once every three years.	1. To assess the Board of Directors' performance on an independent basis, the Company engaged an external organisation (consultant) at least once over the last three reporting periods.	✓ Complied with Complied with in part Not complied with	At a meeting held on 19 December 2019, the Company's Board of Directors reviewed the results of the Board of Directors' independent performance assessment carried out by an external consultant, Ernst & Young Valuation and Advisory Services LLC.
3.1. The Company's Corporate Secretary ensures effective day-to-day interaction with shareholders, coordinates the Company's efforts to protect shareholder rights and interests, and contributes to the Board of Directors' efficient work.				
3.1.1	The Corporate Secretary has sufficient knowledge, experience and expertise to perform their duties, as well as impeccable reputation, and enjoys shareholders' trust.	1. The Company has adopted and disclosed an internal regulation on Corporate Secretary. 2. The Company's website and Annual Report provide biographical details of the Corporate Secretary comparable to those of the Company's directors and executives.	✓ Complied with Complied with in part Not complied with	
3.1.2	The Corporate Secretary is sufficiently independent from the Company's executive bodies and has the powers and resources required to perform their duties.	1. The Board of Directors approves the appointment and dismissal of the Corporate Secretary and their additional remuneration.	✓ Complied with Complied with in part Not complied with	
4.1. Remuneration paid by the Company is sufficient to attract, motivate and retain employees with the required competence and expertise. Remuneration is paid to the Company's directors, executive bodies and other key managers in accordance with the remuneration policy adopted by the Company.				
4.1.1	Remuneration paid by the Company to directors, executive bodies and other key managers is sufficient to ensure their efficient work and enables the Company to attract and retain competent and qualified specialists. At the same time, the Company avoids paying higher-than-required remuneration or creating unreasonably wide remuneration gaps between any of the above persons and Company employees.	1. The Company has adopted an internal regulation (regulations) in the form of a remuneration policy (remuneration policies) for its directors, executive bodies and other key managers clearly stating approaches to their remuneration.	✓ Complied with Complied with in part Not complied with	

¹ If the functions of the Nomination Committee are performed by another Committee, the Company specifies its name.

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
4.1.2	The Company's remuneration policy has been developed by the Remuneration Committee and approved by the Board of Directors. The Board of Directors, supported by the Remuneration Committee, monitors the introduction and implementation of the remuneration policy in the Company, and revises and amends it as necessary.	1. In the reporting period, the Remuneration Committee reviewed the remuneration policy (policies) and its (their) implementation and, where necessary, submitted relevant recommendations to the Board of Directors.	✓ Complied with Complied with in part Not complied with	
4.1.3	The Company's remuneration policy provides for transparent mechanisms to determine the amount of remuneration payable to its directors, executive bodies and other key managers, and covers all types of payments, benefits and privileges provided to them.	1. The Company's remuneration policy (policies) provides (provide) for transparent mechanisms to determine the amount of remuneration payable to its directors, executive bodies and other key managers, and covers (cover) all types of payments, benefits and privileges provided to them.	✓ Complied with Complied with in part Not complied with	
4.1.4	The Company develops a policy on reimbursement of expenses (compensations) specifying reimbursable expenses and service levels that its directors, executive bodies and other key managers are entitled to. This policy may form part of the Company's remuneration policy.	1. The Company's remuneration policy (policies) or other internal regulations specify procedures to reimburse its directors, executive bodies and other key managers for the expenses incurred.	✓ Complied with Complied with in part Not complied with	
4.2. Remuneration system for directors ensures alignment of their financial interests with the long-term financial interests of shareholders.				
4.2.1	The Company pays fixed annual remuneration to its directors. The Company does not pay remuneration for participation in individual meetings of the Board of Directors or its Committees.	1. Fixed annual remuneration was the only form of cash remuneration paid to directors for their work in the reporting period.	✓ Complied with Complied with in part Not complied with	
4.2.2	Long-term ownership of the Company's shares ensures best alignment of directors' financial interests with the long-term interests of shareholders. At the same time, the Company does not link the right to sell shares to achieving certain performance indicators, and directors do not participate in options plans.	1. If the Company's internal regulation (regulations), namely its remuneration policy (policies), allows (allow) distribution of the Company's shares to directors, clear rules on share ownership by directors aimed at encouraging their long-term ownership shall be introduced and disclosed.	✓ Complied with Complied with in part Not complied with	
4.2.3	The Company does not provide any additional payments or compensations to directors in the event of early termination of office due to a transfer of control over the Company or any other circumstances.	1. The Company does not provide any additional payments or compensations to directors in the event of early termination of office due to a transfer of control over the Company or any other circumstances.	✓ Complied with Complied with in part Not complied with	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
4.3. Remuneration system for members of executive bodies and other key managers of the Company links their remuneration to the Company's performance and their personal contribution thereto.				
4.3.1	Remuneration paid to members of executive bodies and other key managers of the Company ensures a reasonable and justified balance between the fixed and variable components, with the latter depending on the Company's performance and an employee's personal (individual) contribution thereto.	<p>1. In the reporting period, the variable remuneration for members of executive bodies and other key managers of the Company was linked to annual performance indicators approved by the Board of Directors.</p> <p>2. During the latest assessment of the remuneration system for members of executive bodies and other key managers of the Company, the Board of Directors (the Remuneration Committee) ensured that the Company maintained an effective balance between the fixed and variable components of remuneration.</p> <p>3. The Company has a procedure ensuring that bonuses wrongfully received by members of its executive bodies and other key managers are returned to the Company.</p>	<p>√ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
4.3.2	The Company has introduced a long-term incentive plan for members of its executive bodies and other key managers involving its shares (options or other derivatives with its shares as underlying assets).	<p>1. The Company has introduced a long-term incentive plan for members of its executive bodies and other key managers involving its shares (financial instruments with its shares as underlying assets).</p> <p>2. The long-term incentive plan for members of executive bodies and other key managers of the Company specifies that the right to sell shares and other financial instruments used in this plan may be exercised no earlier than three years after the date of granting. Moreover, the right to sell them is subject to the achievement by the Company of certain performance indicators.</p>	<p>Complied with</p> <p>Complied with in part</p> <p>√ Not complied with</p>	As recommended by the HR and Remuneration Committee, the Company is piloting a long-term incentive plan in the controlled entities. Implementation of such plan in the Company will be considered after the results of the pilot are processed.
4.3.3	The amount of severance pay (golden parachute) payable by the Company to members of its executive bodies or key managers in the event of early termination of office, provided that such termination is initiated by the Company with no misconduct on the part of the respective employee, does not exceed twice the size of the fixed component of their annual remuneration.	1. In the reporting period, the amount of severance pay (golden parachute) paid by the Company to members of its executive bodies or key managers in the event of early termination of office, provided that such termination was initiated by the Company with no misconduct on the part of the respective employee, did not exceed twice the size of the fixed component of their annual remuneration.	<p>√ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
5.1. The Company has put in place an effective risk management and internal control system to provide reasonable assurance that it will achieve its goals.				
5.1.1	The Board of Directors has formulated the principles of and approaches to risk management and internal controls in the Company.	1. Risk management and internal control functions of the Company's governing bodies and units are clearly set out in the Company's internal regulations / relevant policy approved by the Board of Directors.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
5.1.2	The Company's executive bodies ensure the establishment and maintenance of an effective risk management and internal control system in the Company.	1. The Company's executive bodies have ensured the distribution of risk management and internal control functions and powers among heads of units and divisions accountable to them.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
5.1.3	The Company's risk management and internal control system provides an accurate, fair and clear view of the Company's current situation and prospects, and ensures integrity and transparency of the Company's statements, as well as a reasonable and acceptable level of risk-taking.	<p>1. The Company has approved an anti-corruption policy.</p> <p>2. The Company has established an easily accessible channel to inform the Board of Directors or its Audit Committee about violations of law, internal procedures or the Code of Corporate Ethics.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
5.1.4	The Company's Board of Directors takes the necessary steps to ensure that the Company's risk management and internal control system functions effectively and is in line with the relevant principles and approaches formulated by the Board of Directors.	1. In the reporting period, the Board of Directors or its Audit Committee assessed the performance of the Company's risk management and internal control system. Key results of this assessment are included in the Company's Annual Report.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
5.2. The Company conducts internal audits to assess the reliability and effectiveness of its risk management, internal controls and corporate governance on a regular and independent basis.				
5.2.1	For the internal audit purposes, the Company has established a dedicated unit or engaged an independent external organisation. Functional accountability and administrative accountability of the internal audit unit are separated. The internal audit unit is functionally accountable to the Board of Directors.	1. For the internal audit purposes, the Company has established a dedicated internal audit unit functionally accountable to the Board of Directors or its Audit Committee, or engaged an independent external organisation with the same accountability principle.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
5.2.2	The internal audit unit assesses the effectiveness of the internal control, risk management and corporate governance systems. The Company applies generally accepted internal audit standards.	<p>1. In the reporting period, as part of internal audit, the effectiveness of the internal control and risk management system was assessed.</p> <p>2. The Company uses generally accepted approaches to internal controls and risk management.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
6.1. The Company and its operations are transparent to shareholders, investors and other stakeholders.				
6.1.1	The Company has developed and implemented an Information Policy ensuring effective exchange of information between the Company, its shareholders, investors and other stakeholders.	<p>1. The Company's Board of Directors has approved its Information Policy developed in accordance with the Code's recommendations.</p> <p>2. The Board of Directors (or one of its Committees) reviewed matters related to the Company's compliance with its Information Policy at least once in the reporting period.</p>	<p>√ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
6.1.2	The Company discloses information on its corporate governance system and practices, including detailed information on its compliance with the principles and recommendations of the Code.	<p>1. The Company discloses information on its corporate governance system and on the general corporate governance principles it uses, including by disclosing such information on the Company's website.</p> <p>2. The Company discloses information on the composition of its executive bodies and Board of Directors, on the independence of directors and their membership in the Committees of the Board of Directors (as defined in the Code).</p> <p>3. If there is a person controlling the Company, the Company publishes a memorandum on behalf of such controlling person detailing their plans as regards corporate governance in the Company.</p>	<p>√ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
6.2. The Company discloses complete, up-to-date and accurate information on the Company in a timely manner to ensure that its shareholders and investors are able to make informed decisions.				
6.2.1	The Company discloses information on a regular basis and in a consistent and timely manner, in line with the principles of data accessibility, accuracy, completeness and comparability.	<p>1. The Company's Information Policy specifies approaches and criteria used to identify information that may have a material effect on the valuation of the Company and its securities, and procedures ensuring timely disclosure of such information.</p> <p>2. If the Company's securities are traded in established foreign markets, disclosures of material information during a reporting year are made in Russia and in such markets on a concurrent and equal basis.</p> <p>3. If foreign shareholders own a substantial number of shares in the Company, disclosures during the reporting year were made in Russian and in one of the most widely used foreign languages.</p>	<p>√ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
6.2.2	The Company avoids formal approach to information disclosures and discloses material information on its operations even if such disclosures are not required by law.	<p>1. In the reporting period, the Company disclosed its IFRS financial statements for the full year and for the six months. The Company's Annual Report for the reporting period includes its full-year IFRS financial statements and auditor's report.</p> <p>2. In accordance with Recommendation 290 of the Code, the Company discloses full information on its capital structure in the Annual Report and on its website.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
6.2.3	As a key communication tool to liaise with shareholders and other stakeholders, the Annual Report provides information needed to assess the Company's performance for the year.	<p>1. The Company's Annual Report contains information on the key aspects of its operations and its financial results.</p> <p>2. The Company's Annual Report contains information on environmental and social aspects of its operations.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
6.3. The Company provides shareholders with equal and unhindered access to information and documents as per their request.				
6.3.1	The Company provides shareholders with equal and unhindered access to information and documents as per their request.	1. The Company's Information Policy stipulates procedures ensuring shareholders' unhindered access to information, including information on legal entities controlled by the Company, as per their request.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
6.3.2	When providing information to shareholders, the Company maintains a reasonable balance between the interests of individual shareholders and those of the Company, as it is in the Company's best interests to keep confidential any sensitive commercial information that may have a material effect on its competitive position.	<p>1. In the reporting period, the Company did not refuse to provide shareholders with requested information, or such refusals were justified.</p> <p>2. If and when required by the Company's Information Policy, shareholders are informed of the sensitive nature of the information provided and undertake to keep it confidential.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
7.1. Actions that have or may have a material effect on the Company's shareholding structure and financial position and, consequently, on the shareholders' position (material corporate actions) are taken on fair terms ensuring that rights and interests of the shareholders and other stakeholders are respected.				
7.1.1	Material corporate actions include reorganisation of the Company, acquisition of 30% or more of the Company's voting shares (takeover), major transactions made by the Company, increase or reduction in the Company's charter capital, listing and delisting of the Company's shares, and other actions that may result in a material change in the rights of shareholders or be against their interests. The Company's Charter sets out a list (criteria) of transactions or other actions deemed to be material corporate actions and reserved to the Company's Board of Directors.	<p>1. The Company's Charter sets out a list of transactions or other actions deemed to be material corporate actions and specifies their relevant criteria. Decision-making with regard to material corporate actions is reserved to the Board of Directors. If and when the law expressly reserves such corporate actions to the General Shareholders Meeting, the Board of Directors provides shareholders with relevant recommendations.</p> <p>2. Material corporate actions specified in the Company's Charter include, but are not limited to, the following: reorganisation of the Company, acquisition of 30% or more of the Company's voting shares (takeover), major transactions made by the Company, increase or reduction in the Company's charter capital, listing and delisting of the Company's shares.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
7.1.2	The Board of Directors plays a key role in making decisions or recommendations with regard to material corporate actions and relies on the opinion of the Company's Independent Directors.	1. The Company has established a procedure for Independent Directors to express their opinions on material corporate actions before their approval.	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	
7.1.3	When taking material corporate actions affecting the rights and legitimate interests of shareholders, the Company ensures equitable treatment of all of its shareholders, and, where statutory mechanisms protecting shareholder rights are insufficient, takes additional steps to protect the rights and legitimate interests of the Company's shareholders. In doing so, the Company is guided not only by the formal regulatory requirements, but also by the corporate governance principles specified in the Code.	<p>1. Given the specific nature of the Company's operations, its Charter sets out lower than statutory minimum criteria for classifying the Company's transactions as material corporate actions.</p> <p>2. In the reporting period, all material corporate actions were duly approved prior to their implementation.</p>	<p>✓ Complied with</p> <p>Complied with in part</p> <p>Not complied with</p>	

No.	Corporate governance principles	Criteria for compliance with a corporate governance principle	Status ¹ of compliance with a corporate governance principle	Explanations ² on the failure to meet criteria for compliance with a corporate governance principle
7.2. The Company ensures that material corporate actions are taken in a manner enabling shareholders to receive full information on such actions in due time and influence them, and guarantees respect and due protection of shareholder rights when such actions are taken.				
7.2.1	Information on material corporate actions is disclosed, with an explanation of the relevant reasons, conditions and consequences.	1. In the reporting period, the Company disclosed information on its material corporate actions in a timely and detailed manner, including their rationale and implementation timelines.	V Complied with Complied with in part Not complied with	
7.2.2	Rules and procedures for taking material corporate actions are set forth in the Company's internal regulations.	1. The Company's internal regulations set out a procedure for engaging an independent appraiser to determine the value of the property to be sold or purchased in a major transaction or a related-party transaction. 2. The Company's internal regulations set out a procedure for engaging an independent appraiser to determine the value of the Company's shares to be purchased or bought back. 3. The Company's internal regulations specify additional criteria for its directors and other persons stipulated by law to be recognised as related parties for the purposes of the Company's transactions.	Complied with V Complied with in part Not complied with	The Bank of Russia's Corporate Governance Code was approved at the time when Article 81 of the Federal Law On Joint Stock Companies allowed joint stock companies to include in their charters additional criteria for directors and other persons to be recognised as related parties in transactions. Article 81 of the Federal Law On Joint Stock Companies effective from 1 January 2017 has an exhaustive list of related-party criteria. Therefore, compliance with the Code's recommendation to specify additional related-party criteria is impracticable until the Russian legislation is changed accordingly.