

CONFLICT OF INTEREST MANAGEMENT AND CORRUPTION PREVENTION

The procedure for preventing, identifying and resolving conflicts of interest is formalised in the Company's internal documents (regulations).

- The Regulations on the Board of Directors of JSC FPC regulate conflicts between the interests of the Company and the personal interests of a member of the Board of Directors or the sole executive body of the Company, which shall mean any direct or indirect personal interests or interests in favour of a third party, including due to their business, friendly, family and other relations and relationships, their holding of positions in another legal entity or the ownership of shares in another legal entity by them or related persons, conflicts between their duties to the Company and their duties to another person.
- The Regulations on Preventing and Resolving Conflicts of Interest in JSC FPC regulate conflicts of interest that arise for employees of JSC FPC in the performance of their employment duties.

The Board of Directors plays a key role in preventing, identifying and resolving internal conflicts of interest for the Board members of JSC FPC.

The Regulations on the Board of Directors of JSC FPC approved by decision of the Annual General Meeting of Shareholders of JSC FPC on 5 July 2022 stipulate that the members of the Company's Board of Directors are obliged to report:

- Facts that may cause or have already caused a conflict of interest, including up-to-date information on related and affiliated organisations, persons serving on the governing bodies of organisations, members of the executive body, other key management personnel and conflicts of interest that exist in connection therewith (including the existence of an interest in the conclusion of transactions)

- Intention to enter into transactions involving shares in the Company or shares (interests) in legal entities controlled by the Company and immediately after entering into such transactions to report that such transactions are made
- Existence of a conflict of interest and the reasons for it before the matter is discussed by the Board of Directors or its committee

The Regulations also stipulate that a member of the Board of Directors may not participate in decision-making if there is a conflict of interest. The Board of Directors has the right to propose to a Board member who has a relevant conflict of interest not to attend a meeting to discuss such a matter.

Independent directors who do not have a conflict of interest may present their standpoint (provide an assessment) in advance with respect to material corporate actions involving a possible conflict of interest.

The Conflict of Interest Management Commission of JSC FPC reviewed 11 conflict of interest declarations submitted by the Company's employees in 2022.

In accordance with the Regulations on Preventing and Resolving Conflicts of Interest in JSC FPC, approved by Order of JSC FPC No. 1021p dated 25 October 2022, the right to decide on the presence or absence of conflicts of interest, apart from the Commission on Conflict of Interest Resolution in JSC FPC, is granted to the Deputy General Director in charge of the Security Unit and the Head of the Corporate Security Centre. In 2022, 12 conflict of interest declarations submitted by Company employees were reviewed by authorised persons.

A total of 18 (potential/actual) conflicts of interest were identified, in five cases no conflicts of interest were found.

Prevention of and Fight against Corruption

JSC FPC adopted the Anti-Corruption Policy, which reflects the Company's commitment to conducting open and fair business activities, following best practices in corporate governance and maintaining a good business reputation.

The Deputy General Director in charge of the Security Unit of JSC FPC was appointed as the Commissioner for the Prevention of Corruption Offences.

The unit responsible for the prevention of corruption offences is the Corporate Security Centre, a structural unit of JSC FPC, which has a Corporate Communications Control and Anti-Corruption Department.

JSC FPC also has an anti-corruption hotline in place.

The anti-corruption section of JSC FPC's official website, fpc.ru, is publicly available.

JSC FPC implements measures to prevent and combat corruption in line with its Anti-Corruption Plan for 2021–2024. JSC FPC also consistently interacts with law enforcement bodies to identify breaches of anti-corruption

laws. Seven people faced criminal charges in 2022 for corruption-related crimes they committed while performing their official duties at JSC FPC, according to court judgements that went into effect that year. There is no material damage to the Company.

Special focus is given to anti-corruption propaganda and raising the employees' intolerance of any signs of corruption in order to reduce corruption risks and prevent corrupt practises. In 2022, 2,148 employees received anti-corruption training. Anti-corruption information boards were placed in all divisions of JSC FPC. In the reporting period, the employer received 48 messages from employees of JSC FPC about corrupt behaviour, including the inducement of Company employees to commit corruption offences.

In 2022, the Rating Committee of the Russian Union of Industrialists and Entrepreneurs assigned the Company an A1 Anti-Corruption Rating Class (a company with the highest level of anti-corruption and minimal corruption risks and a minimal level of associated threat to investors, creditors, business partners and other stakeholders).