

Prevention of Conflicts of Interest

The company is more focused on preventing and reducing the effects of any conflicts of interest among government body members.

To give a reasonable assurance that a conflict of interest situation will be handled at an early stage and that the Company's interests will not be damaged, the Company has instituted the practice of comprehensive management of conflicts of interest of members of governing bodies. Conflicts of interest are handled according to:

- Code of Corporate Ethics and Conduct of Employees of the Company
- Company's Corporate Governance Code of the Company
- Regulations on the Board of Directors of the Company
- Regulations on the Management Board of the Company
- Regulations on the Corporate Secretary of the Company

Members of the governing bodies should behave in good faith and on reasonable grounds by considering all relevant information when making decisions, treating shareholders fairly within the typical risk threshold, and avoiding conflicts of interest.

The Company continuously monitors the information reported by managers for potential conflicts of interest.

The Company's internal documents provide for effective mechanisms aimed at identifying potential conflicts of interest of members of governing bodies. They consist, in particular, in establishing the obligation of members of governing bodies to notify the Company of the occurrence of such a conflict and its basis, as well as to inform the Company in advance of concurrent service in other legal entities.

In 2023, the Company did not receive any notifications of a conflict of interest.

The Company closely monitor and controls any conflicts of interest in transactions. In order to exercise such control, the internal documents of the Company set out the obligation of members of the governing bodies to inform the Company on the occurrence of circumstances causing their recognition

as an interested party to the Company's transactions. All the members of the Company's governing bodies comply with Article 82 of the Federal Law "On Joint Stock Companies" as they continue to notify the Company of a potential related-party transaction.

For additional control over the occurrence of conflicts of interest, the Company devised a questionnaire for members of the Board of Directors and members of the Management Board, which they submit quarterly to the Corporate Secretary, who analyses them and keep an eye out for potential conflicts of interest.

The Corporate Secretary analyses the questionnaires of the members of the Board of Directors and the Management Board in order to identify potential conflicts of interest in a timely manner and prevent negative consequences for the Company.

When a member of the Board of Directors becomes aware of a conflict of interest, they are required to report it to the Corporate Secretary and the Chairman of the Board of Directors. This should be done before the matter on which he/she has a conflict of interest is to be discussed at a meeting of the Board of Directors or Committee with his/her participation.

In this case, whether a conflict of interest exists at the time of voting or has existed in the past, a Board member is not permitted to take part in the decision-making process of the Board of Directors.

The Company is always trying to prevent or mitigate any conflicts of interest among members of governing bodies.

In 2023, the Company continued preventing and mitigating potential conflicts of interests among members of the Company's governing bodies.

In 2023, no cases of conflict of interest of members of the Board of Directors of the Company were identified.

Voting of Members of the Board of Directors

According to internal corporate procedure policies, matters that have not been well-studied and prepared for decision-making cannot be brought before the Board of Directors for review. In order to facilitate a thorough examination of the documents and the substance of the issues, the Board members are required to be initially acquainted with the intended agenda and materials at least five working days in advance.

However, in-person deliberations over matters at Board meetings can result in modifications to preliminary draft decisions. Furthermore, as a result of these discussions, some directors can voice opposition to agenda items or choose not to vote on them. This demonstrates even more how carefully Board members follow their designated responsibilities

Voting of Members of the Board of Directors on Agenda Items¹

Voting form	Votes	
	Number	Share
In favour	1,609	99.14%
Against	5	0.31%
Abstain	9	0.55%

and take objections into consideration. This makes it easier to produce well-informed decisions and to take into account the interests of representatives from various parties.

D&O Insurance of Board Members

With the size of the Company's operations, the number of counterparties, the complexity of contractual relationships, and regulatory changes all taken into consideration, the Company has instituted the practice of insuring the directors' and officers' liability for the Company and its subsidiaries.

Purposes of D&O insurance:

- To protect directors and officers in case of third-party claims
- To guarantee the protection of the property interests of the Company's shareholders
- To offer a means of reimbursement should any potential losses for the Company and/or insured parties occur

The insured persons are members of the Board of Directors, executive bodies, any officials exercising management, organisational or administrative functions in the Company and/or its subsidiaries.

Risks insured:

- Risk of third-party claims against the insured persons for compensation of losses caused by unintentional erroneous actions of the insured persons in carrying out management activities
- Risk of third-party claims against the Company for compensation of losses incurred on the Company's securities

The basic parameters of insurance and the amount of insurance coverage correspond to the scale of the Company's business and potential risks, as well as the practice of D&O insurance of industry companies.

¹ The details are based on the Minutes of the meetings of the Board of Directors of the Company. The proportion of negative votes and abstentions usually indicates the presence of different points of view, which helps consider issues in a less biased way and work out well-balanced decisions.