

Independence criteria

Independence criteria for the members of the Board of Directors are regulated by Article 392 of the Law on Business Companies.

Independent Directors

Article 392

A public joint-stock company shall have minimum one non-executive director who is also independent from the company ("independent director").

An independent director shall be a person who is not a related party of a company's directors and who, in the two preceding years:

- 1) Did not serve as an executive director and was not employed by the company concerned or in another company related to the company concerned within the meaning of this Law;
- 2) Did not own more than 20% of share capital and was not employed or otherwise engaged by another company which generated more than 20% of its annual revenues from the company concerned in that period;
- 3) Did not receive from the company concerned or its related parties within the meaning of this Law any payments and/or did not have any claims towards those entities in an amount the total value of which exceeded 20% of his/her annual income in that period; 4) Did not own more than 20% of a company related to the company concerned within the meaning of this Law;
- 5) Was not engaged to audit the company's financial statements.

If in the course of his/her term in office an independent director no longer complies with the requirements set out referred to in paragraph 2 of this Article, such person shall forfeit the status of an independent director and shall continue to serve as a non-executive director if he/she is eligible to serve as a non-executive director, or as an executive director if he/she is eligible to serve as an executive director.

If a person referred to in paragraph 3 of this Article is not eligible to serve as a director of the company concerned, his/her term of office shall be deemed to have expired on the date when he/she became ineligible.

If a public joint-stock company is left without at least one independent director for any reason, the remaining directors shall, unless they appoint the missing independent director through co-optation, convene an extraordinary General Meeting within 30 days of learning of reasons for termination of an independent director for the purpose of appointing a new independent director.

A public joint-stock company shall appoint a new independent director within 60 days of the date when the remaining directors learned of the reason for termination of an independent director.