CONFLICT OF INTEREST RESOLUTION AND CORRUPTION PREVENTION

At FPC, the procedure for preventing, identifying, and resolving conflicts of interest is formalised in the Company's internal document – the Regulations on the Board of Directors of JSC FPC.

The Board of Directors plays a key role in preventing, identifying, and resolving internal conflicts between members of FPC's Board of Directors.

According to the Regulations on the Board of Directors of JSC FPC approved by the extraordinary General Shareholders Meeting of FPC on 9 February 2016, a member of the Board of Directors shall avoid, or refrain from, any actions that will or can potentially provide conditions for, or lead to, a conflict of interest between the said member of the Board of Directors and the Company.

A member of the Board of Directors must also inform the Company about the facts that may potentially lead, or have already led, to a conflict of interest, including relevant information on related or affiliated organisations, individuals serving in those organisations' governing bodies, members of an executive body, other key managers, and the relevant conflict of interest (including information about interests related to any given transaction).

The Regulations stipulate that directors shall notify the Board of Directors of any conflict of interest they may have in respect of any item on the agenda of the Board meeting prior to the discussion of this agenda item, and refrain from voting on any agenda item in respect of which they have a conflict of interest.

To identify transactions leading to a conflict of interest, FPC regularly requests information from members of the Board of Directors:

- on entities in which they hold 20 or more percent of voting shares (interests or stakes) on their own or with affiliates
- on entities in which they serve on a governing body
- on FPC's performed or proposed transactions known to them, in which they may be recognised as interested parties.

In 2018, no conflict-of-interest situations were identified at the Board level.

PREVENTING AND COUNTERING CORRUPTION

FPC has in place the Anti-Corruption Committee.

The Corporate Security Department is a unit responsible for preventing corruption.

FPC's administration and all branches place anti-corruption information on dedicated information boards featuring:

- the procedure for notifying the employer about attempts to lead employees into corrupt practices
- contact details of anti-corruption officials
- the "safety hotline" number and e-mail for reporting on corruption offences.

FPC also consistently interacts with law enforcement bodies to identify breaches of anti-corruption laws. In 2018, two FPC's employees were held criminally liable for corruption-related crimes (under criminal cases filed in 2017).

FPC also has in place its Commission for Resolving Conflicts of Interest which helped resolve six conflicts of interest in 2018.