

Corporate secretary

Corporate Secretary is governed by the Company's Regulations on the Corporate Secretary¹.

The Office of the Corporate Secretary performs its functions under the Corporate Secretary's supervision.

The Corporate Secretary is responsible for ensuring that the Company's governing bodies and officers comply with the Russian laws and the by-laws setting out the procedure for protecting the rights of shareholders; preparing and holding General Shareholders Meetings and meetings of the Board of Directors, its committees, and the Executive Board, disclosing information about FESCO as required by the laws on the securities market, and dealing with insider information. One of the Corporate Secretary's key tasks is to maintain a strong corporate culture and improve corporate governance practices at the Company and at the Group.

The Corporate Secretary serves as Secretary of the Board of Directors and is functionally subordinate to it, and administratively to the President of the Company. The approval of nominees for the position of the Corporate Secretary, their

remuneration and the Regulations on the Corporate Secretary falls within the remit of the Board of Directors, which ensures independent and efficient performance of the Corporate Secretary's functions.

To ensure compliance with the Corporate Governance Code and oversee the Company's corporate governance system, the Board of Directors reviews the Corporate Secretary's reports for the reporting year. Corporate Secretary's Report for 2023 was approved at the meeting of the Company's Board of Directors on 28 December 2023. The Board of Directors gave a positive assessment of the 2023 performance of the Corporate Secretary and the Office of the Corporate Secretary.

In the reporting year, the Corporate Secretary focused on achieving the 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.

Controlled entities

FESCO operates more than 100 Russian and foreign legal entities that support its business.

The governance at its controlled entities is based on a legal framework put in place to ensure the interests and rights of FESCO as the major shareholder/member of the Group. Below are the key principles underpinning it:

- all transactions and actions of the controlled entities require approval by the Board of Directors and/or the Executive Board of FESCO as set out in the Company's Articles of Association
- the Board of Directors and the Executive Board of FESCO approve the voting position of the Company's representatives in the governing bodies of the controlled entities on key matters
- the governing bodies of the Group's companies (boards of directors (supervisory boards), executive bodies) are made up of FESCO's representatives
- FESCO or its controlled entities are authorised to exercise the powers of the sole executive body at certain companies of the Group
- the constituent and internal documents and the remits of the governing bodies of the Group's companies are harmonised at the Group's level

The framework for governance at FESCO's controlled entities is implemented by FESCO Service Centre (FSC), an integrated centre servicing most of the Group's companies.

The governance control is regulated either via a three-tier system (general meeting, board of directors / supervisory board, sole executive body) or via a two-tier system (general meeting, sole executive body).

FESCO has control over the following key matters related to operations of the Group's companies:

- approval of budgets, strategic development programmes, business plans, investment programmes and projects
- approval of certain transactions and actions specified by the Articles of Association of FESCO and its controlled entities
- approval of candidates to be elected as the sole executive body or to the board of directors / supervisory board at FESCO's controlled entities
- preliminary consideration of matters related to the appointment of management at the controlled entities
- approval of candidates to the auditors at controlled entities

In 2023, the Board of Directors and the Executive Board of FESCO passed about 397 resolutions related to governance at controlled entities.

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