

COMMITTEES OF 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. It is achieved through addressing the matters within the Committee's authority.

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 Reviewing 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 Reviewing the Company's 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 RM/IC 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 RM/IC Policy Reviewing and assessing the implementation of the Conflict of Interest Management Policy Preparing recommendations on acceptable risk levels (risk appetite, preferred risks)
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 Company's 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 meetings of the Committee were held during 2021, of which 14 were in presentia and 3 in absentia. During 2021, the Audit and Risk Committee worked on 117 issues.



Essential issues discussed by the Committee

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| <ul style="list-style-type: none"> Review of the audit results of JSC FPC's RAS accounting (financial) statements for 2020 | <ul style="list-style-type: none"> On a quarterly basis, review of the reports on the Company's financial and business activities prepared by JSC FPC's General Director |
| <ul style="list-style-type: none"> Review of JSC FPC's Annual Report and accounting (financial) statements for 2020 | <ul style="list-style-type: none"> Consideration of the organisational matters related to the Internal Audit Department: Report on the Performance of JSC FPC's Internal Audit Department in 2020, self-assessment results of the Internal Audit Department in 2020, and JSC FPC's Code of Ethics for Internal Auditors |
| <ul style="list-style-type: none"> Consideration of changes in legislation affecting the formation of accounting policies, other changes in accounting policies and material facts of business activities in 2021 | <ul style="list-style-type: none"> Review of the report on the results of audits of subsidiaries and affiliates by auditing commissions and the auditor for 2020 |
| <ul style="list-style-type: none"> Review of JSC FPC's budget for 2022–2024 | <ul style="list-style-type: none"> Consideration of the insurance coverage programme of JSC FPC for 2022 |
| <ul style="list-style-type: none"> Review of the report on JSC FPC's anti-corruption and corruption prevention efforts in 2020 and JSC FPC's anti-corruption and corruption prevention action plan for 2021 | <ul style="list-style-type: none"> Review of JSC FPC's key risk register, results of RM/IC assessment in 2020, as well as the compliance system and compliance related risk management system |

The Committee's plans for 2022

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| <ul style="list-style-type: none"> Consideration of the 2022–2024 Operational Efficiency and Cost Optimisation Programme of JSC FPC | <ul style="list-style-type: none"> Preview of JSC FPC's Annual Report for 2021 |
| <ul style="list-style-type: none"> Review of the report on the Internal Audit Department performance for Q4 2021 and for 2021 | <ul style="list-style-type: none"> Review of the annual progress report on JSC FPC's Operational Efficiency and Cost Optimisation Programme |
| <ul style="list-style-type: none"> Approval of the potential candidate for the external auditor role and material terms of the relevant agreement, including the service fee | <ul style="list-style-type: none"> Review of the report on the performance of the system to prevent and combat corruption and other malpractice by employees and third parties in 2021 and the action plan for 2022 |
| <ul style="list-style-type: none"> Review of the report on the performance of the risk management system in 2021, including risk occurrence, financial risks, loans, and liquidity management | <ul style="list-style-type: none"> Review of the report on the performance of the Audit and Risk Committee of JSC FPC's Board of Directors in the 2021/2022 corporate year and its efficiency |
| <ul style="list-style-type: none"> Review of JSC FPC's RAS accounting (financial) statements for 2021, the auditor's opinion on accounting (financial) statements, and the Auditor's recommendations | |

REPORT OF THE HUMAN RESOURCES, REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

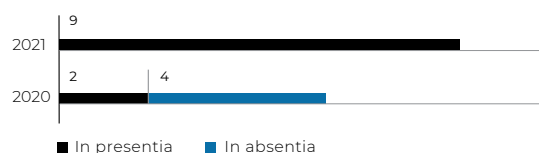
The Human Resources, Remuneration and Corporate Governance Committee is a consultative and advisory body of the Board of Directors. The Committee's decisions are of an advisory nature. The main purpose of the Committee is to assist the Board of Directors in efficiently performing its functions with regard to the development of corporate governance, effective workforce planning and establishing transparent compensation practices in the Company. It is achieved through addressing the matters within the Committee's authority.

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 Developing recommendations on the performance assessment system and improving procedures for the same in respect of the Board of Directors and its committees Developing 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"> Supervising 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 Developing proposals on improvement of corporate governance practices

Statistics on the Committee meetings

Nine meetings were held in 2021, all meetings were conducted in presentia, using video-conferencing. Within the reporting period, the Committee reviewed 54 agenda items.



Essential issues discussed by the Committee

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| <ul style="list-style-type: none"> Assessment of the compliance of candidates nominated to the Board of Directors of JSC FPC, as well as assessment of the compliance of candidates to the Board of Directors of JSC FPC with the independence criteria | <ul style="list-style-type: none"> Approval of candidates to the position of JSC FPC's Deputy General Director and heads of JSC FPC's branches |
| <ul style="list-style-type: none"> Consideration of the results of the self-assessment of the JSC FPC Board of Directors and the committees performance for the corporate year 2020/2021 | <ul style="list-style-type: none"> On a quarterly basis, review of the reports on the Company's social support and human resources activities prepared by JSC FPC's General Director |
| <ul style="list-style-type: none"> Consideration of the results of the internal audit of the corporate governance practices of JSC FPC in 2020 | <ul style="list-style-type: none"> Review of the Regulations on the Corporate Secretary of JSC FPC |
| <ul style="list-style-type: none"> Review of the Regulations on Awarding Bonuses to the Corporate Secretary of JSC FPC | <ul style="list-style-type: none"> Review of the Regulations on Motivation of the General Director of JSC FPC |

The Committee's plans for 2022

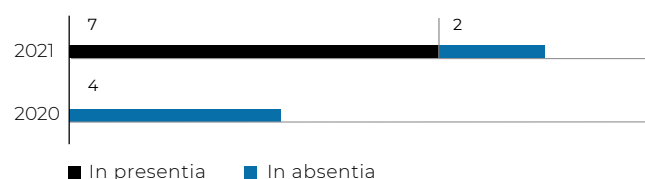
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| <ul style="list-style-type: none"> Preparation of recommendations to the Board of Directors on nominees for election to the Boards of Directors and auditing commissions of subsidiaries and affiliates of JSC FPC | <ul style="list-style-type: none"> Consideration of the issue of measures to prepare for the Annual General Meeting of Shareholders of JSC FPC, including the assessment of candidates nominated by shareholders for election to the Board of Directors of JSC FPC |
| <ul style="list-style-type: none"> Consideration of the report of the General Director of JSC FPC on the results of JSC FPC social support and human resources policy in 2021 and the first quarter of 2022 | <ul style="list-style-type: none"> Review of the report on implementing the action plan for improvement of corporate governance of JSC FPC for corporate year 2021/22 |
| <ul style="list-style-type: none"> Review of the report on the performance of the Human Resources, Remuneration and Corporate Governance Committee of JSC FPC's Board of Directors in the 2020/2021 corporate year and its efficiency assessment | <ul style="list-style-type: none"> Consideration of the results of the corporate governance assessment for 2021 |
| <ul style="list-style-type: none"> Consideration of the results of the self-assessment of JSC FPC's Board of Directors, Committees of the Board of Directors and members of the Board of Directors for the corporate year 2020/2021 | |

REPORT OF THE STRATEGIC PLANNING COMMITTEE¹

The Strategic Planning Committee is an advisory and consultative body of the Board of Directors formed to improve the Company's performance in the long term. The Committee's decisions are of an advisory nature.

Statistics on the Committee meetings

Nine meetings were held in 2021, of which seven were in presentia and two in absentia. 36 issues were considered.



¹ On 5 March 2022, the Committee was renamed the Strategic Planning, Digitalisation and IT Committee.

The Committee's goals and objectives

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| <ul style="list-style-type: none"> • Setting strategic goals for the Company, participating in the development of the Company's strategy, controlling its implementation and making recommendations to the Board of Directors on adjustments to the existing Strategy | <ul style="list-style-type: none"> • Identification of the Company's key performance indicators, assessment of the Company's performance in the long term |
| <ul style="list-style-type: none"> • Preliminary review and making recommendations to the Board of Directors on the following issues: <ul style="list-style-type: none"> – The Dividend Policy of the Company – The Investment Policy of the Company, including development of the basic principles for the same – Issues related to the Company's participation in other entities (including issues related to the direct and indirect acquisition and disposal of shares in the authorised capital of organisations, encumbrance of shares, and stakes) – Approval and adjustment of the annual budget and Investment Programme of the Company and approval of the report on their implementation – Determining the amount of dividends on the Company's shares – Approval of material transactions of the Company; – Consideration of material issues of the subsidiaries and affiliates | <ul style="list-style-type: none"> • Consideration of the reorganisation and liquidation of the Company and its controlled entities |
| | <ul style="list-style-type: none"> • Consideration of issues related to changes in the organisational and staff structure of the Company's management. |
| | <ul style="list-style-type: none"> • Elaboration of the Company's priority areas of activities |
| | <ul style="list-style-type: none"> • Consideration of re-engineering of the business processes of the Company and its controlled legal entities |
| | <ul style="list-style-type: none"> • Reviewing the financial and valuation model for the Company's business and its business segments |

Essential issues discussed by the Committee

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| <ul style="list-style-type: none"> • Consideration of the IT Development Programme of JSC FPC for 2021 | <ul style="list-style-type: none"> • Consideration of the issue of JSC FPC's IT Strategy for 2020-2025 |
| <ul style="list-style-type: none"> • The Interim (2020) Report on the implementation of the JSC FPC's Development Strategy until 2030 were reviewed. | <ul style="list-style-type: none"> • On a quarterly basis, review of the reports on the Company's financial and business activities prepared by JSC FPC's General Director |
| <ul style="list-style-type: none"> • Consideration of the Regulations on the System of Key Performance Indicators for the Purpose of Awarding Bonuses to the Executives of JSC FPC | <ul style="list-style-type: none"> • Consideration of the JSC FPC Budget for 2022–2024 and Investment Programme for 2022–2024 |
| <ul style="list-style-type: none"> • Review of the Regulations on Improving Investment and Operating Efficiency and Cost Reduction of JSC FPC | |

The Committee's plans for 2022

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| <ul style="list-style-type: none"> • Consideration of the report on IT Strategy implementation | <ul style="list-style-type: none"> • Consideration of the consolidation of JSC FPC' branches |
| <ul style="list-style-type: none"> • Consideration of the issue on the structure of JSC FPC Group of companies, including the plans of JSC FPC to develop the business of JSC FPC subsidiaries and affiliates | <ul style="list-style-type: none"> • Consideration of the issue of developing recommendations on the amount of dividends on shares and the procedure for their payment according to the results of 2020 |
| <ul style="list-style-type: none"> • Consideration of the JSC FPC General Director's report on the results of JSC FPC's operations in 2021 (in terms of the Company's production activities) | <ul style="list-style-type: none"> • Review of the report on the performance of the Strategic Planning Committee of JSC FPC's Board of Directors in the 2020/2021 corporate year and assessment of its efficiency |