



GENERAL DIRECTOR

Vladimir Pyastolov

The management of JSC FPC's day-to-day operations is delegated to the General Director as the sole executive body. The General Director acts as the Chairman of the Company's Science and Technology Board.

The General Director is accountable to JSC FPC's shareholders and the Board of Directors and submits quarterly reports to the Board on the Company's performance (budget and contract work performance, HR and credit policy, social programmes, insurance coverage, implementation of the Board's resolutions).

The Board of Directors resolves on the election of the Company's General Director, termination of his/her powers, and approves the terms of his/her employment contract, including remuneration and termination.

The General Director is responsible for timely and quality budgeting and budget performance at the Company, preparing budget execution reports and organising activities at the Company's branches.

In October 2020, V. Pyastolov was elected as Director General of JSC FPC by the decision of the Board of Directors¹.

The General Director does not hold a stake in JSC FPC's authorised capital and does not own the Company's ordinary shares.

During the reporting year, the General Director was not engaged in any transactions to acquire, or dispose of, JSC FPC shares. No notices of conflict of interest were received.

¹ Minutes No. 8 dated 2 October 2020.

REMUNERATION AND REIMBURSEMENT FOR GOVERNANCE BODIES (THE EXECUTIVE BODY AND OTHER KEY MANAGERS)

The remuneration of the sole executive body and JSC FPC's other key managers directly depends on the achievement of relevant key performance indicators.

The Regulations on JSC FPC Executives Remuneration System approved by the Board of Directors of JSC FPC (Minutes No. 4 dated 15 September 2021) and the Regulations on the System of KPI for the Purpose of Awarding Bonuses to the Executives of JSC FPC approved by the Board of Directors of JSC FPC (Minutes No. 6 dated 18 October 2021) were developed in compliance with the following regulations:

- Order of the Russian Government No. 1388-r dated 27 June 2019 — Guidelines on the Application of Key Performance Indicators by Business Entities in Which the Share of the Russian Federation or Its Constituent Entity Exceeds 50%, and Performance Indicators of State Unitary Enterprises to Determine the Remuneration to Their Management
- Order of the Russian Government No. 3579-r dated 28 December 2020 — Guidelines on the Elaboration and Application of Key Performance Indicators for Joint-stock Companies the Shares of Which Are Owned by the Russian Federation and Certain Non-profit Entities in Order to Determine the Remuneration to Their Management
- Standard Regulations on Bonus Payment to the Management of a Subsidiary Company approved by the Parent Company's Order No. 1542/r dated 16 July 2021 On Approval of Standard Documents Relating to Motivation of Managers of Controlled Companies on the Basis of Key Performance Indicators

The Company's key performance indicators (KPIs) are used as KPIs for the General Director and are also corporate KPIs for the Company's key managers.

The above KPIs served as a basis for corporate and functional key performance indicators of JSC FPC's top managers, which underpin their motivation system.

The following tasks were completed when developing the motivation system:

- The Regulations on JSC FPC Executives Remuneration System agreed upon by the Board of Directors of JSC FPC and the Regulations on the System of KPI for the Purpose of Awarding Bonuses to the Executives of JSC FPC were approved
- The Company's KPIs were ranked through vertical cascading
- The weight (share) of corporate and functional key performance indicators was determined
- All functional performance indicators for managers were reviewed focusing on results instead of describing the process