**BORYSPIL INTERNATIONAL AIRPORT STATE ENTERPRISE SUPERVISORY BOARD REPORT**

**FOR 2020**

**Supervisory Board tasks**

Supervisory Board of Boryspil International Airport State Enterprise (hereinafter the Airport) acts in accordance with the requirements of the Ukrainian legislation, the Articles of Association of Boryspil International Airport State Enterprise, approved by the Order of the Ministry of Infrastructure of Ukraine No.329 dated 25.05.2020 (hereinafter the Articles of Association of the Airport) and the Regulation on the Supervisory Board of the International Airport Boryspil State Enterprise approved by the Order of the Ministry of Infrastructure of Ukraine No.405 dated 29.05.2019 (hereinafter the Regulation on the Supervisory Board of the Airport).

In accordance with the Articles of Association of the Airport, the Supervisory Board, according to the competence determined by the Articles of Association and the Ukrainian legislation supervises and regulates the Airport activity.

**Composition of the Supervisory Board and work organization**

Competitive selection of the independent Members of the Airport Supervisory Board was provided by the Committee on the Appointments of Managers and Members of Supervisory Boards of State-Owned Enterprises of Particular Importance to the Ukrainian Economy. All selected Supervisory Board members meet the requirements stipulated by current Ukrainian legislation, Articles of Association of the Airport and Regulation on the Supervisory Board of the Airport, in particular in the part of professional knowledge and skills, work experience and business reputation.

Supervisory Board representatives were approved by the Ministry of Infrastructure Order No.411 dated 03.06.2019 *About the Supervisory Board of Boryspil International Airport State Enterprise:*

* Zhmak Volodymyr, Abbeloos Stan Marcel, Scheifele Roger Albert – as the independent members
* Lavreniuk Yurii, Mamula Anatolii – as state representatives.

Zhmak Volodymyr was elected as a Chairman of the Supervisory Board of the Airport. Kyryl Astakhov was elected as the Airport’s Corporate Secretary.

The Supervisory Board of the Airport worked in this composition until May 2020. The Orders of the Ministry of Infrastructure of Ukraine No.312 dated 19.05.2020 *On termination of powers of Mamula Anatolii a member of the Supervisory Board of the Boryspil International Airport State Enterprise* and No.313 dated 19.05.2020 *On termination of powers of Lavreniuk Yurii a member of the Supervisory Board of the Boryspil International Airport State Enterprise,* terminated the powers of the mentioned members of the Supervisory Board of the Airport.

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Clause 10 of Part II *Final Provisions* of the Law of Ukraine dated 13.04.2020 No. 533-IX *On Amendments to the Law of Ukraine On the State Budget of Ukraine for 2020* limited the amount of monthly remuneration paid to the Members of the Supervisory Board. This restriction applied from April to October 2020.

The Order of the Ministry of Infrastructure of Ukraine No.631 dated 22.10.2020 *On some issues of the Supervisory Board of the Boryspil International Airport* *State Enterprise* approved changes to the terms of Civil-Law Agreements with members of the Supervisory Board and set the amount of annual remuneration. In December 2020, the relevant Additional Agreements №1 to Civil-Law Agreements were signed with the Members of the Supervisory Board.

**Supervisory Board Committees**

The Supervisory Board of the Airport contains four committees: the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, the Strategic Development Committee.

Supervisory Board Committees, were established on the Supervisory Board Meeting dated 03.06.2019 as permanent collegial bodies of the Supervisory Board, pursuant to the requirements of the Articles of Association of the Airport, for the purpose of provision of its effective work and fulfilment of tasks defined by the Regulation on the Committees of the Supervisory Board.

**The work of the Supervisory Board**

During 2020, the Supervisory Board held 13 meetings, discussing items, which pursuant to the current Ukrainian legislation, the Articles of Association of the Airport and the Regulation on the Supervisory Board of the Airport are within the competence of the Supervisory Board.

For the purpose of the preparation and discussion of the items at the Supervisory Board Meetings, there were involved the Chief Executive Officer of the Airport (hereinafter – the Airport CEO) and his deputies, other Airport management members. In accordance with the results of the Meetings of the Supervisory Board, there were delivered assignments for the Airport management.

During 2020, the Supervisory Board addressed letters to the Prime Minister of Ukraine on the revision of dividend deduction standards, on increasing the amount of air navigation fees of State Enterprise UkSATSE and the negative impact of such an increase on the Airport activities, and about the need for anti-crisis measures in the aviation sector due to the spread of COVID-19 respiratory illness.

The Supervisory Board also addressed a letter to the Cabinet of Ministers of Ukraine and the State Property Fund regarding the situation with the payment for the lease of real estate and the need for urgent intervention in the situation by public authorities.

The Supervisory Board coordinated the work on the development of the Airport Financial Plans Drafts for 2020/2021, taking into account the situation with the spread of COVID-19 respiratory disease.

The Supervisory Board participated in the development and approval of the Airport Corporate Governance Reform Plan, the draft Airport Property Policy, the new version of the Articles of Association of the Airport, the draft Regulation on the Accounting Policy and the draft Supervisory Board KPIs.

The Supervisory Board has repeatedly reviewed the situation with payment for services provided by the Airport, and stressed the importance of compliance by the Airport with the relevant agreements with carriers on the implementation of payment discipline, as well as the existence of appropriate sanctions in case of violation by the carrier and initiated negotiations with carriers.

At the meetings of the Supervisory Board, the main projects of the Airport infrastructure development were considered and approved, including *The Boryspil Airport Development Project, Flight Zone No.2 reconstruction.*

The independent auditor of the Airport, BDO Company, was selected and the terms of the contract to be concluded therewith were approved.

The Airport Internal Audit Department was established and its head appointed.

At the meetings of the Supervisory Board, personnel issues within its competence were resolved, namely: the dismissal of the Airport`s CEO and the appointment of the Acting CEO were approved. The appointment of the Head of the Legal Department was approved, the dismissal and appointment of the Anti-Corruption Officer were approved.

During 2020, the Airport Supervisory Board complied with the requirements of the Anti-Corruption Policy and facilitated its implementation at the Airport.

**Evaluation of the Supervisory Board, its members and the quality of corporate governance**

During 2020, Supervisory Board members exercised the powers stipulated by the Ukrainian legislation, the Articles of Association of the Airport and the Regulation on the Supervisory Board of the Airport, took part in the Supervisory Board meetings and worked in the Supervisory Board Committees, made decisions within their competence and were meeting all the requirements as provided by the Law of Ukraine *On the management of objects of state property* and the Articles of Association of the Airport.

Generally, the work of the Supervisory Board, its Members and quality of corporate governance is evaluated as satisfactory.