

Board of Directors¹

The Board of Directors occupies a key position in JSC FPC's corporate governance system. Its activities are governed by the [Regulations on the Board of Directors of JSC FPC](#) approved by the General Meeting of Shareholders. Information on the activities of the Board of Directors is disclosed in the Annual Report and made available to shareholders.

The scope of functions of the Board of Directors:

- To determine the Company's priority areas of activity, approve its strategy
- To approve the budget, investment programme, major investment projects and their adjustments
- To review the report of the sole executive body on the Company's performance results for the reporting period, the report on the progress in implementing the programme of measures for operational efficiency and optimisation of the Company's expenses, the report on the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors
- To determine the number of members of the Auditing Commission, election of members of the Auditing Commission and early termination of their powers; to decide on payment of remuneration and (or) compensation to the members of the Auditing Commission in accordance with the internal document approved by the General Meeting of Shareholders
- To appoint the audit organisation (individual auditor), to determine the initial (maximum) price of the contract for the provision of services by the audit organisation (individual auditor), to determine the amount of payment for the services of the audit organisation (individual auditor)
- To approve the annual report, annual accounting (financial) statements
- To convene annual and extraordinary General Meetings of Shareholders, with exception of cases stipulated by the Federal Law "On Joint Stock Companies"; to approve the agenda of the General Meetings of Shareholders; to set the date for determining (recording) the persons entitled to participate in the General Meetings of Shareholders, to sort out other issues related to preparation and holding of the General Meetings of Shareholders
- To review the results of performance evaluation of the Board of Directors, members of the Board of Directors, committees of the Board of Directors, and the Corporate Secretary

- To determine KPIs for the Company, the sole executive body (temporary sole executive body), key management personnel and approve reports on their fulfilment
- To define general principles and approaches to organising the risk management, internal control and internal audit system in the Company
- To approve the acceptable amount of risks for the Company (risk appetite, preferred risks), including the approach to its determination

For the full list of powers of the Board of Directors, please see [JSC FPC's Articles of Association](#)

The exclusive competence of the Board of Directors also covers the election of the General Director, early termination of their powers, determination of the terms and conditions of their employment agreement, as well as the person authorised to sign documents on behalf of the Company in the framework of employment relations with the sole executive body. The General Director shall combine positions in the governance bodies of other organisations, as well as other paid positions held on a part-time basis in other organisations upon approval of the Board of Directors. The succession of executive bodies is ensured by the Board of Directors through an annually approved succession pool for the position of the General Director.

Three standing committees of the Board of Directors of JSC FPC were out in place for preliminary work on the most important issues:

- Committee on Strategic Planning, Digital Transformation and Information Technology
- Audit and Risk Committee
- Human Resources, Remuneration and Corporate Governance Committee

The committees are governed by relevant [regulations](#) approved by the Board of Directors. The number and personal composition of the committees, as well as candidates for their chairpersons, shall be determined by the Board of Directors at its first meeting. The committees submit reports on their activities to the Board of Directors on an annual basis.

Nomination and selection of candidates

In accordance with the Company's Articles of Association, the Board of Directors is elected by the General Meeting of Shareholders of JSC FPC. The quantitative composition of the Board of Directors is determined by the decision of the General Meeting of Shareholders.

The selection and appointment of candidates for election to the Board of Directors of JSC FPC is done by the shareholder while taking the Company's present needs into account. Since JSC FPC is a key controlled company, including independent directors in the list of candidates is a mandatory criterion in formation of the Board of Directors.

Candidates to the Board of Directors of JSC FPC must be persons with impeccable reputation, knowledge, skills and experience necessary for making decisions within the remit of the Board of Directors and required for the effective performance of its functions. The principle of balance is used in the formation of JSC FPC's Board of Directors to make sure that the number of independent directors and the range of their knowledge, skills and experience are appropriate for the size and scope of the Company's operations.

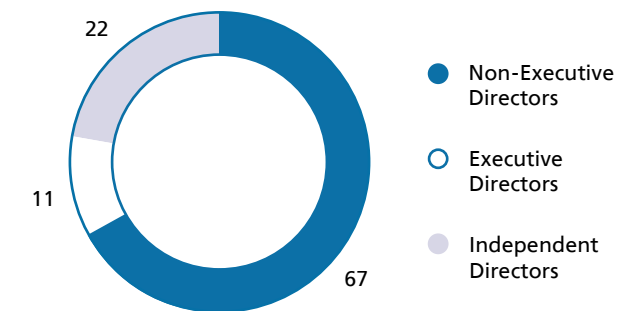
In order to make voting recommendations to shareholders for the Annual General Meeting on the election of candidates to the Board of Directors, the Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors analyses the professional qualifications and independence of all nominations to the Board of Directors.

Process of electing the Board of Directors:

- Approval of candidates by the board of directors of the parent company
- Nomination of candidates by shareholders or the Board of Directors
- Assessment by the relevant Committee of the Board of Directors of whether candidates meet the criteria of independence, qualifications, competences and experience
- Presentation to shareholders of the committee's recommendations on the candidates' compliance with the requirements
- Election of the Board of Directors by the Annual General Meeting of Shareholders

In the reporting period, there were three compositions of the Board of Directors with the same number of nine people. 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 and one new non-executive director were elected to the Board of Directors of JSC FPC by the Annual General Meeting of Shareholders. The share of new members of the Board of Directors was 10%.

Board structure, %



The Board of Directors is comprised of highly qualified professionals who enjoy confidence of shareholders. The efficiency of the Board of Directors is achieved through a balanced composition, including the qualifications of its members, their experience, knowledge and business qualities, age and gender.

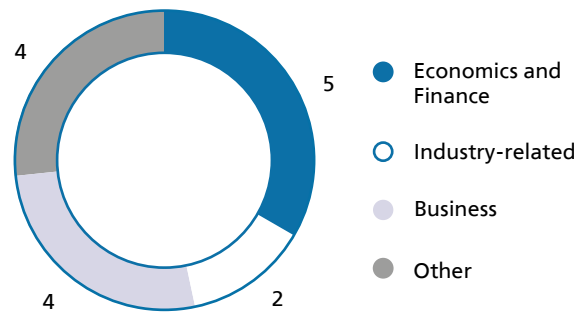
In the reporting year, the Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors of JSC FPC assessed the balance of the Company's composition for compliance with the Company's strategic goals and objectives. In addition, the competences and professional qualifications of all candidates nominated to the Board of Directors were assessed.

¹ This section does not disclose the full names of the members of the Company's Board of Directors and their biographical information in accordance with Resolution of the Government of the Russian Federation No. 1102 dated 4 July 2023.

Area of competence	Board members									
	NE1	NE2	NE3	NE4	E	NE5	NE6	I1	I2	I3 ¹
Cooperation with public authorities	●	●	●	●	●	●		●		
Information technology and telecommunications			●					●		
Corporate governance				●			●		●	●
Corporate finance and investor relations		●								
Macroeconomic and sectoral analysis	●	●				●	●			
Strategic planning and development	●	●	●	●	●	●			●	●
Strategic management	●			●	●		●	●	●	
Finance and audit			●			●			●	●
Internal control and audit										●
Risk management							●			●
Human resources management and social responsibility									●	
PR and marketing								●		

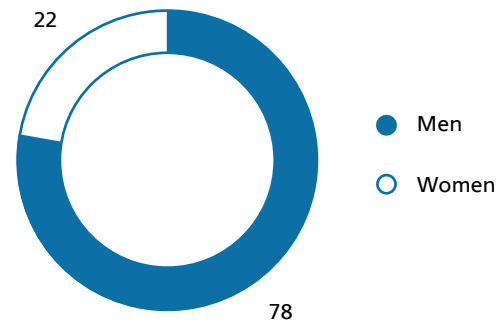
NE – Non-executive E – Executive I – Independent

Remuneration of members of the Board of Directors²



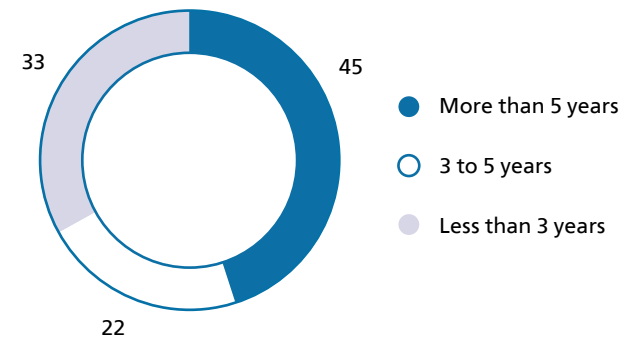
The Board of Directors includes two women and seven men representing different age groups, which enables members of the Board of Directors to consider agenda items comprehensively.

Gender balance, %



¹ Person who sat on the Board of Directors before the Annual General Meeting of Shareholders held on 30 June 2023.
² Six of the nine members of the Board of Directors have two or more higher education degrees and two members of the Board of Directors have an academic degree.

Tenure, %



The average tenure of Board members of the JSC FPC is 4.1 years. Such a period allows for both the need for rotation (to assess and work through issues in the most objective and innovative way) and accumulation of sufficient experience (to be deeply immersed in the Company and to make informed decisions that fall within the remit of the Board members).

Role of independent directors in the Company's activities

Independent directors ensure an objective and comprehensive review of matters based on their knowledge, experience and qualifications. Unbiased judgement and constructive criticism by independent directors at meetings of the Board of Directors and relevant committees help to make well-informed decisions.

All independent directors are involved in the work of committees. The Human Resources, Remuneration and Corporate Governance Committee is headed by an independent director. All independent directors sit on the Strategic Planning, Digital Transformation and Information Technology Committee.

The Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors of JSC FPC assess Board members, particularly at the stage of nomination to the Board, for compliance with the independence criteria set out in the Corporate Governance Code. For shareholders, the Committee formulated the recommendations on whether the candidates proposed to the Board of Directors as independent meet all the independence criteria set out in the Code and presented these recommendations in materials for the Annual General Meeting of Shareholders in 2023.

Additional information about members of the Board of Directors

Members of the Board of Directors do not hold any shares in the authorised capital of JSC FPC, do not own the Company's ordinary shares and have not entered into any transactions to acquire shares of JSC FPC or dispose of them during the reporting year.

No claims were filed against the members of the Board of Directors in connection with the performance of their duties as members of the Board of Directors.

The Company did not issue loans (credits) to members of the Board of Directors.

No notices on conflicts of interest were received by the Board of Directors.

Non-executive and independent directors are not provided with pension contributions, insurance schemes, investment programmes and other benefits and privileges.

Induction and training programme

In order to familiarise newly elected members of the Board of Directors with the operational, financial and economic activities of JSC FPC as quickly and efficiently as possible, an special induction course is put in place. Taking this course prescribed by the Induction Programme for newly elected members of the Board of Directors of JSC FPC.

The induction course includes meetings with the General Director and key employees of the Company held at the Company’s office, presentation of key documents and presentation materials on the Company’s activities and visits to the Company’s production facilities. In 2023, an induction course was held for the newly elected non-executive director: meetings were held with the Company’s management and the Chairman of the Board of Directors.

Moreover, in order to develop the professional competencies of Board members, the Company encourages them to participate in forums, strategic sessions, conferences and other events dedicated to the specific activities of JSC FPC. Every year,

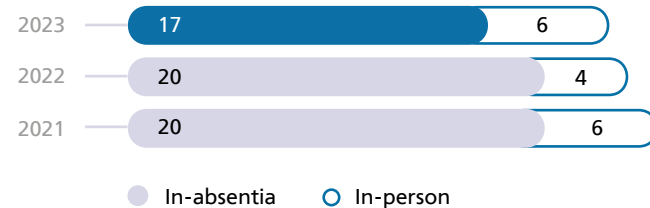
the Company participates in the International Forum and Exhibition “Transport of Russia”, the main business event of the transport industry. Board members are also invited to participate in the forum, including plenary sessions, working meetings and discussions with representatives of the transport industry and expert community.

In November 2023, independent directors took part in a school of best practices dedicated to pressing issues of corporate governance. The event was organised by the major shareholder of JSC FPC. It was attended by the top management of the parent company, heads of the holding company’s subsidiaries, independent directors of the holding company’s largest subsidiaries, and invited speakers. The school discussed the strategic development of holding companies within the corporate governance framework, the role of the board of directors in corporate governance in companies with state participation, sustainable development management in the current realities, and other issues related to the development of corporate governance.

Meetings of the Board of Directors

Meetings of the Board of Directors are held in line with the annually approved work plan of the Board of Directors, as well as when necessary, but at least once a quarter. In 2023, the Board of Directors held 23 meetings. In 2023, in-person meetings lasted 50 min on average.

Format of meetings of the Board of Directors



In 2023, in-person meetings were primarily held in a joint attendance format, but to maximise engagement, Board members were also given the opportunity to participate remotely using domestic online conferencing software. This hybrid form of holding meetings helped to maximise the consideration of personal aspects of each Board member's schedule and reduce the risk of not having a quorum when making the most significant decisions.

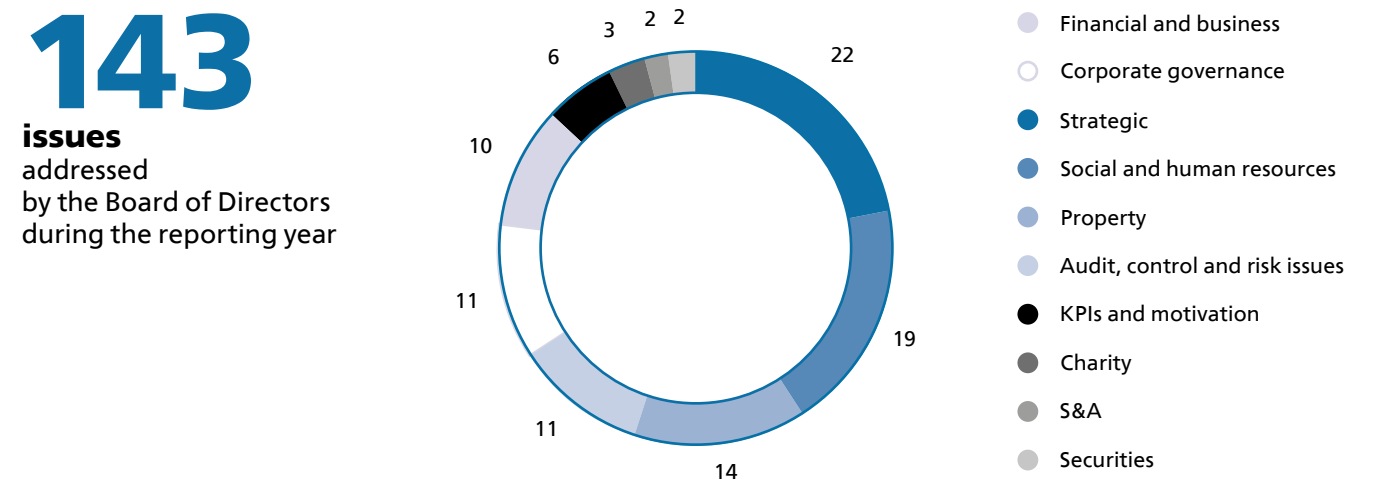
The attendance of meetings by Board members traditionally remains at a high level. In 2023, it stood at 97%.

Information on the attendance of Board meetings by Board members of JSC FPC in 2023¹

Status of the director	Meetings of the Board of Directors			Meetings of the Audit and Risk Committee			Meetings of the Committee on Strategic Planning, Digital Transformation and Information Technology			Meetings of the Human Resources, Remuneration and Corporate Governance Committee		
	In-person meeting of the Board of Directors	Absentee meeting of the Board of Directors	Total share of participation in Board meetings, %	In-person committee meeting	Committee meeting in absentia	Total share of participation in committee meetings, %	In-person committee meeting	Committee meeting in absentia	Total share of participation in committee meetings, %	In-person committee meeting	Committee meeting in absentia	Total share of participation in committee meetings, %
1 NE1	6/6	17/17	100				5/5	4/4	100			
2 NE2	4(1)/5	14/14	100	10(2)/12	5/5	100						
3 NE3	0(5)/6	13/17	78				1(4)/5	3/4	89			
4 NE4	4(2)/6	17/17	100				2(3)/5	4/4	100			
5 E	5(1)/6	17/17	100				5/5	4/4	100			
6 NE5	5(1)/6	17/17	100									
7 NE6 ²	3/4	11/11	93									
8 I1	6/6	17/17	100				5/5	4/4	100	6/6	–	100
9 I2	6/6	17/17	100							9/9	–	100
10 I3 ³	2(1)/3	9/9	100	6/6	2/2	100				2/3	–	67

NE–Non-executive E–Executive I–Independent

Number of issues reviewed by the Board of Directors in 2023, %



¹ The data in the table is given in the 4(1)/5 format, which means that a Board member attended five of five meetings and participated in one in-person meeting by sending a written opinion.

² A person elected to the Board of Directors for the first time following the results of the Annual General Meeting of Shareholders on 30 June 2023.

³ A person who sat on the Board of Directors until the Annual General Meeting of Shareholders held on 30 June 2023.

Key resolutions taken the Board of Directors in 2023

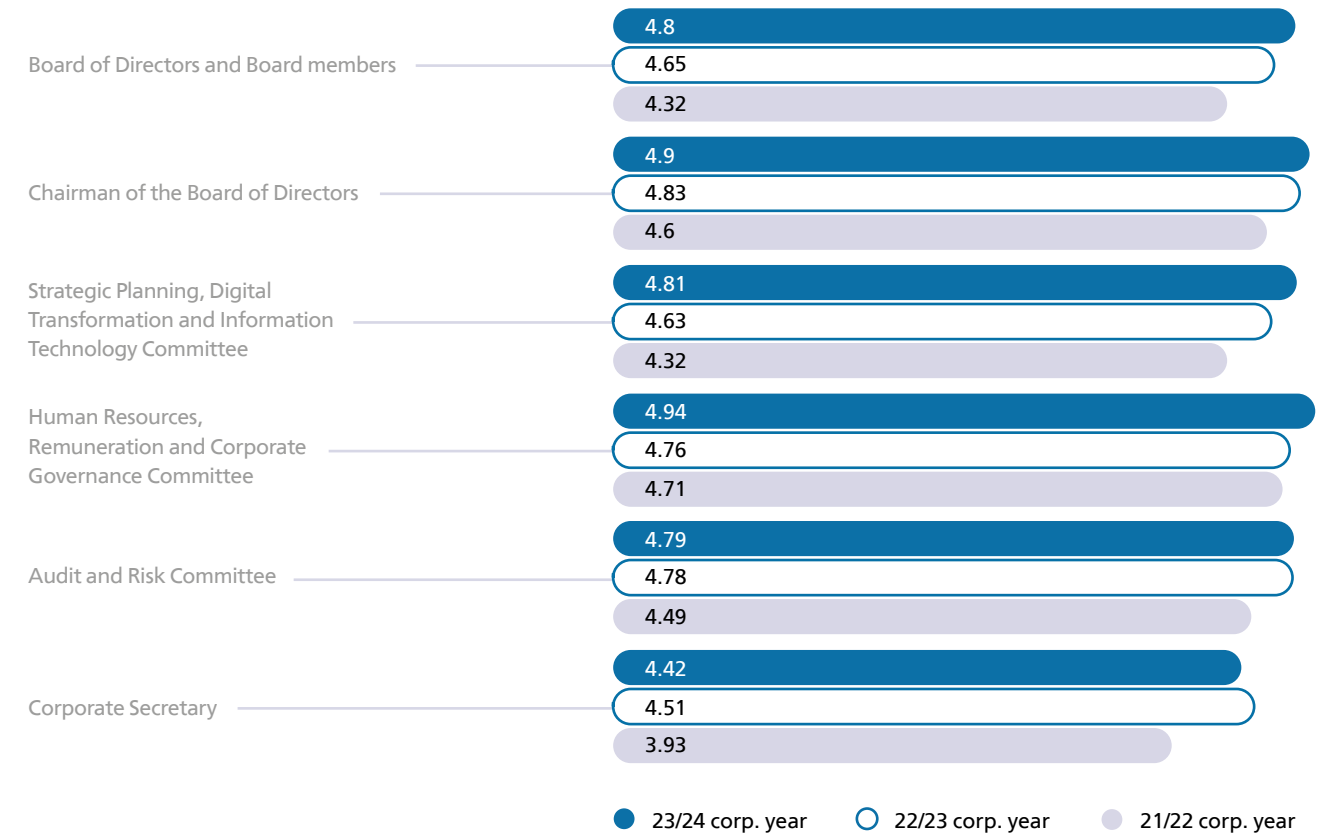
Group of matters	Decisions taken
Strategic	The draft updated <u>Development Strategy of JSC FPC until 2030</u> was reviewed The Informatisation Programme of JSC FPC for 2023 and for 2024 was approved The Digital Transformation Strategy of JSC FPC until 2024 was approved The budget, investment programme and programme of measures to increase operational efficiency and optimise FPC's costs for 2023 were approved
Securities	It was decided to increase the authorised capital of JSC FPC by placing additional shares A document containing the terms and conditions of securities placement was approved
Corporate governance	Decisions were taken on the matters related to the convening and organisation of general meetings of shareholders <u>Amendments to the Regulation on the Dividend Policy of JSC FPC</u> and a new version of <u>the Code of Business Ethics of JSC FPC</u> were approved Decisions were taken on the organisation of activities of the Board of Directors' committees, in particular, to review the committees' report for the 2022/2023 corporate year The results of the evaluation of the performance of the Board of Directors, Board Committees, Board members, Chairman of the Board of Directors, and Corporate Secretary for 2022/2023 corporate year were reviewed
Audit, internal control and risks	The Internal Audit Department's 2022 performance report were reviewed and the Internal Audit Department's 2023 work plan and budget were approved The report on risk monitoring of JSC FPC (including the report on the results of the self-assessment of the Risk Management and Internal Control System (RM&ICS) for 2022) and the updated register of key risks for 2022 were reviewed The draft statement of risk appetite for 2023, register and map of key risks of the Company for 2023 were reviewed An audit organisation was appointed to audit the RAS and IFRS accounting (financial) statements of JSC FPC for 2023, and the amount of payment for its services was determined
Human resource planning	Candidates for the positions of Deputy General Directors and branch managers were agreed upon The succession pool for the position of the sole executive body for 2024 was approved The term of office of the General Director was extended The terms of employment agreements with key management employees (General Director, Deputy General Directors) were negotiated
Motivation	The report on fulfilment of key performance indicators of JSC FPC for 2022 was approved, decisions were made on bonuses for key management employees New versions of the Regulations on the system of key performance indicators for bonus payment to managers of JSC FPC, the Regulations on the system of remuneration for managers of JSC FPC, and the Regulations on the procedure for indexing the salaries of managers of JSC FPC were approved

Assessing the performance of the Board of Directors

The evaluation of the performance of the Board of Directors, Board Committees, members of the Board of Directors and Corporate Secretary of JSC FPC is subject to the provisions of the relevant Regulation¹.

The weighted average performance score was 4.8 out of five for the Board of Directors and 4.9 out of five – for the Board Chairman. By most of the parameters assessed, the situation is in line with best practices. Following the assessment results, proposals for improvement were developed and will be integrated into the Company's practice. The Board of Directors will review the assessment results at its meeting in June 2024.

In 2023, the self-assessment of the effectiveness of the Board of Directors for 2023/2024 the corporate year employed the method of a questionnaire survey. The analysis included the review of the needs of the Board of Directors in terms of professional qualifications, experience and business skills of Board members, their number, and the performance of the Chairman and the Corporate Secretary.



¹ Regulations on evaluating the performance of the Board of Directors, Board Committees, members of the Board of Directors and Corporate Secretary of JSC FPC, approved by the decision of FPC's Board of Directors (Minutes No. 23 dated 1 July 2022).

Key results of performance assessment

- The qualitative composition of the Board of Directors (experience and qualifications) corresponds to the specifics of the Company's business and ensures that the Board of Directors fulfils its functions.
- The duration and procedure of meetings of the Board of Directors are sufficient for making balanced decisions and comprehensive consideration of agenda items.
- The number of in-person meetings of the Board of Directors is sufficient to consider and resolve the most important issues.
- Meetings of the Board of Directors are held in such a way as to ensure an open exchange of views, active participation of all members and timely decision-making.
- The Board of Directors exercises proper control over the implementation of the decisions taken.
- The Board of Directors approves in a timely manner the Company's internal documents on matters within its remit.
- The Board of Directors is involved in improvement of the Company's corporate governance system.
- Members of the Board of Directors duly fulfil their duties as stipulated by the Regulations on the Board of Directors of JSC FPC and the Company's regulatory documents.
- Members of the Board of Directors are open for discussion of issues related to the Company's operations with members of executive bodies and stakeholders.
- A constructive relationship has been built between the management and Board members.
- The issues reviewed by the committees and recommended for consideration by the Board of Directors have been worked out and are ready for discussion at meetings of the Board of Directors.

Remuneration of members of the Board of Directors

The principles for motivating the Board members, as well as paying compensation and reimbursement of expenses to Board members are set out in the Regulations on Remuneration and Compensation Payable to Members of FPC's Board of Directors approved by FPC's Annual General Shareholders Meeting in June 2018.

The Regulations include transparent mechanisms to determine remuneration in line with the recommendations of the Corporate Governance Code. The remuneration paid for the past corporate year is the only form of monetary remuneration payable to members of the Board of Directors. Forms of short-term motivation and additional material incentives are not applied.

Remuneration is differentiated depending on the scope of directors' responsibilities and considering additional time spent on discharging the functions of the Chairman, the Deputy Chairman, a committee member, and a committee chairman or deputy chairman.

To calculate the basic remuneration for participation in the work of the Board of Directors, a formula is used based on the fixed part of remuneration adjusted for the ratio of attendance at meetings and a coefficient that takes into account the contribution to the work of the Board of Directors as Chairman or Deputy Chairman.

Additional remuneration is payable for serving on a committee of the Board of Directors, which is calculated based on the fixed part of remuneration adjusted for the ration of attendance at committee meetings and an additional factor for discharging the functions of the chairman, the deputy chairman, or a member of a committee.

Payments to members of the Board of Directors for discharging extra functions

Function	Payment
Chairman	50% of the base part of remuneration
Deputy Chairman	25% of the base part of remuneration
Chairman of the committee	25% of the base part of remuneration
Deputy Chairman of the Committee	25% of the base part of remuneration for the meetings where the director acted as chairman of a committee
Committee member	15% of the base part of remuneration

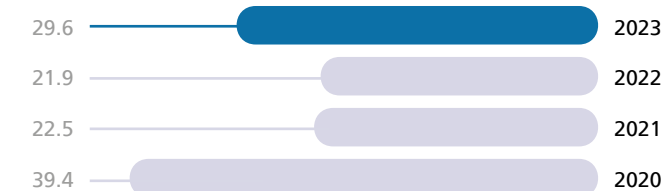
If a member of the Board of Directors is a member of several committees, additional remuneration is calculated and paid for serving on each committee.

The remuneration is only paid if a director attends at least 50% of meetings (from his/her election till the termination of powers). Additional remuneration is only paid if a director attends (personally or by submitting a written opinion) at least 50% of in-person committee meetings (from his/her election to the termination of powers).

Members of the Board of Directors are reimbursed for expenses incurred when attending the Board meetings (committee meetings) in the amount of actual and documented expenses, in particular:

- Travel expenses for a round trip to the venue of the Board meeting (committee meeting) (including passenger insurance and service fee) by plane in business class or by train in a first-class sleeping carriage
- Travel expenses for a round trip from/to an airport or railway station to/from a hotel
- Accommodation expenses for a single room in a hotel
- as well as other expenses related to participation of a Board member in a meeting of the Board of Directors (committee)

Total remuneration paid to members of the Board of Directors¹, RUB million



¹ There amounts do not include personal income tax or payments related to the performance of duties by the General Director under the employment contract with JSC FPC. Two executive directors declined remuneration in 2023. In 2022, four non-executive directors waived remuneration and in 2021 five non-executive directors waived remuneration.

Committees of the Board of Directors

In accordance with the recommendations of the Bank of Russia's Corporate Governance Code, the Board of Directors of JSC FPC has established three area-related committees for preliminary consideration of the most important issues:

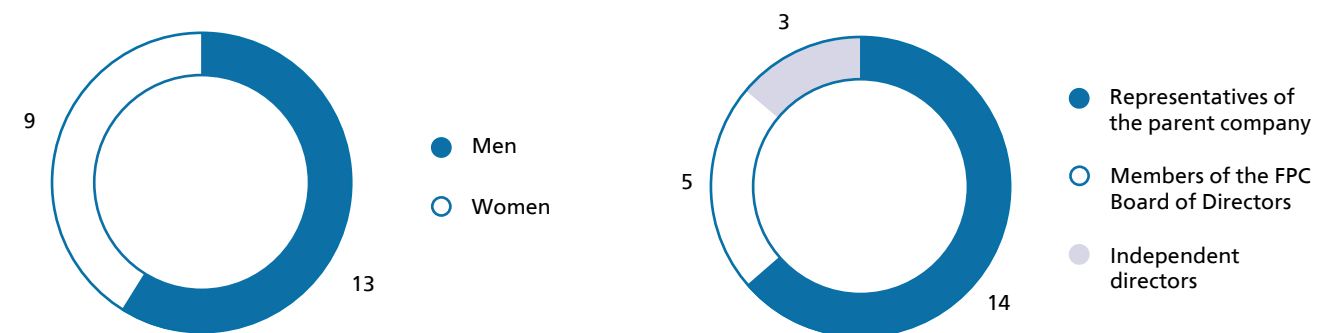
- Audit and Risk Committee

- Committee on Strategic Planning, Digital Transformation and Information Technology
- Human Resources, Remuneration and Corporate Governance Committee

Principles of committee formation

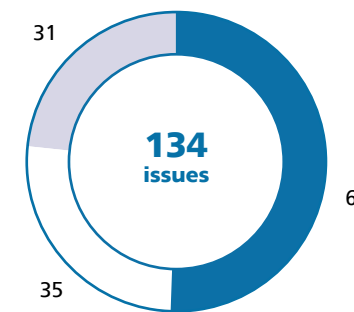
Indicator	Audit and Risk Committee	Committee on Strategic Planning, Digital Transformation and Information Technology	Human Resources, Remuneration and Corporate Governance Committee
Quantitative composition	At least three people	At least three people	At least three people
Chairman	The Chairman of the Board of Directors may not be elected Chairman of a committee	No restrictions	The Chairman of the Board of Directors may not be elected Chairman of a committee
Committee members	Persons who are not members of the Board of Directors may be elected. The General Director may not be elected as a member of the committee	Persons who are not members of the Board of Directors may be elected	Persons who are not members of the Board of Directors may be elected. The General Director may not be elected as a member of the committee
Scope of competence of candidates to committee members	Preference should be given to candidates with professional training and current expertise in accounting (financial) accounting and IFRS, as well as audit, economics and finance, management, with experience in management positions	The election process of committee members shall factor in their education, professional training, work experience in the sphere of activity of the committee and other knowledge necessary for fulfilment of powers. A committee member should have knowledge in management and strategic management	The election process of committee members shall factor in their education, professional training, work experience in the sphere of activity of the committee and other knowledge necessary for fulfilment of powers

Structure of committees under the Board of Directors in 2023, %

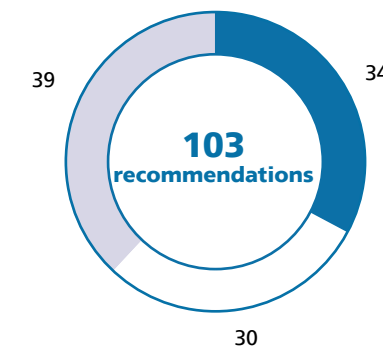


Work of the Committees of the Board of Directors in 2023

Issues considered



Recommendations provided



- ARC - Audit and Risk Committee
- HRR&CGC - Human Resources, Remuneration and Corporate Governance Committee
- SPDT&ITC - Strategic Planning, Digital Transformation and Information Technology Committee

In the reporting period, eight members of the Board of Directors, including three independent directors, and 14 representatives of the parent company assisted with the work of the committees.

During 2023, the committees considered 134 issues at 35 meetings. A total of 103 recommendations were made to the Board of Directors.

Report of the Audit and Risk Committee

The Audit and Risk Committee is a consultative and advisory body of the Board of Directors. The Committee's decisions are of an advisory nature. The Committee's primary goal

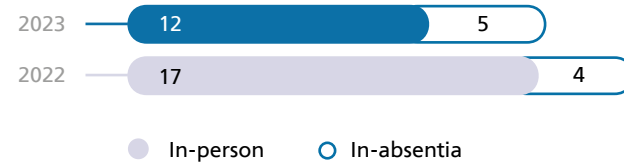
is to assist the Board of Directors' efficient operation in controlling the Company's financial and business activities.

The Committee's goals and objectives

Area	Competencies
Accounting (financial) statements	<ul style="list-style-type: none"> • Monitoring the completeness, accuracy and integrity of JSC FPC's accounting (financial) statements; reviewing the material aspects of the Company's accounting policy; participating in reviewing material matters and judgements related to JSC FPC's accounting (financial) statements • Review of external audit results • Reviewing the rationale behind, and acceptability of, the current accounting methods, accounting (financial) reporting principles, as well as management accounting methods and management reporting principles • Previewing the draft annual report, budget, investment programme, operational efficiency and cost optimisation programme, and relevant performance reports
Risk management and internal control	<ul style="list-style-type: none"> • Monitoring the risk management and internal control system reliability and effectiveness • Reviewing the effectiveness of risk management and internal control procedures; preparing proposals for their improvement • Reviewing and assessing the implementation of the risk management and internal control policy • Reviewing and assessing the implementation of the conflict of interest management policy • Preparing recommendations on acceptable risk levels (risk appetite, preferred risks)

Area	Competencies
Internal and external audit	<ul style="list-style-type: none"> Ensuring independent and unbiased approach of the internal audit function and reviewing its effectiveness; reviewing the internal audit policy and internal audit plan; considering matters related to the appointment (dismissal) of the head of internal audit unit and the amount of his/her remuneration Assessing nominees to the Company's external auditor for independence, objectivity and absence of conflicts of interest, in particular, assessing potential candidates for the Company's auditor role, making proposals on the external auditor's appointment, re-appointment and dismissal as well as remuneration and terms of engagement, overseeing external audits and assessing audit quality and auditors' reports Ensuring effective interaction between the internal audit function and the Company's external auditor
Combating malpractice by the Company's employees or third parties	<ul style="list-style-type: none"> Monitoring the performance of the system of alerting on potential fraud being committed by the Company's employees or third parties Overseeing special investigations of potential fraud and misuse of insider or confidential information Monitoring the implementation of measures adopted by the Company in response to reports of suspected fraud or other violations

Statistics on the Committee meetings



A total of **17** Committee meetings were held during 2023 with **68** issues addressed

Key items reviewed by the Committee

- JSC FPC budget for 2024–2026
- Operational efficiency and cost optimisation programme of JSC FPC for 2024–2026
- Quarterly reports of the General Director on financial and economic activities of the Company
- Progress in preventing and combating corruption and other unfair practices at JSC FPC, and the operation of JSC FPC's anti-corruption hotline for 2022
- Internal audit issues: report on the results of the internal audit department's activities for 2022, results of self-assessment of the quality of its activities for 2022, results of internal audits conducted
- Issues of external audit, including: on RAS accounting (financial) statements for 2022, auditor's report on accounting (financial) statements; the procedure for determining the auditor in 2023 was considered and the initial (maximum) price of the contract for auditing the RAS accounting (financial) statements and IFRS consolidated financial statements for 2023 was determined.
- Programme for the development of the internal control and risk management system for 2023 and 2024

The Committee's plans for 2024

- To review the 2023 progress report on the Operational Efficiency and Cost Optimisation Programme of the Company
- To establish the acceptable risk profile (risk appetite, preferred risks) for 2024 and to consider the Company's key risk register and map for 2024
- To approve the audit organisation, negotiate the material terms of the contract with it, including the cost of services
- To review annual accounting (financial) statements for 2023
- To review the 2023 risk monitoring report
- To review the report on results of self-assessment of the RM&ICS and the updated register of key risks for 2023 year and 2023 year.
- To review the results of the audit of the financial and business activities for 2023 and the draft action plan to remove the remarks and violations identified by the Auditing Commission following the audit of the Company's financial and business activities for 2023
- To review the IFRS consolidated financial statements for 2023, the auditor's report on the consolidated financial statements

Report of the Human Resources, Remuneration and Corporate Governance Committee

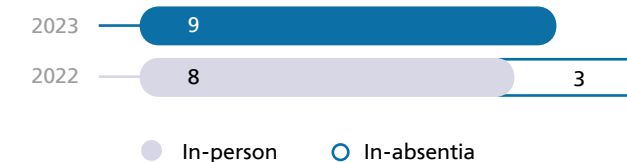
The Human Resources, Remuneration and Corporate Governance Committee is a consultative and advisory body of the Board of Directors. The Committee's decisions are of an advisory nature. The main purpose of the Committee is to assist the Board

of Directors in efficiently performing its functions with regard to the development of corporate governance, effective workforce planning and establishing transparent compensation practices in the Company.

The Committee's goals and objectives

Area	Competencies
Incentive and remuneration systems	<ul style="list-style-type: none"> Development and periodic reviews of the Company's policy for remuneration of the members of the Board of Directors, executive bodies and other key executives of the Company Monitoring the introduction and implementation of the Company's remuneration policy and incentive programmes, performance assessment of the executive bodies of the Company and other key executives of the Company, including review of the reports on the achievement of key performance indicators Preliminary review and development of recommendations to the Board of Directors regarding material terms of employment contracts to be entered into with the Company's executive bodies and key executives, as well as bonuses for executive bodies and key executives Preliminary assessment of the work of the Company's Corporate Secretary by year-end results
Human resources policy and succession planning	<ul style="list-style-type: none"> Assessment of the Company's Board of Directors in terms of professional expertise, experience, independence and involvement of the Board members; review of the professional qualifications and independence of all Board nominees Development of recommendations on the performance assessment system and improving procedures for the same in respect of the Board of Directors and its committees Development of recommendations for the induction programme for newly elected members of the Board of Directors Analysis of current and anticipated needs of the Company with regard to the professional qualifications of the members of the executive bodies and other key executives Succession planning, developing recommendations for candidates for the Company's executive bodies and other key executives
Corporate governance	<ul style="list-style-type: none"> Oversight of corporate governance practices Analysis of the compatibility of corporate governance with the Company's goals and objectives, as well as with the scale of its operations and the risks the Company undertakes Development of proposals on improvement of corporate governance practices

Statistics on the Committee meetings



In 2023, the Committee held

9 meetings and addressed **35** issues

Key items reviewed by the Committee

Revised regulation on the remuneration system for managers of JSC FPC in the new version, Regulation on the procedure for indexing the salaries of managers of JSC FPC

Reports on achievement of corporate and functional KPIs for 2022, prepared recommendations on motivation of the General Director and Deputy General Directors based on the results of KPI achievement for 2022

Quarterly reports of the General Director on the Company's social and human resources policy on the implementation of decisions of the Board of Directors and the work plan of the Board of Directors

Results of the performance assessment of the Board of Directors and members of the Board of Directors, committees of the Board of Directors, Chairman of the Board of Directors, FPC's Corporate Secretary for the 2022/2023 corporate year

Election of the General Director of JSC FPC, determination of the material terms of their employment agreement

Approval of candidates for the position of Deputy General Directors and terms of employment agreements with them, candidates for heads of branches

Results of the internal audit review regarding the balance of executive pay for the General Manager and key management positions for the period from 1 January 2022 to 31 December 2022, as well as the first half of 2023

Interim assessment of independent directors for compliance with the independence criteria

Results of the internal audit assessment of the Company's corporate governance practices for 2021/2022

Annual Report 2022 of JSC FPC in terms of corporate governance and sustainable development (principles of corporate social responsibility, personnel and social policy, occupational health and safety)

Succession pool for the position of the sole executive body for 2024

Evaluation of nominees to the Board of Directors, including the candidates' compliance with the independence criteria

The Committee's plans for 2024

To review the General Director's report on performance results for 2023 (on HR policy, compliance with the Code of Business Ethics, implementation of resolutions of the Board of Directors and the Board of Directors' work plan)

To review the results of the performance assessment of the Board of Directors, members of the Board of Directors, committees, the Chairman of the Board of Directors, and the Corporate Secretary for the 2023/2024 corporate year

To review the results of the assessment of the Company's corporate governance practices (2022/2023 corporate year)

To review the Report on the achievement of KPIs for 2023, preparation of recommendations on bonuses for the General Director and key executives based on the results of KPI achievement for 2023

To review the report on the Committee's activities

To appraise nominees to the Board of Directors, as well as to assess the compliance of nominees to the Board of Directors with the independence criteria and prepare recommendations to the Annual General Meeting of Shareholders

The Committee's goals and objectives

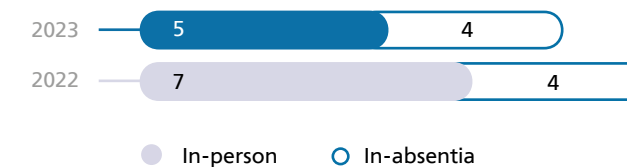
Area	Competencies
Strategic development	<ul style="list-style-type: none"> Elaboration of the Company's priority areas of activities Identification of the Company's key performance indicators, assessment of the Company's performance in the longer term Consideration of the financial and valuation model for the Company's business and its business segments; reorganisation and liquidation of the Company and its controlled entities; changes in the organisational and staff structure of the Company's management apparatus; consideration of reorganisation of the Company's business processes and its controlled legal entities Preliminary review and development of recommendations to the Board of Directors on the following issues: <ul style="list-style-type: none"> Company's dividend and investment policies Approval of major transactions Identification of a development strategy Approval of the budget and the investment programme
Information technology	<ul style="list-style-type: none"> Determination of the Company's strategic goals, participation in the formulation of the development strategy, long-term development programme and IT strategy, control over their implementation and preparation of recommendations to the Board of Directors on adjustments to these documents Oversight of the implementation of the IT strategy, review of its progress reports Preliminary review and recommendations to the Board of Directors on IT projects and the IT budget
Digital transformation	<ul style="list-style-type: none"> Preliminary review and development of recommendations to the Board of Directors on the following issues: <ul style="list-style-type: none"> Approval of the main focus areas of the digitalisation programmes and products Assessment of the impact of the introduction of new technologies on the Company's activities Approval and adjustment of the Company's informatisation programme and innovative development programme and approval of the report on their implementation

Report of the Committee on Strategic Planning, Digital Transformation and Information Technology

The Committee on Strategic Planning, Digital Transformation and Information Technology is an advisory and consultative body of the Board of Directors intended to improve the Company's

performance in the longer term. The Committee's decisions are of an advisory nature.

Statistics on the Committee meetings



In 2023, the Committee held

9 meetings and addressed **31** issues

Key items reviewed by the Committee

Draft updated Development Strategy of JSC FPC until 2030 and Digital Transformation Strategy of JSC FPC until 2024

Regulations on the System of Key Performance Indicators for the Purpose of Awarding Bonuses to the Executives of JSC FPC as amended

Changes in the Company's organisational structure

Budget and investment programme for 2024–2026

Informatisation Programme of FPC JSC for 2024 and a progress report on the Informatisation Programme of JSC FPC for 2022

Roadmap of corporate measures on dividend payout by property and recommendations on the amount of dividends

List of functional KPIs for the General Director and key management personnel for 2024

The Committee's plans for 2024

To Consider the issue of developing recommendations on the amount of dividends on shares and the procedure for their payment according to the results of 2023

To review the progress report on the Informatisation Programme for 2023

To review the General Director's report on the results of operations for 2023

To review the issue of updating the development strategies of FPC's subsidiaries