

Remuneration of executive bodies

GRI 2-19, 2-20

During the reporting period, the remuneration policy for executive bodies was governed by the Regulations on Bonus Payment to FESCO's Top Management¹, which remained in effect until 30 December 2025. On that date, the Board of Directors approved a revised version of the Regulations².

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 key performance indicators (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 system, provides recommendations on how to improve it, if necessary, considers the management's KPIs for the upcoming financial year, and sums up the results of achieving the KPIs by the Company's management. The KPIs are set individually for each top executive, include operational, financial, and strategic criteria, and are approved for a one-year period.

In 2025, the total remuneration paid to the members of the Executive Board and the sole executive bodies amounted to RUB 310,773.23 thousand. Reimbursed expenses paid to members of the Executive Board in the reporting period totalled RUB 814,313.



No loans were granted by the Company to the members of the Executive Board in the reporting year

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 issues;
- 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).

In 2025, FESCO's Board of Directors and Executive Board passed approximately 381 resolutions concerning the management of controlled entities; these, in turn, led to more than 430 subsequent decisions by the governing bodies of those entities.

Control and audit

Internal controls

An integral part of corporate governance, the internal control system in FESCO embraces all operations, key business processes, and governance levels, and is based on the COSO model. Internal control procedures and activities are integrated into business processes and are performed by governing bodies and employees as part of their duties.

Following an assessment of FESCO's risk management and internal control frameworks (the Assessment) as at 31 December 2024, the sole executive body approved and implemented the 2025 Action Plan for Internal Control System Development across FESCO and its controlled entities.

In 2025, an assessment of the organisation of risk management and internal control in FESCO was conducted as at 31 December 2025 for its compliance with the 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 of the Bank of Russia No. IN-06-28/143 dated 1 October 2020, hereinafter – the Bank of Russia's Recommendations). 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 the order of FESCO's sole executive body following FESCO's Board of Directors' resolution, the Department conducts internal audits of FESCO and FESCO's controlled entities, as defined in clause 8.2.56 of the Company's Articles of Association.

The Department is headed by the Director, who is appointed by an order of the sole executive body based on a Board of Directors' resolution following preliminary review by the Audit Committee.

The Department consists of 14 people. In 2025, changes occurred resulting in the following structure of the department:

- Deputy Director of the Department – Head of the Centre;
- Advisor for New Assets;
- internal audit unit for processes and projects (Moscow, five employees);
- internal audit unit for Group assets in Siberia and the Far East (four employees);

→ internal audit unit for capital construction projects (two employees).

The Department conducts independent, objective, risk-based internal audits to help Company and controlled entity governing bodies maintain and enhance FESCO Group value. In its activities, the Department relies on international best practices, which are an integral part of the International Professional Practices Framework (IPPF) for Internal Auditing. The Department regularly assesses risk management and internal control system reliability and effectiveness, and collaborates with the Board of Directors, and management of FESCO and controlled entities to improve risk management, internal control, and corporate governance.

In its activities, the Internal Audit Department is guided by the Internal Audit Policy of FESCO, updated in 2025 and approved by resolution of the Board of Directors of FESCO (Minutes No. 10/25 dated 5 June 2025). Key updates to the revised policy include:

- definitions were aligned with the newly adopted Global Internal Audit Standards;
- internal consulting was introduced as an internal audit function;
- quality assurance and improvement programmes were integrated into the Internal Audit Department's activities;
- the procedures for executing internal audit sub-processes were revised – specifically the planning, preparation, and conduct of audits, alongside the monitoring of remediation efforts – to ensure full alignment with

¹ Approved by resolution of the Board of Directors dated 30 July 2024 (Minutes No. 15/23 dated 30 July 2024).

² Approved by resolution of the Board of Directors dated 30 December 2025 (Minutes No. 28/25 dated 30 December 2025).

the Bank of Russia recommendations and the Company's Procurement Regulations;
→ the powers and responsibilities of the Audit Committee of FESCO's Board of Directors, the sole executive body, and the Director of the Internal Audit Department were clarified.

In line with the newly adopted Policy and based on a self-assessment of the Internal Audit Department's conformance with IPPF standards, FESCO's 2025 Quality Assurance and Improvement Programme (QAIP) was developed and approved. The QAIP for 2025 was approved by the Audit

External audit

On 30 June 2025, the Annual General Shareholders Meeting appointed B1 – Audit LLC and Pacholi LLC as the Company's external auditors for 2025 (Minutes dated 1 July 2025). The auditors were responsible for auditing the Company's financial and operating performance as prescribed

Committee of FESCO's Board of Directors (Minutes No. 7/25 dated 22 September 2025). The QAIP for 2025 was 100% fulfilled.

To comply with FESCO's Articles of Association, the Bank of Russia recommendations, and the Corporate Governance Code suggested by the Bank of Russia's Letter No. 06-52/2463 dated 10 April 2014, amendments were made to the Regulations on the Audit Committee of FESCO's Board of Directors in 2025 (Minutes No. 28/25 dated 30 December 2025).

by the applicable laws of the Russian Federation and pursuant to the contracts signed between the Company and the auditors. According to clause 4, article 5 of Federal Law No. 307-FZ On Audit Activities dated 30 December 2008, no open tender was required to select the Company's external auditor.

The Internal Audit Department conducts independent assessments and internal consultations based on Board-approved work plans, completing 37 internal audits in 2025.

The Department operates without independence limitations or restrictions that would hinder its ability to fulfil statutory and Articles of Association-mandated responsibilities.

The issuer selected auditors through a tender procedure in accordance with the Rosatom's Unified Industry Procurement Standard.

Risk management

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Risk management system

The risk management system (RMS) forms an integral part of FESCO Group corporate governance, encompassing all activities, management levels, and activity types.

The RMS is a set of risk management components (culture, competencies, methodology, practices, resources), methods, and processes integrated into the Group companies' strategic planning and operational management. It aims to identify and analyse risks that might

affect the Group's long-term goals and operational activities in a timely manner. The RMS relies on international and national risk management standards.

FESCO continuously identifies, describes, and assesses risks and develops measures to manage them. Risk monitoring is a vital RMS element which includes the analysis and evaluation of realised risks and effectiveness of risk management measures. Regular Group aggregate risk assessments

are conducted, with significant risk information included in Board-reviewed reports.

We keep improving our risk management system to timely respond to changes (both external and internal), maintain strong performance, and increase efficiency amid risks and uncertainty.

The following RMS improvement measures were implemented in 2025.

Area	Measure
Integration of risk management tools into business processes	<ul style="list-style-type: none"> Implemented the practice of calculating counterparty credit risk, and developed a scoring model Integrated risk mapping into budget planning and variance analysis of key budget performance indicators Incorporated project risk management tools into the investment management process Established and launched the Risk Committee under the sole executive body
Risk identification and analysis	<ul style="list-style-type: none"> Conducted risk sessions for key business processes and areas of activity Introduced the practice of risk mapping for investment projects
Business continuity management	<ul style="list-style-type: none"> Drafted pilot business continuity plans
Risk culture development	<ul style="list-style-type: none"> Developed and recorded an online training course on risk management fundamentals Risk management module is included in training programmes implemented across the Group
Improvement of RMS processes	<ul style="list-style-type: none"> Improved the risk map format (including the introduction of risk scoring) Refined and automated quantitative risk assessment using mathematical modelling Conducted a maturity assessment of FESCO's RMS

