

Report on Compliance with the Bank of Russia Corporate Governance Code

Report on Compliance with the Principles and Recommendations of the Corporate Governance Code

Sr. No.	Corporate Governance Principles	Criteria for Assessing Compliance with Corporate Governance Principle	Status of Compliance with Corporate Governance Principle	Explanations of Deviations from the Criteria for Assessing Compliance with Corporate Governance Principle
1.1	The company shall ensure equal and fair treatment of all shareholders in exercising their corporate governance right			
1.1.1	The company ensures the most favourable conditions for its shareholders to participate in the general meeting, develop informed positions on agenda items of the general meeting, coordinate their actions, and voice their opinions on items considered	<p>1. The company provides accessible means of communication with the company, such as a hotline, email, or online forum, to enable shareholders to express their opinions and send questions on the agenda in preparation for the general meeting.</p> <p>These channels of communication were organised by the Company and made available to shareholders in preparation for each general meeting held during the reporting period</p>	Full compliance	
1.1.2	The procedure for giving notice of, and providing relevant materials for, the general meeting enables shareholders to properly prepare for attending the general meeting	<p>1. In the reporting period, the notice of the general meeting of shareholders was posted (published) on the company's website no later than 30 days before the date of the general meeting, unless a longer period is stipulated by law.</p> <p>2. The notice of the meeting lists the documents required for admission to the venue.</p> <p>3. Shareholders were provided with access to information on the persons being initiators of the agenda items and nominating the candidates for the board of directors and the auditing commission (if establishment of the same is stipulated by the company's articles of association)</p>	Partial compliance	<p>1. Partial compliance. In the reporting period, the notice of the General Meeting of Shareholders was posted (published) on the Company's website less than 30 days before the date of the General Meeting of Shareholders, however the rights of the shareholders were not violated.</p> <p>2. Full compliance.</p> <p>3. Full compliance.</p>
1.1.3	In preparation for the general meeting and during the general meeting, shareholders were enabled to receive information about, and all materials related to, the meeting, put questions to executive bodies and members of the board of directors, as well as communicate with each other, in an unobstructed and timely manner	<p>1. In the reporting period, shareholders were given an opportunity to put questions to members of executive bodies and members of the board of directors during the annual general meeting and in the preparation for the same.</p> <p>2. The position of the board of directors (including dissenting opinions entered in the minutes) on each item on the agenda of general meetings held in the reporting period was included in the materials for the general meeting of shareholders.</p> <p>3. The company gave duly authorised shareholders access to the list of persons entitled to participate in the general meeting, as from the date when such list was received by the company, in all instances of general meetings held in the reporting period</p>	Full compliance	

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1.1.4	Shareholders did not encounter unjustified difficulties in exercising their right to request that a general meeting be convened, to nominate candidates to governing bodies, and to make proposals for the agenda of the general meeting	<ol style="list-style-type: none"> The company's articles of association stipulate a deadline for shareholders to submit proposals for inclusion on the agenda of the annual general meeting of shareholders; such deadline should be at least 60 days after the end of the relevant calendar year. In the reporting period, the company did not reject proposals for the agenda or candidates to governing bodies due to misprints or other insignificant flaws in the shareholder's proposal 	Full compliance	
1.1.5	Each shareholder was enabled to freely exercise his/her voting right in the simplest and most convenient way	<ol style="list-style-type: none"> The company's articles of association provide for the possibility of completing the electronic form of the ballot on the website (its address is specified in the notice of the general meeting of shareholders) 	Full compliance	
1.1.6	The general meeting procedure established by the company equally enables all persons attending the meeting to voice their opinions and ask questions	<ol style="list-style-type: none"> When general meetings of shareholders were held in the reporting period in the form of a meeting (joint presence of shareholders), sufficient time was provided for reports on agenda items and time for discussion of these issues, and shareholders were given the opportunity to express their opinions and ask questions of interest on the agenda. The company invited candidates to the management and control bodies of the company and took all necessary steps to ensure their participation in the general meeting of shareholders, at which their nominations were put to a vote. The nominees to the management and control bodies of the company who were present at the general meeting of shareholders were available to answer questions from shareholders. The sole executive body, the accounting officer, the chairman or other members of the audit committee of the board of directors were available to answer questions from shareholders at the general meetings of shareholders held during the reporting period. In the reporting period, the company used telecommunication means for remote access of shareholders to participate in general meetings, or the board of directors made a reasonable decision that there was no need (possibility) to use such means in the reporting period 	Partial compliance	<ol style="list-style-type: none"> Full compliance. Partial compliance: the controlling shareholder entitled to nominate candidates to the Company's governing bodies conducts all necessary interviews with candidates when preparing respective proposals. Partial compliance. Full compliance.
1.2	Shareholders have equal and fair rights to share profits of the company by receiving dividends			
1.2.1	The company has developed and introduced a transparent and clear mechanism for determining the dividend amount and paying dividends	<ol style="list-style-type: none"> The company's regulation on the dividend policy was approved by the board of directors and disclosed on the company's website. If the dividend policy of a company submitting the consolidated financial statements uses the company's reporting figures to determine the dividend amount, then the respective provisions of the dividend policy shall take into account the consolidated financial statements. Justification of the proposed distribution of net profit, including the payment of dividends and the company's own needs, and assessment of its compliance with the dividend policy adopted by the company, with explanations and economic justification of the need to direct a certain portion of net profit to its own needs in the reporting period were included in the materials for the general meeting of shareholders, the agenda of which includes an item on profit distribution (including the payment (declaration) of dividends) 	Partial compliance	<ol style="list-style-type: none"> Full compliance. Partial compliance: JSC FPC's Dividend Policy uses the Company's reporting figures to determine the dividend amount, and the respective provisions of the Dividend Policy take into account the RAS financial statements. Full compliance.
1.2.2	The company does not resolve to pay out dividends if such resolution, while formally remaining in line with statutory restrictions, is not economically feasible and may lead to a false representation of the company's performance	<ol style="list-style-type: none"> The regulations on company's dividend policy, in addition to the statutory restrictions, defines the financial/economic circumstances the company should not decide to pay dividends under 	Full compliance	

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1.2.3	The company does not allow the dividend rights of its existing shareholders to be impaired	1. In the reporting period, the company did not take any actions causing a deterioration in terms of dividend rights of existing shareholders	Full compliance	
1.2.4	The company strives to exclude any ways for its shareholders to receive profit (income) from the company other than dividends and liquidation value	1. During the reporting period, there were no other ways other than dividends for the entities who have control over the company to receive profit (income) at the company's expense (e.g., through transfer pricing, unjustified provision of services to the company by the controlling entity at inflated prices, through internal loans substituting dividends to the controlling entities and (or) its controlled entities)	Full compliance	
1.3	Corporate governance system and practices ensure equal treatment for all shareholders owning the same type (class) of shares, including minority and non-resident shareholders, and their equal treatment by the company			
1.3.1	The company has created conditions for fair treatment of each shareholder by the governing bodies and the company's controlling entities, including conditions ruling out abuse of minority shareholders by major shareholders	1. During the reporting period, the company's controlling entities did not abuse their rights in relation to the company's shareholders, there were no conflicts between the company's controlling entities and the company's shareholders, and if there were, the board of directors paid due attention to the same	Full compliance	
1.3.2	The company does not take any actions that lead or may lead to an artificial redistribution of corporate control	1. Quasi-treasury shares are absent or did not participate in voting during the reporting period	Full compliance	
1.4	Shareholders are provided with reliable and effective methods for recording their rights in shares, as well as are enabled to freely dispose of their shares without any hindrance			
1.4	Shareholders are provided with reliable and effective methods for recording their rights in shares, as well as are enabled to freely dispose of their shares without any hindrance	1. The technologies and service conditions of the company's registrar meet the needs of the company and its shareholders and ensure that shareholder rights are regarded and exercised in the most efficient manner	Full compliance	
2.1	The board of directors carries out the strategic management of the company, establish the basic principles of, and approaches to, setting up a risk management and internal control system in the company, control the activities of the company's executive bodies, and perform other key functions			
2.1.1	The board of directors is responsible for passing resolutions related to appointment and removal of the members of executive bodies, including due to their inadequate performance. The board of directors also ensures that the company's executive bodies act in accordance with the approved growth strategy and along the company's core lines of business	<ol style="list-style-type: none"> The board of directors has the authority stipulated in the articles of association to appoint and remove members of executive bodies and to set out the terms and conditions of their contracts. During the reporting period, the nominations (appointments, personnel) committee reviewed the compliance of the professional qualifications, skills and experience of the members of the executive bodies in respect of the current and expected needs of the company as dictated by the approved strategy of the company. In the reporting period, the board of directors reviewed the report(s) by the sole executive body or members of the collective executive body (if any) on the implementation of the company's strategy 	Full compliance	
2.1.2	The board of directors defines the main long-term targets of the company's operations, assesses and approves its key performance indicators and key business goals, as well as the strategy and business plans for the company's core lines of business	1. In the reporting period, the board of directors reviewed at its meetings matters related to the progress in the implementation of the strategy and its updates, approval of the company's financial and business plan (budget), and consideration of the implementation criteria and performance (including interim criteria and performance) of the company's strategy and business plans	Full compliance	

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2.1.3	The board of directors determines the principles of, and approaches to, organising a risk management and internal control system in the company	<ol style="list-style-type: none"> The principles of and approaches to the organisation of the risk management and internal control system in the company are determined by the board of directors and stipulated in the company's internal documents, which determine the risk management and internal control policy. In the reporting period, the board of directors approved (revised) an acceptable amount of risks (risk appetite) of the company or the audit committee and (or) risk committee (if any) considered whether it is expedient to submit the issue of revising the company's risk appetite by the board of directors for consideration 	Full compliance	
2.1.4	The board of directors defines the company's policy on remuneration due to, and/or reimbursement (compensation) of costs to the members of the board of directors, executive bodies, and other key managers of the company	<ol style="list-style-type: none"> The company has developed and put in place the policy on remuneration and/or reimbursement (compensation) of costs of the members of the board of directors, executive bodies, and other key managers, approved by the board of directors. In the reporting period, the board of directors reviewed the matters related to the said policy (policies) 	Full compliance	
2.1.5	The board of directors plays a key role in preventing, identifying and settling internal conflicts between the company's bodies, shareholders and employees	<ol style="list-style-type: none"> The board of directors plays a key role in preventing, identifying and settling internal conflicts. The company has set up a system for identification of transactions involving a conflict of interest, and a set of measures to resolve such conflicts 	Full compliance	
2.1.6	The board of directors plays a key role in ensuring the company's transparency, the timeliness and completeness of its information disclosures, and unhindered access to the company's documents for shareholders	<ol style="list-style-type: none"> The company's internal documents define the persons responsible for implementing the information policy 	Full compliance	
2.1.7	The board of directors controls the company's corporate governance practices and plays a key role in its significant corporate events	<ol style="list-style-type: none"> During the reporting period, the board of directors reviewed the results of a self-assessment and/or an external assessment of the company's corporate governance practices 	Full compliance	
2.2	The board of directors is accountable to the company's shareholders			
2.2.1	Performance of the board of directors is disclosed and made available to the shareholders	<ol style="list-style-type: none"> The company's annual report for the reporting period includes the information on attendance at board of directors and committee meetings by every member of the board of directors. The annual report contains key results of assessment (self-assessment) of the board of directors' performance in the reporting period 	Full compliance	
2.2.2	The chairman of the board of directors is available to communicate with the company's shareholders	<ol style="list-style-type: none"> The company has a transparent procedure in place to ensure that shareholders can send their enquires to and receive feedback from the chairman of the board of directors (and, where applicable, the senior independent director) 	Full compliance	
2.3	The board of directors manages the company in an efficient and competent manner and makes fair and independent judgements and decisions in line with the best interests of the company and its shareholders			
2.3.1	Only persons with impeccable business and personal reputation, possessing the knowledge and expertise required to make decisions falling within the authority of the board of directors and to essential performing its functions efficiently are elected to the board of directors	<ol style="list-style-type: none"> In the reporting period, the board of directors (or its nomination committee) assessed nominees to the board of directors in terms of having the required experience, knowledge, business reputation, absence of a conflict of interest, etc. 	Full compliance	

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2.3.2	The company's directors are elected via a transparent procedure, enabling shareholders to obtain information on nominees sufficient to judge on their personal and professional qualities	1. Whenever the agenda of a general meeting of shareholders held in the reporting period included the election to the board of directors, the company provided its shareholders with biographical details of all nominees for the board of directors, the results of the assessment of their professional qualifications, skills and experience for the compliance with the current and expected needs of the company (such assessment to be carried out by the board of directors (or its nomination committee)), as well as information on whether the candidate met the criteria of independence as set forth in recommendations 102–107 of the Code and the written consent of the nominees for election to the board of directors	Full compliance	
2.3.3	The board of directors is balanced, including in terms of qualifications of its members, their experience, knowledge and business qualities, and has the trust of shareholders	1. During the reporting period, the board of directors analysed its own needs in terms of professional qualifications, experience and skills and identified the competencies required by the board of directors in the short and long term	Full compliance	
2.3.4	The company has a sufficient number of directors to organise the board of directors' activities in the most efficient way, including the ability to set up committees of the board of directors and enable the company's substantial minority shareholders to elect a nominee to the board of directors for whom they vote	1. During the reporting period, the board of directors considered whether the number of the board of directors' members meets the company's needs and the interests of shareholders	Full compliance	
2.4	The board of directors includes a sufficient number of independent directors			
2.4.1	An independent director is a person of sufficient professionalism, experience and self-reliance to form his/her own opinion, able to make impartial judgements in good faith independent of the company's executive bodies, particular groups of shareholders or other stakeholders. It should be noted that under normal circumstance a nominee (elected director) cannot be considered independent if he/she is related to the company, its substantial shareholder or counterparty, the company's competitor, or the government	1. In the reporting period, all independent directors met the independence criteria set out in recommendations 102–107 of the Code, or were deemed independent by resolution of the board of directors	Full compliance	
2.4.2	The compliance of nominees to the board of directors with the criteria for independence is assessed, and a regular review of compliance of independent directors with such criteria is performed. Substance prevails over form in such assessments	1. In the reporting period, the board of directors (or the nomination committee of the board of directors) formed its opinion on the independence of each nominee to the board of directors and presented respective opinions to shareholders. 2. During the reporting period, the board of directors (or the board of directors' nomination committee) reviewed the independence of the current board of directors' members at least once (after they were elected). 3. The company has developed procedures defining the actions to be taken by a member of the board of directors if he/she ceases to be independent, including the obligation to timely notify the board of directors thereof	Full compliance	
2.4.3	Independent directors make up at least one third of the elected board of directors	1. Independent directors make up at least one third of the board of directors	Partial compliance	Partial compliance: the Board of Directors that were in place before the annual general meeting of shareholders included three independent directors each, i.e., the proportion of independent directors recommended by the Code was retained. In June 2023, two independent directors were elected to the Board of Directors of JSC FPC by the Annual General Meeting of Shareholders.
2.4.4	Independent directors play a key role in preventing internal conflicts in the company and in the performance by the latter of material corporate actions	1. In the reporting period, independent directors (who did not have a conflict of interest) carried out a preliminary assessment of material corporate actions implying a possible conflict of interest, and the results of such assessment were presented to the board of directors	No compliance	In the reporting period, the Board of Directors reviewed the matters of an additional issue of the Company's shares. These material corporate actions were not interested-party transactions.

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2.5	The chairman of the board of directors facilitates the best performance of assigned duties by the board of directors			
2.5.1	The board of directors is chaired by an independent director, or a senior independent director is chosen from among the elected independent directors to coordinate the activities of independent directors and enable the interaction with the chairman of the board of directors	<ol style="list-style-type: none"> The board of directors is chaired by an independent director, or a senior independent director is appointed from among the independent directors. The role, rights and duties of the chairman of the board of directors (and, if applicable, of the senior independent director) are duly set out in the company's internal documents 	Partial compliance	<ol style="list-style-type: none"> No compliance. the Chairman of JSC FPC's Board of Directors is not an independent director. The candidate to become Chairman of FPC's Board of Directors is approved by the Board of Directors of the parent company. Independent directors do not require additional coordination; a senior independent director is not appointed. Full compliance.
2.5.2	The chairman of the board of directors maintains a constructive environment at meetings, enables free discussions of agenda items, and supervises the execution of resolutions passed by the board of directors	<ol style="list-style-type: none"> The efficiency of the chairman of the board of directors was assessed as part of the procedure for assessing (self-assessing) the performance of the board of directors in the reporting period 	Full compliance	
2.5.3	The chairman of the board of directors takes all steps necessary for the timely provision to directors of information required to pass resolutions on agenda items	<ol style="list-style-type: none"> The company's internal documents set out the duty of the chairman of the board of directors to take all steps necessary for the timely provision to directors of full and reliable information regarding items on the agenda of the board meeting 	Full compliance	
2.6	Directors act reasonably and in good faith in the best interests of the company and its shareholders, relying on sufficient information, exercising due care and prudence			
2.6.1	Directors make decisions based on all information available, without conflict of interest, subject to equal treatment of the company's shareholders, and assuming normal business risks	<ol style="list-style-type: none"> The company's internal documents provide that a director should notify the board of directors if he/she has a conflict of interest in respect of any item on the agenda of the board meeting or the board's committee meeting, prior to the discussion of the relevant agenda item. The company's internal documents stipulate that a director should abstain from voting on any item in connection with which he/she has a conflict of interest. The company has in place a procedure enabling the board of directors to get professional advice on matters within its remit at the expense of the company 	Full compliance	
2.6.2	The rights and obligations of directors are clearly defined and set out in the company's internal documents	<ol style="list-style-type: none"> The company has adopted and published an internal document clearly defining the rights and duties of directors 	Full compliance	
2.6.3	Directors have sufficient time to perform their duties	<ol style="list-style-type: none"> Individual attendance of the meetings of the board of directors and committees, as well as sufficient time to work on the board of directors, including its committees, is analysed as part of the procedure for assessment (self-assessment) of the board of directors' performance in the reporting period. In accordance with the company's internal documents, directors inform the board of their intentions to joint management bodies of other organisations (except for entities controlled by the company), or of the relevant appointment made 	Full compliance	
2.6.4	All directors have equal access to the company's documents and information. Newly elected directors are furnished with sufficient information about the company and performance of the board of directors as soon as possible	<ol style="list-style-type: none"> In accordance with the company's internal documents, the members of the board of directors have the right to obtain information and documents necessary for the members of the board of directors to perform their duties relating to the company and its controlled entities, and the executive bodies of the company should ensure that relevant information and documents are provided. The company implements a formalised induction program for newly elected directors 	Full compliance	
2.7	Meetings of the board of directors, preparation for such meetings and participation of directors ensure efficient performance by the board of directors			
2.7.1	Meetings of the board of directors are held as needed, taking into account the scale of operations and goals of the company at a particular time	<ol style="list-style-type: none"> The board of directors held at least six meetings in the reporting year 	Full compliance	

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2.7.2	The company's internal regulations formalise a procedure for arranging and holding meetings of the board of directors, enabling members of the board of directors to prepare for such meetings properly	<ol style="list-style-type: none"> The company has an approved internal document that describes the procedure for arranging and holding meetings of the board of directors and sets out, in particular, that the notice of the meeting shall be given, as a rule, at least five days prior to such meeting. During the reporting period, the members of the board of directors who were not present at the meeting venue were given the opportunity to participate in the discussion of agenda items and vote remotely via conference calls and video conferencing 	Full compliance	
2.7.3	The format of the meeting of the board of directors is determined taking into account the importance of items on the agenda. The most important matters shall be dealt with at meetings of the board of directors held in person	<ol style="list-style-type: none"> The company's articles of association or internal documents stipulate that the most important issues (including those listed in recommendation 168 of the Code) should be considered at in-person meetings of the board of directors 	Partial compliance	The Regulations on the Board of Directors of JSC FPC contain a recommendation to the Board of Directors to deal with the most important matters at meetings held in person. The list of such issues is 94% compliant with recommendation 168 of the Code.
2.7.4	Resolutions on the most important matters related to the company's operations are passed at a meeting of the board of directors by a qualified majority or by a majority of all elected directors	<ol style="list-style-type: none"> The company's articles of association provide for resolutions on the most important matters (including those set out in recommendation 170 of the Code) to be passed at a meeting of the board of directors by a qualified majority of at least 3/4 or by a majority of all elected directors 	Partial compliance	<p>In accordance with paragraph 18.7 of the Articles of Association, resolutions of the Company's Board of Directors on including the persons nominated by shareholders or the Company's Board of Directors in the list of members of the collegial executive body or the Company's Auditing Commission and electing the person acting as the sole executive body of each company created through reorganisation in the form of merger, division or spin-off, as well as on the issue specified in subparagraph 3, paragraph 15.1, Article 15 the present Articles of Association and in cases stipulated by the Federal Law "On Joint Stock Companies", are passed by a majority of at least three quarters of the total number of Directors.</p> <p>The votes of the retired members of the Board of Directors of the Company shall not be taken into account when the Board of Directors of the Company adopts resolutions stipulated by this clause. The criteria for recognising a member of the Board of Directors of the Company as retired shall be determined by the Regulations on the Board of Directors of the Company.</p> <p>In accordance with paragraph 18.8 of the Articles of Association, resolutions of the Company's Board of Directors on matters listed in subparagraphs 1, 12, 21, 24, 26, 36, 42, 43, 45 of paragraph 15.1, Article 15 of the present Articles of Association, as well as on approving the Company's Dividend Policy are passed by a majority of the members of Company's Board of Directors.</p>
2.8	The board of directors sets up committees to preview the most important matters related to the company's operations			
2.8.1	To preview matters related to controlling the company's financial and business activities, it is recommended to set up an audit committee comprised of independent directors	<ol style="list-style-type: none"> The board of directors has set up an audit committee comprised solely of independent directors. The company's internal documents set out the tasks of the audit committee, including those listed in recommendation 172 of the Code. At least one member of the audit committee represented by an independent director has experience and knowledge of preparing, analysing, assessing and auditing accounting (financial) statements. Meetings of the audit committee were held at least once a quarter during the reporting period 	Partial compliance	<ol style="list-style-type: none"> No compliance: the Committee includes members of the Board of Directors, experts – representatives of the parent company; an independent director was in the Committee prior to the annual general meeting of shareholders. Full compliance. Partial compliance: from 1 January 2023 to 30 June 2023, the Committee consisted of an independent director who has experience and expertise in the preparation, analysis, evaluation and audit of accounting (financial) statements. No independent directors were included in the Committee elected after 30 June 2023. Full compliance.
2.8.2	To preview matters related to adopting an efficient and transparent remuneration scheme, a remuneration committee was set up, comprised of independent directors and headed by an independent director who is not the chairman of the board of directors	<ol style="list-style-type: none"> The board of directors has set up a remuneration committee comprised solely of independent directors. The remuneration committee is headed by an independent director who is not the chairman of the board of directors The company's internal documents determine the tasks of the remuneration committee, including but not limited to the tasks covered by recommendation 180 of the Code, as well as the conditions (events), upon the occurrence of which the remuneration committee considers revision of the company's remuneration policy for the members of the board of directors, executive bodies and other key executives 	Partial compliance	<ol style="list-style-type: none"> Partial compliance: the Company established the Human Resources, Remuneration and Corporate Governance Committee consisting of two independent directors, representatives of the shareholder and the Company's management. Full compliance. The members of the Board of Directors – employees of the controlling shareholder – sit on the Committee. Partial compliance: the Regulations on the Human Resources, Remuneration and Corporate Governance Committee do not include the tasks contained in paragraph 4 of recommendation 180 of the Code, and also do not envisage the revision of the Company's policy on remuneration of members of the Board of Directors, executive bodies and other key executives.

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2.8.3	To preview matters related to talent management (succession planning), professional composition and efficiency of the board of directors, a nomination (appointments, human resources) committee was set up, predominantly comprised of independent directors	<ol style="list-style-type: none"> The board of directors has set up a nomination committee (or its tasks listed in recommendation 186 of the Code are fulfilled by another committee) predominantly comprised of independent directors. The company's internal documents set out the tasks of the nomination committee (or the tasks of the committee with combined functions), including those listed in recommendation 186 of the Code. In the reporting period, in order to form the board of directors that best meets the company's goals and objectives, the nomination committee organised interaction with shareholders, not limited to the largest shareholders, in the context of selecting candidates to the board of directors of the company, either individually or jointly with other committees of the board of directors or the company's authorised subdivision in charge of relations with shareholders 	Partial compliance	<ol style="list-style-type: none"> Partial compliance: JSC FPC has set up the Human Resources, Remuneration, and Corporate Governance Committee of the Board of Directors of JSC FPC. The roles of this Committee are set out in the Regulations on the Committee of FPC's Board of Directors and comply with recommendations of the Corporate Governance Code concerning the remuneration committee and the nomination committee. Two independent directors were elected to the Committee, one of whom chairs it. Full compliance. No compliance. <p>Given the existing structure of FPC's share capital, i.e., the presence of a single shareholder in the share capital structure, this criterion is irrelevant for the Company.</p> <p>For selection of candidates to the Company's Board of Directors, the Human Resources, Remuneration and Corporate Governance Committee presented the Committee's recommendations to shareholders on the candidates' compliance with the criteria of independence, qualifications, competences and experience.</p>
2.8.4	Taking into account the company's scope of business and level of risks, the company's board of directors made sure that the composition of its committees is fully in line with the company's business goals. Additional committees were either set up or not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, health, safety and environment committee, etc.)	<ol style="list-style-type: none"> In the reporting period, the company's board of directors considered whether the structure of the board of directors is appropriate to the scope, nature, business goals, needs, and risk profile of the company. Additional committees were either set up or not deemed necessary 	Full compliance	
2.8.5	Committees are composed so as to enable comprehensive discussions of matters under preview, taking into account the diversity of opinions	<ol style="list-style-type: none"> The audit committee, remuneration committee, and nomination committee (or the relevant committee with a combined function) were chaired by independent directors in the reporting period. The company's internal documents (policies) include provisions stipulating that persons who are not members of the audit committee, the nomination committee (or the relevant committee with a combined function) and the remuneration committee may attend committee meetings only by invitation of the chairman of the respective committee 	Partial compliance	<ol style="list-style-type: none"> Partial compliance: during the reporting period, the Human Resources, Remuneration and Corporate Governance Committee was chaired by an independent director. Full compliance.
2.8.6	Committee chairmen inform the board of directors and its chairman on the work of their committees on a regular basis	<ol style="list-style-type: none"> During the reporting period, committee chairmen reported to the board of directors on the work of committees on a regular basis 	Full compliance	
2.9	The board of directors ensures performance assessment of the board of directors, its committees and members of the board of directors			
2.9.1	The board of directors ensures the assessment of performance of the board of directors, its committees and members of the board of directors, whether their work meets the company's development needs, as well intensifying the work of the board of directors and identifying opportunities for the improvement of its performance	<ol style="list-style-type: none"> The company's internal documents stipulate the procedures for assessing (self-assessing) the board of directors' performance. The assessment (self-assessment) of the board of directors' performance carried out in the reporting period included an assessment of the work of the committees, an individual assessment of each member of the board of directors and the board of directors as a whole. Results of assessment (self-assessment) of the board of directors' performance carried out in the reporting period were reviewed at the in-person meeting of the board of directors 	Partial compliance	<ol style="list-style-type: none"> Full compliance. Full compliance. No compliance: The results of the Board of Directors' self-assessment were reviewed at a meeting in absentia on 30 June 2023.
2.9.2	The performance of the board of directors, committees and members of the board of directors is assessed on a regular basis at least once a year. An external organisation (consultant) is engaged at least once every three years to carry out an independent assessment of the board of directors' performance	<ol style="list-style-type: none"> The company engaged an external institution (advisor) to conduct an independent assessment of the board of directors' performance at least once over the last three reporting periods 	No compliance	The performance of the Board of Directors was not assessed in the reporting period.

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3.1	The company's corporate secretary ensures efficient ongoing interaction with shareholders, coordinate the company's efforts to protect shareholder rights and interests, and supports the activities of the board of directors			
3.1.1	The corporate secretary has the knowledge, experience and qualifications sufficient to perform his/her duties, as well as an impeccable reputation and the trust of shareholders	1. The company's website and the annual report contain biographical information on the corporate secretary (including information on age, education, qualifications, experience), as well as information on positions in management bodies of other legal entities held by the corporate secretary for at least the last five years	Full compliance	
3.1.2	The corporate secretary is sufficiently independent of the company's executive bodies and has the powers and resources required to perform his/her tasks	1. The company has adopted and published an internal document – regulations on the corporate secretary. 2. The board of directors approves the candidate for the position of corporate secretary, terminates his/her powers and considers the payment of additional remuneration to him/her. 3. The company's internal documents stipulate the corporate secretary's right to request and receive company documents and information from management bodies, subdivisions and officers of the company	Full compliance	
4.1	Remuneration payable by the company is sufficient to attract, motivate and retain people with competencies and qualifications required by the company. Remuneration payable to directors, executive bodies and other key managers of the company is in compliance with the approved remuneration policy of the company			
4.1.1	The amount of remuneration paid by the company to the members of the board of directors, executive bodies and other key managers creates sufficient incentives for them to work efficiently while enabling the company to engage and retain competent and qualified specialists. At the same time, the company avoids unnecessarily high remuneration, as well as unjustifiably large gaps between remunerations of the above persons and the company's employees	1. Remuneration of members of the board of directors, executive bodies and other key executives of the company is determined based on the results of a comparative analysis of remuneration levels in comparable companies	Full compliance	
4.1.2	The company's remuneration policy is devised by the remuneration committee and approved by the board of directors. The board of directors, assisted by the remuneration committee, ensures control over the introduction and implementation of the company's remuneration policy, revising and amending it as required	1. During the reporting period, the remuneration committee reviewed the remuneration policy (policies) and (or) practices of its (their) implementation, assessed their efficiency and transparency, and, if necessary, submitted respective recommendations to the board of directors for revision of the said policy (policies)	Full compliance	
4.1.3	The company's remuneration policy includes transparent mechanisms for determining the amount of remuneration due to directors, executive bodies and other key managers of the company, and regulate all types of expenses, benefits and privileges provided to such persons	1. The company's remuneration policy (policies) includes (include) transparent mechanisms for determining the amount of remuneration due to directors, executive bodies and other key managers of the company, and regulates (regulate) all types of expenses, benefits and privileges provided to such persons	Full compliance	
4.1.4	The company defines a policy on reimbursement (compensation) of costs, detailing a list of reimbursable expenses and specifying service levels that members of the board of directors, executive bodies and other key managers of the company can claim. Such policy can make part of the company's remuneration policy	The remuneration policy (policies) defines (define) the rules for reimbursement of costs incurred by directors, executive bodies and other key managers of the company	Full compliance	

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4.2	Remuneration system for directors ensures alignment of financial interests of directors with long term financial interests of shareholders			
4.2.1	The company pays fixed annual remuneration to directors. The company does not pay remuneration for attending particular meetings of the board of directors or its committees. The company does not apply any form of short-term motivation or additional financial incentive for directors	<ol style="list-style-type: none"> In the reporting period, the company paid remuneration to the members of the board of directors in accordance with the remuneration policy adopted by the company. In the reporting period, the company did not apply any forms of short-term motivation or additional material incentives to the members of the board of directors, the payment of which depends on the results (indicators) of the company's performance. No remuneration was paid for participation in individual meetings of the board of directors or the committees under the board of directors 	Full compliance	
4.2.2	Long-term ownership of the company's shares helps align the financial interests of directors with long-term interests of shareholders to the utmost. At the same time, the company does not link the right to dispose of shares to performance targets, and directors do not participate in stock option plans	<ol style="list-style-type: none"> If the company's internal document(s) – the remuneration policy (policies) – stipulate(s) (stipulate) provision of the company's shares to directors, clear rules for share ownership by directors shall be defined and disclosed, aimed at stimulating long-term ownership of such shares 	No compliance	Not applicable. Regulations on Payment of Remuneration and Compensations to Members of the Board of Directors do not provide for granting shares in the Company to the members of the Board of Directors.
4.2.3	The company does not provide for any extra payments or compensations in the event of early termination of directors' mandates resulting from the change of control or any other reasons	<ol style="list-style-type: none"> The company does not provide for any extra payments or compensations in the event of early termination of directors' mandates resulting from the change of control or any other reasons 	Full compliance	
4.3	The company considers its performance and the personal contribution of each executive to the achievement of such performance, when determining the amount of a fee payable to members of executive bodies and other key managers of the company			
4.3.1	Remuneration due to members of executive bodies and other key managers of the company is determined in a manner providing for reasonable and justified ratio of the fixed and variable parts of remuneration, depending on the company's results and the employee's personal contribution	<ol style="list-style-type: none"> In the reporting period, annual performance indicators approved by the board of directors were used to determine the amount of the variable part of remuneration due to members of executive bodies and other key managers of the company. During the latest assessment of the system of remuneration for members of executive bodies and other key managers of the company, the board of directors (remuneration committee) made sure that the company applies efficient ratio of the fixed and variable parts of remuneration. When determining the amount of remuneration payable to the members of executive bodies and other key executives of the company, consideration is given to the risks borne by the company in order to avoid creating incentives for taking excessively risky management decisions 	Full compliance	
4.3.2	The company has in place a long-term incentive program for members of executive bodies and other key managers of the company with the use of the company's shares (options and other derivative instruments where the company's shares are the underlying asset)	<ol style="list-style-type: none"> If the company has introduced a long-term incentive programme for members of executive bodies and other key executives of the company using company shares (financial instruments based on company shares), the programme stipulates that the right to sell such shares and other financial instruments shall not arise earlier than three years after provision of the same. The right to dispose of such shares or other financial instruments is linked to the company's performance targets 	No compliance	Not applicable. The Company does not have a long-term incentive stock option plan for top managers. The Company uses other management incentives based on the achievement of the KPIs set by the Company's Board of Directors.
4.3.3	The compensation (golden parachute) payable by the company in case of early termination of powers of members of executive bodies or key managers at the company's initiative, provided that there have been no actions in bad faith on their part, does not exceed the double amount of the fixed part of their annual remuneration	<ol style="list-style-type: none"> In the reporting period, the compensation (golden parachute) payable by the company in case of early termination of the powers of executive bodies or key managers at the company's initiative, provided that there have been no actions in bad faith on their part, did not exceed the double amount of the fixed part of their annual remuneration 	Full compliance	

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5.1	The company has in place an effective risk management and internal control system, providing reasonable assurance in the achievement of the company's goals			
5.1.1	The company's board of directors determined the principles of, and approaches to, organising a risk management and internal control system in the company	1. Functions of different management bodies and units of the company in the risk management system and internal control are clearly defined in the company's internal documents/relevant policy approved by the board of directors	Full compliance	
5.1.2	The company's executive bodies ensure establishment and continuous operation of an efficient risk management and internal control system in the company	1. The company's executive bodies ensured the distribution functions, powers and responsibilities related to risk management and internal control between the heads (managers) of units and departments accountable to them	Full compliance	
5.1.3	The company's risk management and internal control system ensures an objective, fair and clear representation of the current state of the company and its future prospects, the integrity and transparency of the company's reporting, as well as reasonable and acceptable risk exposure	1. The company has the anti-corruption policy approved. 2. The company has arranged for safe, confidential and accessible means (hotline) of notifying the board of directors or the board's audit committee about violations of the law, the company's internal procedures and code of ethics	Full compliance	
5.1.4	The company's board of directors takes necessary measures to make sure that the company's risk management and internal control system is consistent with the principles of, and approaches to its setting up determined by the board of directors, and that the system is functioning efficiently	1. During the reporting period, the board of directors (audit committee and/or risk committee) (if any) organised an assessment of the reliability and effectiveness of the risk management and internal control systems. 2. During the reporting period, the board of directors reviewed the results of the assessment of the reliability and efficiency of the company's risk management and internal control systems; information on the results of the review is included in the company's annual report	Full compliance	
5.2	The company performs internal audits for regular independent assessment of the reliability and effectiveness of the risk management and internal control system, as well as corporate governance practices			
5.2.1	The company has set up a separate business unit or engaged an independent external organisation to carry out internal audits. The functional and administrative reporting lines of the internal audit unit are delineated. The internal audit unit functionally reports to the board of directors.	1. To perform internal audits, the company has set up a separate internal audit business unit functionally reporting to the board of directors, or an independent external organisation with the same line of reporting is engaged	Full compliance	
5.2.2	The internal audit unit assesses the reliability and effectiveness of the risk management and internal control systems as well as the corporate governance, and applies generally accepted internal auditing standards	1. During the reporting period, internal audit assessed the reliability and effectiveness of the risk management and internal control system. 2. During the reporting period, internal audit assessed corporate governance practices (individual practices), including information interaction procedures (along with those related to internal control and risk management) at all management levels of the company, and interaction with stakeholders as well	Full compliance	
6.1	The company and its business are transparent for shareholders, investors and other stakeholders			
6.1.1	The company has developed and adopted an information policy ensuring an efficient exchange of information between the company, its shareholders, investors and other stakeholders	1. 1. The company's board of directors approved an information policy developed in accordance with the Code's recommendations. 2. 2. During the reporting period, the board of directors (or one of its committees) considered the efficiency of information exchange between the company, shareholders, investors and other stakeholders and the expediency (need) to revise the company's information policy	Full compliance	
6.1.2	The company discloses information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of this Code	1. The company discloses information on its corporate governance system and general principles of corporate governance applied in the company, including disclosure on a website. 2. The company discloses information on the composition of executive bodies and the board of directors, independence of the board members and their membership in the board's committees (as defined in the Code). 3. If the company has a controlling entity, the company publishes a memorandum of the controlling entity setting out the latter's plans for the company's corporate governance	Partial compliance	1. Full compliance. 2. No compliance: information on the personal composition of the Board of Directors was not disclosed based on Decree of the Government of the Russian Federation No. 1102 dated 4 July 2023. 3. No compliance: There is no Memorandum in place.

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6.2	The company makes timely disclosures of complete, updated and reliable information to allow shareholders and investors to make informed decisions			
6.2.1	The company discloses information based on the principles of regularity, consistency and promptness, as well as availability, reliability, completeness and comparability of disclosed data	<ol style="list-style-type: none"> The company has established a procedure that ensures coordination of work of all subdivisions and employees of the company who are related to disclosure of information or whose activities may result in the need to disclose information. If the company's securities are traded on foreign regulated markets, the company ensures concerted and equivalent disclosure of material information in the Russian Federation and in the said markets in the reporting period. If foreign shareholders hold a significant amount of the company's shares, during the reporting year, information was disclosed not only in the Russian language, but also in one of the most widespread foreign languages 	Partial compliance	<ol style="list-style-type: none"> Full compliance. Not applicable. The Company's securities are not traded on foreign organised markets. Not applicable. JSC FPC has no foreign shareholders.
6.2.2	The company avoids a formalistic approach to information disclosure and discloses critical information about its operations even if such disclosure is not required by law	<ol style="list-style-type: none"> The company's information policy defines approaches to disclosure of information on other events (actions) which have a significant effect on the value or quotation of its securities, while disclosure of which is not required by law. The company discloses complete information on its capital structure, as stated in recommendation 290 of the Code, in its annual report and on the corporate website. The company discloses information on controlled entities that are significant to the company, including key areas of their activities, mechanisms for ensuring accountability of controlled entities, the authority of the company's board of directors to determine strategy and assess performance of controlled entities. The company discloses non-financial reports — a sustainability report, an environmental report, a corporate social responsibility report or another report containing non-financial information, including factors related to the environment (inter alia, environmental and climate change related factors), society (social factors) and corporate governance, except for the report of the issuer of equity securities and the annual report of the joint stock company 	Partial compliance	<ol style="list-style-type: none"> Full compliance. Partial compliance. The information specified in paragraphs 1, 3, 4 of recommendation 290 of the Code shall not be disclosed in the Company's annual report on the basis of Resolution No. 1102 of the Government of the Russian Federation dated 4 July 2023. Full compliance. Partial compliance. The company discloses non-financial reports — a sustainability report, an environmental report, a corporate social responsibility report or another report containing non-financial information, including factors related to the environment (inter alia, environmental and climate change related factors), society (social factors) and corporate governance, within the annual report only.
6.2.3	The annual report, as one of the most important tools of information exchange with shareholders and other stakeholders, contains information enabling assessment of the company's performance in the reporting year	<ol style="list-style-type: none"> The annual report of the company contains information on the results of the assessment by the audit committee of the effectiveness of the external and internal audit process. The company's annual report contains information on the company's environmental and social policy 	Partial compliance	<ol style="list-style-type: none"> 1. Partial compliance. The Company's annual report contains information on the results of the internal audit quality review for the reporting year by the Audit and Risk Committee of FPC's Board of Directors. Assessment of the efficiency of the external audit process by FPC's Audit and Risk Committee was not considered as a separate issue in the reporting period. When reviewing the results of audits, the Committee considers the independence, objectivity and lack of conflict of interest of FPC's auditor. Full compliance.
6.3	The company provides information and documents as per the requests of shareholders in compliance with principles of fairness and ease of access			
6.3.1	Shareholders can exercise their right of access to company documents and information without unnecessary difficulties	<ol style="list-style-type: none"> The company's information policy (internal documents defining the information policy) defines a non-onerous procedure for providing access to the company's information and documents, upon shareholders' requests. The information policy (internal documents defining the information policy) contains provisions stipulating that if a shareholder requests information on organisations controlled by the company, the company shall make the necessary efforts to obtain such information from the relevant organisations controlled by the company 	Full compliance	
6.3.2	When providing information to shareholders, the company ensures reasonable balance between the interests of particular shareholders and its own interests, consisting in preserving the confidentiality of important commercial information which may materially affect its competitiveness	<ol style="list-style-type: none"> In the reporting period, the company did not refuse shareholders' requests for information, or such refusals were justified. In cases defined by the information policy, shareholders are warned of the confidential nature of the information and undertake to maintain its confidentiality 	Full compliance	

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7.1	Actions that significantly impact or may significantly impact the share capital structure or financial condition of the company and, respectively, shareholders position (material corporate actions) are fairly executed providing observance of rights and interests of shareholders and other stakeholders			
7.1.1	Material corporate actions include restructuring of the company, acquisition of 30% or more of the company's voting shares (takeover), execution by the company of significant transactions, increase or reduction of the company's authorised capital, listing or de-listing of the company's shares, as well as other actions which may lead to material changes in the rights of shareholders or violation of their interests. The company's articles of association define a list of transactions or other actions classified as material corporate actions pertaining to the competence of the company's board of directors	1. The company's articles of association define a list (criteria) of transactions or other actions that constitute significant corporate actions. Resolutions on material corporate actions are referred to the jurisdiction of the board of directors, according to the company's articles of association. When execution of such corporate actions is expressly referred by law to the jurisdiction of the general shareholders meeting, the board of directors presents relevant recommendations to shareholders	Full compliance	
7.1.2	The board of directors plays a key role in making decisions or working out recommendations regarding material corporate actions, relying on the opinions of the company's independent directors	1. The company has in place a procedure enabling independent directors to express their opinions on material corporate actions prior to approval thereof	Full compliance	
7.1.3	When taking material corporate actions affecting the rights and legitimate interests of shareholders, equal terms and conditions are ensured for all shareholders of the company, and, in case of insufficient statutory mechanisms for protecting shareholder rights, additional measures are taken to protect the rights and legitimate interests of the company's shareholders. In doing so, the company is guided by the corporate governance principles set forth in the Code , as well as by formal statutory requirements	1. The company's articles of association, taking into account the peculiarities of the company's operations, stipulate that the competence of the board of directors shall include approval of other transactions that are significant to the company, in addition to those provided for by law. 2. In the reporting period, all material corporate actions were duly approved before they were taken	Full compliance	
7.2	The company performs material corporate actions in such a way as to ensure that shareholders timely receive complete information about such actions, allowing them to influence such actions and guaranteeing adequate protection of their rights when performing such actions			
7.2.1	Information about material corporate actions is disclosed with explanations of the grounds, circumstances and consequences	1. If the company performed significant corporate actions during the reporting period, the company disclosed information on such actions in a timely and detailed manner, including disclosing the reasons, conditions and consequences of such actions to shareholders	Full compliance	

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7.2.2	The rules and procedures related to material corporate actions are set forth in the company's internal documents	<ol style="list-style-type: none"> 1. The company's internal documents provide for the cases and procedure for engaging an appraiser to determine the value of the property disposed of or acquired pursuant to a major transaction or an interested party transaction. 2. The company's internal documents set out the procedure for engaging an appraiser to assess the value of the company's shares at their repurchase or redemption. 3. If there is no formal interest of a member of the board of directors, the sole executive body, member of the collegial executive body of the company or an entity being a controlling entity of the company or an entity entitled to give instructions binding on the company in transactions of the company, but if there is a conflict of interest or other actual interest, the internal documents of the company provide that such entities shall not participate in voting on approval of such transaction 	Partial compliance	<ol style="list-style-type: none"> 1. Partial compliance. The Company's internal documents stipulate the procedure for engaging an independent appraiser to determine the market value of the disposed immovable property. 2. Partial compliance. When approving major transactions by the General Meeting of Shareholders, JSC FPC is guided by the provisions of the Federal Law "On Joint Stock Companies" and JSC FPC's Articles of Association. Thus, in order to respect the rights of shareholders to buy back shares in major transactions, JSC FPC engages an independent appraiser to assess the market value of the shares to be bought back, and the results of such assessment are reviewed by the Company's Board of Directors. 3. In internal documents, the Regulations on the General Meeting of Shareholders stipulate the submission of a share appraisal report to shareholders in the event of major corporate actions. 4. Partial compliance. Section 3.3 of the Regulations on the Board of Directors of JSC FPC (approved on 5 July 2022, Minutes of the Annual General Meeting of Shareholders No. 50) specifies the following: <ul style="list-style-type: none"> • a member of the Board of Directors who has a conflict of interest shall immediately notify the Board of Directors, through its Chairman or the Company's Corporate Secretary, of both the fact of the conflict of interest and the grounds for the conflict of interest. Such notification shall in any case be made prior to the discussion of the matter on which such member of the Board of Directors has a conflict of interest at a meeting of the Board of Directors or its committee with the participation of such Board member; • a Board member may not participate in decision-making if there is a conflict of interest. He/she should abstain from voting on matters in respect of which he/she has a conflict of interest; • where the nature of the matter under discussion or the specifics of a conflict of interest so requires, the Board of Directors shall have the right to propose that the member of the Board of Directors with the relevant conflict of interest not attend the discussion of such matter at the meeting