

Corporate secretary

The Corporate Secretary ensures effective interaction among shareholders, the Board and Company management, helps prevent corporate conflicts, coordinates shareholder rights and interests protection, prepares and conducts General Shareholders Meetings, supports Board and committee operations, handles Company information disclosure per legislation, and addresses other matters.

The Corporate Secretary operates in accordance with applicable Russian laws, FESCO's Articles of Association, Regulations on the Corporate Secretary¹, other FESCO internal documents, and resolutions of the General Shareholders Meeting and Board of Directors.

Functionally reporting to the Board while administratively reporting to the President, the Corporate Secretary serves as secretary at General Shareholders Meetings, Board meetings, and committee sessions.

The Office of the Corporate Secretary performs its functions under the Corporate Secretary's supervision and comprises the Corporate Actions Unit and the Monitoring and Instructions Control Unit.

Corporate Secretary's tasks:

- ✦ maintaining and enhancing effective corporate governance practices across the Company and FESCO Group;
- ✦ providing organisational and informational support for the General Shareholders Meeting, Board of Directors, and Board committees;
- ✦ coordinating interaction among Board members, shareholders and the executive body to ensure Board effectiveness;
- ✦ ensuring governing bodies and employees comply with Russian laws and FESCO's Articles of Association and internal documents, thereby securing shareholder rights and legitimate interests;
- ✦ disclosing information about FESCO as required by the laws on the securities market and managing insider information.

In the reporting year, the Corporate Secretary focused on achieving FESCO Group's business goals, securing consistent and efficient work of the governing bodies against the background of restrictive measures, maintaining sustainable corporate governance procedures, and improving control over the progress against the governing bodies' decisions.

¹ Approved by resolution of the Board of Directors on 6 February 2019 (Minutes No. 1/19 dated 7 February 2019).

Executive bodies

In accordance with FESCO's revised Articles of Association, the Company's executive management structure consists of:

- ✦ President, CEO, and General Manager acting as the sole executive bodies;
- ✦ Executive Board acting as the collegial executive body.

President, CEO and General Manager

The President, CEO, and General Manager are permanent sole executive bodies that manage the Company's day-to-day operations and resolve issues that do not fall within the remit of the General Shareholders Meeting, the Board of Directors, and the Executive Board, acting to achieve strategic goals set by the Board of Directors, ensure business profitability, and protect rights and legitimate interests of shareholders.

The President, CEO, and General Manager act independently of each other within their respective scopes of authority as provided for by FESCO's Articles of Association and Regulations on the Sole Executive Bodies².

- ✦ The President is responsible for addressing issues related to the Company's day-to-day operations. The President's activities aim to ensure profitability and competitiveness of the Company, its economic and financial sustainability, respect for shareholder rights and social protection of the Company's employees.

On 23 September 2024, Peter Ivanov was elected as the Company's new President.

- ✦ The CEO's responsibilities encompass developing beneficial partnerships with commercial and non-commercial organisations throughout Russia and internationally, particularly regarding strategic business objectives, corporate social responsibility programmes, and cultural initiatives.
Currently, no CEO has been appointed.
- ✦ The General Manager's scope of authority includes the Company's operations related to the use and protection of information constituting a state secret, activities related to the use of such information, as well as decision-making on personal data processing when using information constituting a state secret.
Yury Plotnikov continues to serve as the General Manager.

² Approved by the Annual General Shareholders Meeting on 27 June 2024 (Minutes No. 62 dated 28 June 2024).

Executive Board

The Executive Board as the collegial executive body manages the Company's day-to-day operations within the respective scope of authority established by FESCO's Articles of Association. Activities of the Executive Board are governed by the Articles of Association and the Regulations on the Executive Board¹.

Executive Board members are appointed and removed by Board of Directors' resolution. The Executive Board is formed from candidates proposed by the President and/or CEO, though the Board of Directors may independently appoint other individuals as stipulated in the Regulations on the Executive Board.

The number of the Executive Board members is set by the Company's Board of Directors and shall be optimal for practical discussion of matters and making timely and effective decisions. As at 31 December 2024, the Executive Board was composed of seven persons.

Until 23 September 2024, the Executive Board operated with the composition elected by the Board of Directors on 9 March 2022². From 23 September 2024³, the Board of Directors appointed a new Executive Board.

The President serves as Chairman of the Executive Board, having been elected to this position by Executive Board resolution on 7 October 2024.

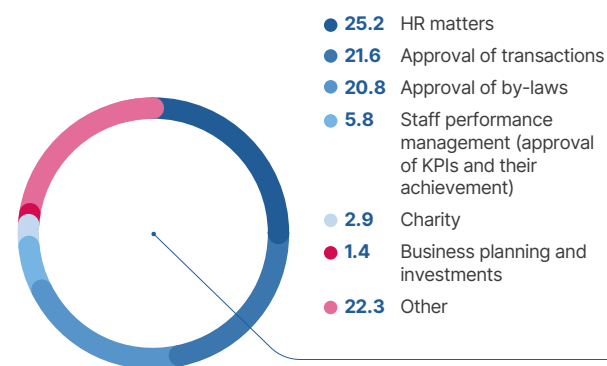
The current Executive Board possesses the necessary experience and competencies to perform at the highest level.

In 2024, the Executive Board held 38 meetings (in absentia) and considered 312 items concerned with performance of FESCO Group's companies, including items on:

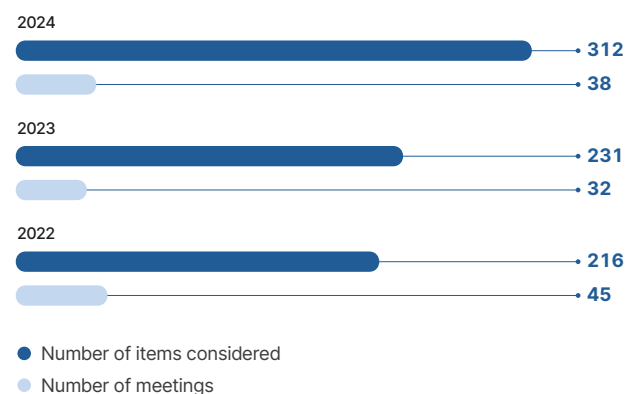
- ✎ implementation of strategies and development concepts of FESCO Group;
- ✎ approval of 2024 budgets of controlled entities;
- ✎ participation and cessation of participation in controlled entities;
- ✎ optimisation of FESCO Group's organisational structure to meet business needs;
- ✎ HR matters related to the appointment of sole executive bodies of controlled entities, approval and achievement of KPIs;
- ✎ harmonisation of FESCO Group companies' by-laws, including alignment of controlled entities' personnel incentive systems with the Group-wide approach;

- ✎ FESCO's accession to Rosatom's Unified Industry Procurement Standard (Procurement Regulations);
- ✎ controlled entities' accession to Company internal documents to establish unified legal regulation across FESCO Group and integration into Rosatom's industry management model;
- ✎ charitable assistance, including that in the Primorye Territory where the Group operates.

Items related to performance of controlled and dependent entities considered by the Executive Board, %



Statistics of meetings and items considered by the Executive Board



Remuneration of executive bodies

The Company's executive body remuneration policy (President, Managing Director, and Executive Board) is established in the Regulations on Bonus Payment to FESCO's Top Management⁴.

The remuneration of the sole executive bodies and the Executive Board members as the Company's top executives consists of an official salary paid on a monthly basis and a bonus paid after summing up the results of achieving the KPIs for the reporting year.

The Company's remuneration policy for members of executive bodies is established by the Board of Directors based on recommendations of the Human Resources and Remuneration Committee.

The Human Resources and Remuneration Committee assesses the effectiveness of the remuneration policy, provides recommendations on how to improve it, and draws final conclusions on whether the Company's management has achieved the KPIs. The KPIs are set individually for each top executive, include operational, financial, and strategic criteria, and are approved by a meeting of the Board of Directors for each one-year period.

The remuneration paid to the members of the Executive Board and the sole executive bodies in 2024 totalled RUB 770,980.23 million. Neither reimbursement for expenses was paid, nor loans were granted to the members of the Executive Board in the reporting period.

Control and audit

Internal controls

An integral part of corporate governance, our internal control system embraces all operations, key business processes, and governance levels. Internal controls are continuous integrated processes performed by governing bodies and employees as part of their duties.

In 2024, FESCO's risk management and internal control system was assessed for compliance with the Bank of Russia's Recommendations for Public Joint Stock Companies to Organise Risk Management, Internal Controls, Internal Auditing, and the Work of Auditing Committees under Boards of Directors (Supervisory Boards) (information letter No. IN-06-28/143 dated 1 October 2020). The Bank of Russia's recommendations have been largely implemented, with the internal control system integrated across all Company business processes.

Internal audit has assessed FESCO's internal control system maturity level as stable – processes are documented and standardised, with significant process risks addressed by control procedures.

In accordance with Federal Law On Joint Stock Companies and provisions of the Corporate Governance Code, the Company maintains an Internal Audit Department. This Department is functionally accountable to FESCO's Board of Directors and administratively to the sole executive body or acting executive.

As a FESCO structural unit established by sole executive order following Board of Directors' resolution, the Department conducts internal audits of FESCO and its controlled entities.

Head of the Department, appointed by sole executive order based on Board of Directors' resolution following preliminary Audit Committee review, leads a ten-person department. In 2024, the Department underwent restructuring based on Board Audit Committee resolution (Minutes No. 8/24 dated 23 September 2024), resulting in the establishment of two units:

- ✎ internal audit unit for processes and projects (Moscow, five employees);
- ✎ internal audit unit for Group assets in Siberia and Far East (four employees).

¹ Approved by the Annual General Shareholders Meeting on 27 June 2024 (Minutes No. 62 dated 28 June 2024).

² Minutes No. 5/22 of the Board of Directors dated 10 March 2022.

³ Minutes No. 18/24 of the Board of Directors dated 21 September 2024.

⁴ Approved by resolution of the Board of Directors dated 30 July 2024 (Minutes No. 15/23 dated 30 July 2024).