

INARCTICA*

UNLEASHING

THE
SEA

OF POSSIBILITIES

About the Report

This Annual Report of INARCTICA Public Joint Stock Company (hereinafter referred to as the Company) for the reporting period from 1 January 2022 to 31 December 2022 includes the performance results of the Company and its subsidiaries and affiliates (hereinafter collectively referred to as the Group, INARCTICA Group) in 2022. The subsidiaries and affiliates are Russian and foreign companies directly or indirectly controlled by INARCTICA PJSC.

The Report is prepared based on the Russian Accounting Standards of INARCTICA PJSC, unless otherwise specified in the Report, and complies with the requirements of the legislation of the Russian Federation on securities and the regulatory acts of the Bank of Russia on disclosure of information¹.

This Report is preliminarily recommended for approval by the Board of Directors of INARCTICA PJSC (Minutes No. 403 dated 06.06.2023).

Sustainable Development Action



Issues related to the sustainable development activities of INARCTICA Group are presented in the ESG Report of INARCTICA Group for 2022, available [on the Group's website](#).

Expressions such as "intends", "seeks", "expects", "estimates", "plans", "believes", "assumes", "may", "shall", "will", "will continue" and other similar phrases generally denote the predictive nature of a statement and imply the risk that the mentioned events or actions may not happen due to various factors. The Company hereby clarifies that these forward-looking statements do not guarantee future performance indicators. The actual performance, financial position, and liquidity of the Company, as well as the development of the industry, may significantly differ from the data provided in the forward-looking statements contained herein. Furthermore, even if the aforementioned indicators align with the forward-looking statements presented in this Report, such results and events do not serve as a guarantee of similar outcomes in the future.

Boundaries and Content of the Report

The Annual Report provides information on the Company's performance in 2022, based on the data available to the Company as of this writing.

All pertinent details concerning the Company's governing and supervising bodies, as well as their individual remuneration, are disclosed in this Report in compliance with the requirements of the legislation of the Russian Federation on personal data. Information regarding the employment and positions held by members of the Board of Directors in other companies is presented based on the data they provided to the Company as of the end of the reporting year. In this context, the term "present" refers specifically to 31 December 2022.

This Report encompasses forecasts, statements of intent, opinions, and current expectations of the Company regarding its performance results, financial position, liquidity, growth prospects, strategy, and the development of the industry in which the Company operates. By their very nature, such forward-looking statements entail risks and uncertainties, as they are contingent upon events and circumstances that may or may not occur in the future.

The Company does not make any explicit or implicit representations or warranties and shall not be liable for any losses incurred, directly or indirectly, by individuals or legal entities as a result of using the forward-looking statements from this Annual Report for any reason. It is advised that such individuals should not rely solely on the forward-looking statements contained herein, as they do not represent the only possible scenario.

Unless required by the legislation of the Russian Federation, the Company is under no obligation to revise or confirm expectations and estimates, or publish updates or changes to the forecasts presented in this Report in connection with subsequent events or the receipt of new information.

¹ The Report is prepared in accordance with the legislation of the Russian Federation, including:

- Federal Law No. 39-FZ "On the Securities Market" dated 22 April 1996;
- Federal Law No. 208-FZ "On Joint-Stock Companies" dated 26 December 1995;
- Corporate Governance Code recommended by the Bank of Russia for joint stock companies by Letter of the Bank of Russia No. 06-52/2463 dated 10 April 2014;
- Regulations of the Bank of Russia No. 714-P "On Information Disclosure by Issuers of Securities" dated 27 March 2020.

According to Decree No. 351 of the Government of the Russian Federation dated 12 March 2022 on Peculiarities of 2022 Disclosure and Provision of Information to be Disclosed and Provided in accordance with the requirements of the Federal Law on Joint Stock Companies and the Federal Law on Securities Market, and peculiarities of insider information disclosure in accordance with the requirements of the Federal Law on Combating Insider Information Misuse and Market Manipulation and on Amending Certain Legislative Acts of the Russian Federation, the Company decided to forgo the disclosure of its consolidated financial statements for 2022.

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About the Company



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INARCTICA is the frontrunner in aquaculture salmon production in Russia.

Our business is expanding, as we acquire new assets and enhance our capabilities.

INDUSTRY FLAGMAN

10 trout farms

Atlantic salmon and sea trout farms in the Barents Sea

3 rainbow trout farms

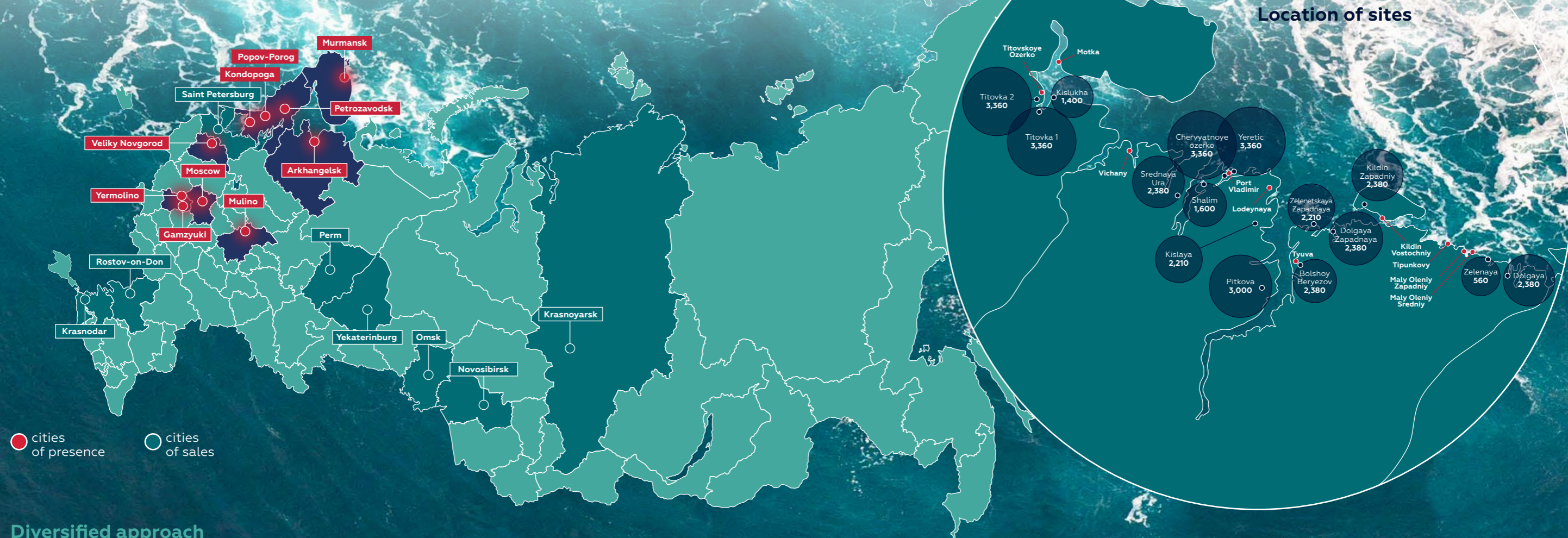
in Lake Segozero

60 kt

potential volume of live weight fish farming



GEOGRAPHIC REACH



Diversified approach to stocking and catching

Cluster-based stocking system

Reduces the risk of disease spread and frees up time for site recovery

Diversification by type of fish farmed

(salmon/trout)
Reduces overall biological risks

The Company proved out that its production capacities exceed 32 ktpa

The global supply

of Atlantic salmon supply is limited to offshore areas sheltered from wind and waves

The Murmansk Region

is the only region in Russia that is well-suited to salmon farming

The Barents Sea

is a natural habitat for Atlantic salmon

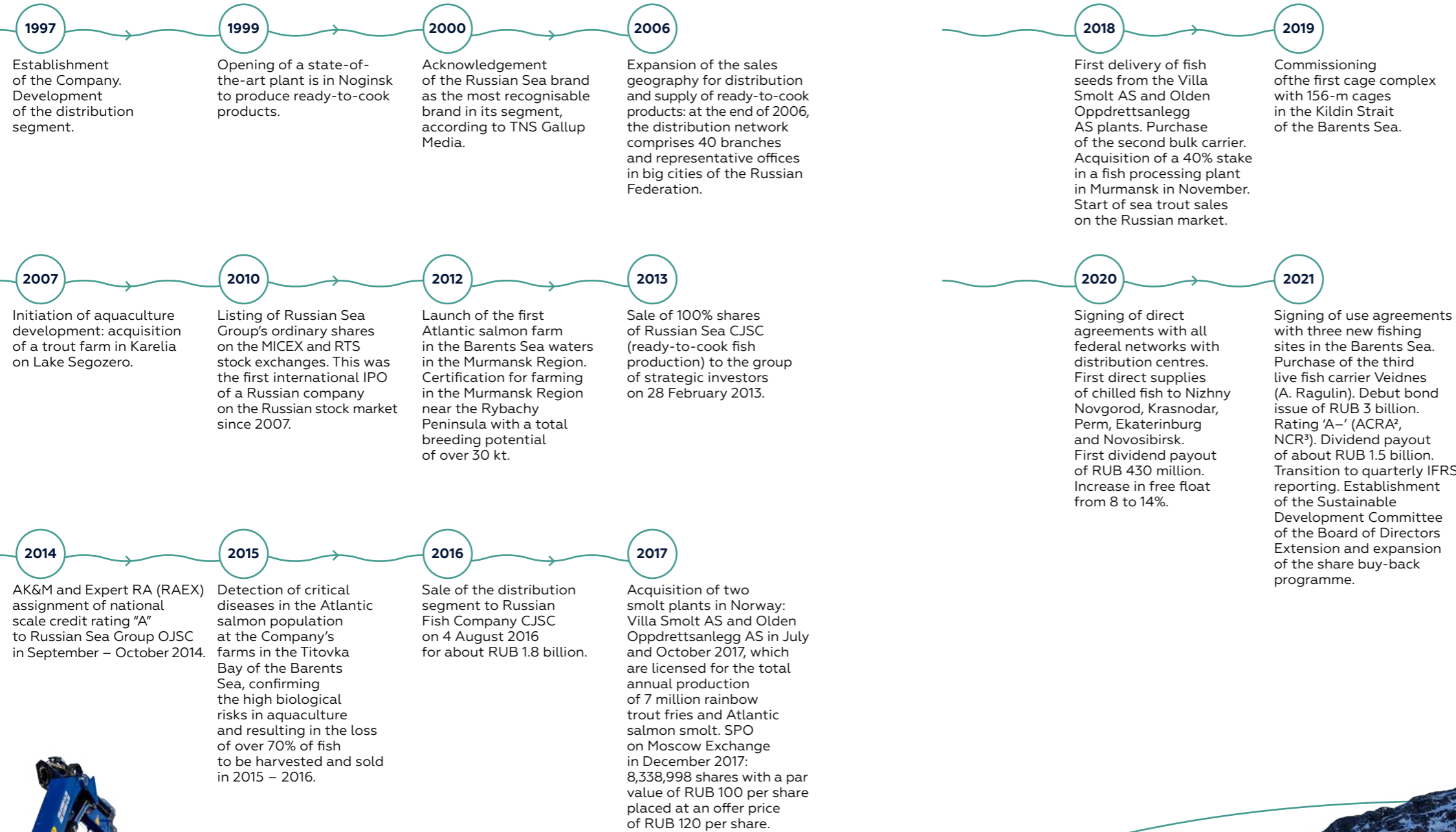
The rights to most of the sites

in the Murmansk Region are owned by the Company, with limited access to the sites for foreign players

A relatively short distance

to the end customer is a significant advantage for the supply of fresh chilled fish

Development History and the Company Today



2022

- Announcement of a rebranding and a name change to INARCTICA.
- Sale of fry farms in Norway and acquisition of fry farms in Russia.
- ACRA and NCR affirmation of the rating at 'A-' and change in the outlook from Stable to Positive.
- Dividend payout of about RUB 3.3 billion.

25.6 kt
products sold in 2022

10 trout farms
Atlantic salmon and sea trout farms in the Barents Sea

3 rainbow trout farms
in Lake Segozero

683 employees



GROWTH POTENTIAL

Aquaculture production is a technologically advanced sector within the agricultural industry,

playing a crucial role in solving food security challenges while simultaneously preserving natural resources and biodiversity. The global consumption of fish, including aquaculture salmon, is on the rise. We envision excellent growth opportunities for our business, given the strong demand and the chance to substitute imported goods in the Russian market.

Global aquaculture production growth, mt¹



46%

of total fish production in 2022 came from aquaculture farms

75%

of salmon produced globally is farmed

2.7 mtpa

global salmon consumption

¹ Information is as of 31 December 2022.

Global Salmon Fish Market

Lately, there has been a noticeable surge in the global interest towards leveraging the biological resources of the World Ocean, driven by the mounting deficit of protein-rich food for the world's inhabitants.

According Food and Agriculture Organization (FAO)¹, 80% of the planet's biodiversity² is concentrated in the oceans, the Earth's largest ecosystem. In 2021, out of the total 168.6 million tonnes of harvested and produced hydrobionts, 147.5 million tonnes, or 87.5%, were used as food³. The remaining portion is processed into fish meal, nutritional additives, fish oil, and used as feed for livestock or in the pharmaceutical industry. The global fish consumption is growing at a faster pace than the demand for beef, pork and poultry. Fish alone provides approximately 1/6 of the animal protein in the global population's diet and accounts for 6.7% of the total protein consumed.

Intensively, yet rationally, harnessing the biological resources and bioproductive capabilities of the World Ocean can greatly enhance the dietary habits of the global population. Nevertheless, this scenario is unfolding amidst the emergence of tensions and diminishing productivity in the global fishing industry, stemming from the gradual depletion of aquatic bio-resources. Analysis of commercial fish stocks indicates that currently 30% of them are at a biologically unsustainable level and are subject to overfishing. The existing reserves of wild fish are incapable of satisfying the growing demand. It is imperative to identify solutions that can reverse the trend of overfishing and restore wild stocks, ensuring no shortage in the demand for seafood.

Based on global experience, the optimal and expeditious solution to the fisheries problem lies in the expansion of aquaculture.

As the strain on the stocks of certain traditional fishing resources became particularly noticeable after the first two post-war decades, many countries embarked on the development and improvement of marine aquaculture – the establishment of “underwater farms and gardens” for cultivating seaweed, shellfish, crustaceans and fish. At present, aquaculture is predominant in nearly all categories of fish products.

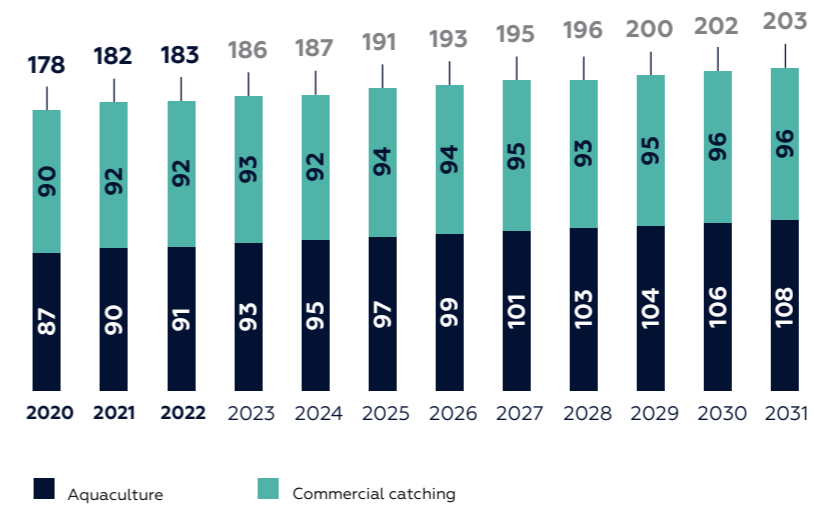
At present, approximately 56 million people are directly engaged in fishing and aquaculture. Moreover, a larger number of individuals are involved in associated activities such as loading, unloading, transportation, processing and marketing of fishery products. Fishing and fish farming combined provide livelihoods for 660 million to 880 million people, accounting for up to 10% of the global population.

In 2021, the aquaculture sector represented 46% of the total volume of fishery products and 52% of fish intended for human consumption. China retained its position as one of the largest fish producers, contributing 35% of the world's fish production in 2021. As for other regions, a significant share of the production in 2021 was generated in Asia (34%), followed by North and South America (14%), Europe (10%), Africa (7%), and Oceania (1%)³.

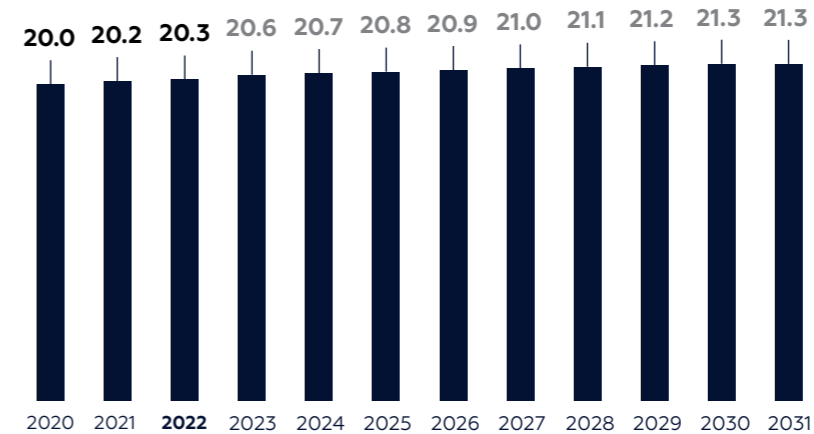
According to FAO projections, global fish production will reach 203 million tonnes per year by 2031. Aquaculture is expected to account for most of the growth in fish production. The share of farmed fish in total production will grow from 50% in 2023 to 53% in 2031. Per capita fish consumption will also continue to rise. By 2031, 59% of fish consumed will be of aquaculture origin, up from 53% in 2018–2020⁴.

Through the responsible intensification of aquaculture, humankind can address the growing protein and fish requirements while alleviating the strain on wild fish populations, facilitating their recovery.

Global fish production⁵, mt



Global per capita consumption of fish and seafood⁵, kg



¹ Source: OECD-FAO Agriculture Outlook 2021–2030.

² Source: www.fao.org/zhc/detail-events/en/c/846698.

³ Source: www.fao.org/3/ca9229ru/online/ca9229ru.html#chapter-1-introduction.

⁴ Source: www.fao.org/3/ca9229ru/online/ca9229ru.html#chapter-1-introduction, OECD-FAO Agriculture Outlook 2022–2031.

⁵ Source: OECD-FAO Agriculture Outlook 2022–2031.



Salmon Aquaculture

In terms of the level of industrialisation and the risks inherent in fish farming, salmon farming is the most advanced area and has the least risks.

Salmon farming began at an experimental level in the 1960s but was industrialised in Norway in the 1980s and in Chile in the 1990s. The salmon farming industry has grown significantly over the past 40 years, and today some 75% of salmon produced around the world are farmed.

Of all salmon species, Atlantic aquaculture salmon was the leading species by production and catch in 2021. Aquaculture trout and pink salmon are also in the Top 3.

To date, global consumption of aquaculture salmon is estimated

at **2.7 mtpa,**

while the catch of wild salmon amounted to about

880,000 tonnes¹

Consumption of aquaculture salmon has almost doubled in 10 years. The evolving global trend towards healthy eating, the increasing global population, the increasing range of ready-to-eat foods and the general increase in prosperity are the main reasons behind this growth.

However, constraints related to the scarcity of suitable water bodies (fish farming sites) pose a significant obstacle to the substantial growth in salmon production. Such a site should be located so as to be of adequate depth, yet sheltered from storms and other weather hazards, not subject to significant changes in water level due to tides, and away from shipping lanes and wild fish migration routes.

The cage complexes are positioned in water locations with the flow, temperature, wave load, and ice conditions that are best for fish. Fish feel just as at home in cage complexes set up in these water basins as they do in the wild.

Fish from farms has a number of advantages over fish from the wild. The average survival rate of fish over the whole growth cycle is between 85% and 90%, which is significantly higher than the survival rate of salmon in their natural habitat.

Additionally, the fish can grow considerably more quickly than wild salmon when given high-quality feed in adequate amounts.

Salmon aquaculture has a feed conversion ratio (the quantity of feed required for biomass growth per kg) of 1.3, which is much higher than that of poultry (1.9), pork (3.9), and beef (8.0).

Salmon cultivated on farms is an ecologically friendly substitute for meat, since it is one of the most sustainable and eco-efficient sources of protein. It also has one of the lowest greenhouse gas profiles of all animal protein sources. Depending on the method used, the carbon footprint of producing cattle meat can be three to seven times higher than that of producing fish, and it can be almost twice as high for producing pork or chicken.

Carbon footprint of aquaculture salmon production compared to that of animal production², kg CO₂-eq. per 40 g of dietary protein



0.60

Salmon



0.88

Chicken



1.30

Pork



5.92

Beef

Salmon is a modern sustainable superfood, a unique product, available all year round (unlike wild fish) and of limited production. Salmon production has a number of advantages over other protein products (poultry, pork, beef). One can make the bold statement that the word 'salmon' is gradually becoming the equivalent of the word 'fish' in today's society.

Salmon is an excellent source of protein (all nine essential amino acids), healthy fats, including omega-3 fatty acids, and several essential vitamins and minerals, making it a first-class component of a healthy and sustainable diet. On average, 100g of salmon meat contains 41% of the daily value of protein and at least 20% of the daily value of vitamins B3, B5, B6, B12, D, E and selenium. It is also a good source of potassium.

Since a variety of natural settings are frequently necessitated for maximum salmon production, a few farming regions such as Chile, Norway, Canada, and Scotland have historically dominated the production of Atlantic salmon. Such natural settings include cold water temperatures ranging from 8 to 14 °C, a sheltered shoreline and optimum biological conditions. Today, salmon farming is also gaining popularity in Russia.

Russian aquaculture can currently produce 120,000 tonnes of fish products annually. Given how little it is – only 0.2% of the total global production – any opportunity to increase the production of fish products within the bounds of the law would be an answer to the Russian Federation's food problems.

² According to the Global Salmon Initiative Sustainability Report (globalsalmoninitiative.org/en/about-salmon-farming/climate-change).



¹ FAO. 2020. The State of World Fisheries and Aquaculture – 2020. Actions to increase sustainability. Rome, FAO. www.fao.org/documents/card/en/c/ca9229ru.

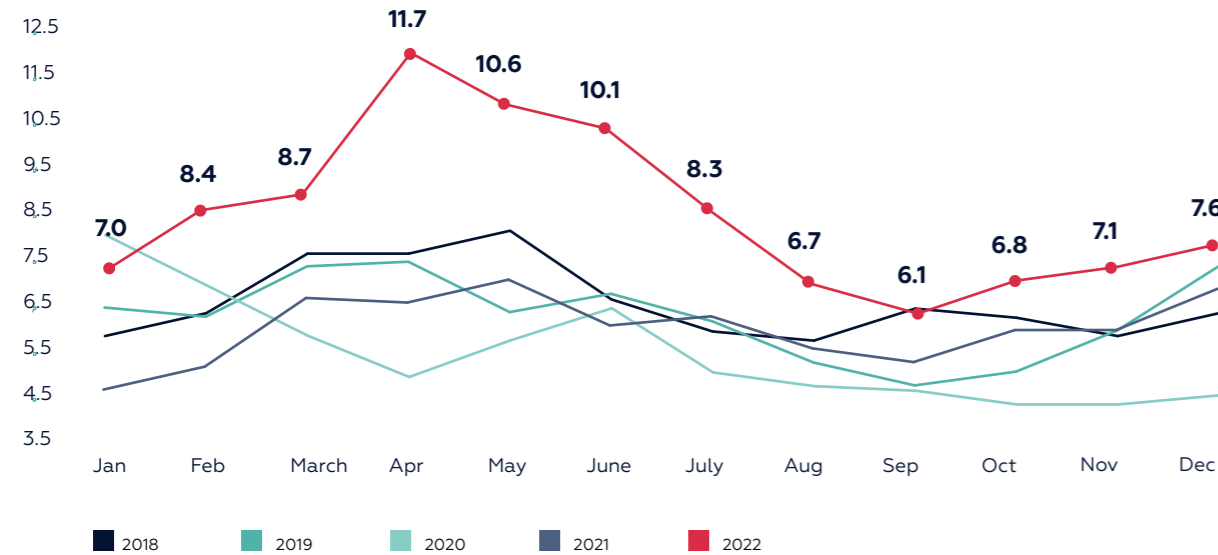
Positive aspects of aquaculture in Russia

- Development of a bio-resource renewable in controlled quantities; production of new, quality food, feed, medical and technical products
- Scale-up of reproduction and stocking of valuable fish and non-fish species and conservation of biodiversity
- Promotion of the region's social and cultural sustainability through the creation of employment opportunities and respectable working conditions throughout the industry and its connected sectors, including fish processing, marketing and distribution
- Source of potential export earnings, offsetting import pressures and having a positive impact on the trade balance

Aquaculture products are becoming more high-quality, and consumers are becoming more positive about them, which has raised the average price in the sector.

In terms of the level of industrialisation and the risks inherent in fish farming, salmon farming is the most advanced area and has the least risks. However, constraints related to the scarcity of suitable water bodies pose a significant obstacle to the substantial growth in salmon production.

Variation in salmon prices¹, Euro/kg



¹ Source: FishPool.

Russian Market and Fish Consumption

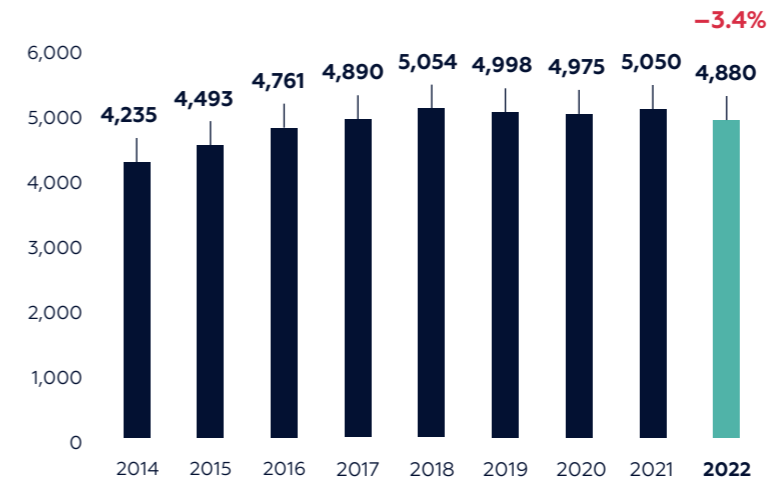
The monthly variation of imports and sales of Atlantic salmon in 2022 is consistent with long-term market trends, i.e., with significant volumes at the beginning of the year, a decline from April to August, and an upsurge by the New Year's holiday.

According to Rosrybolovstvo, exports of fish, fish products and seafood increased by 4.5% to 2,150,000 tonnes in 2022 compared to 2021.

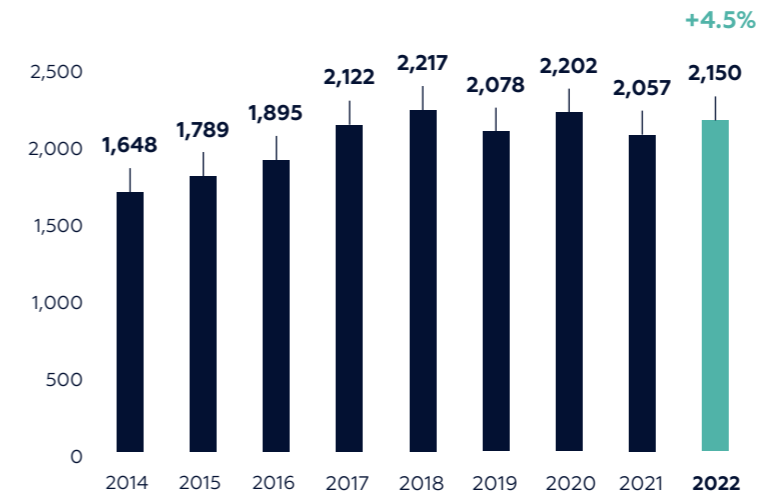
According to the Federal Agency for Fishery (Rosrybolovstvo), the total volume of aquatic biological resources caught by Russian users in 2022 was

4,880,000 tonnes

Harvesting (catch) of aquatic bio-resources², kt



Exports of fish products³, kt

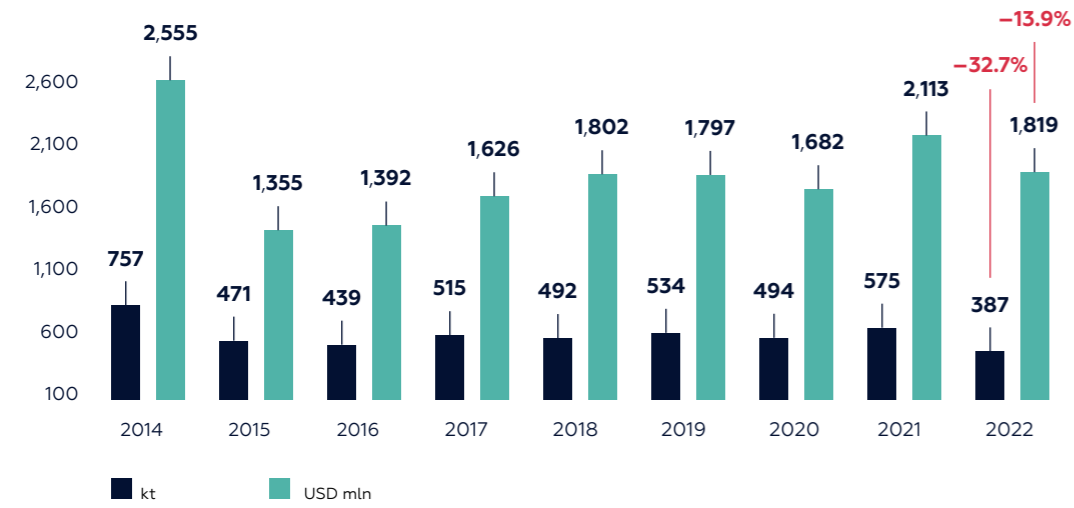


² Source: Rosrybolovstvo (Federal Agency for Fishery).

³ Source: Rosrybolovstvo (Federal Agency for Fishery) Code of Commodity Classification of Foreign Trade Activity 03.



Imports of fish products¹



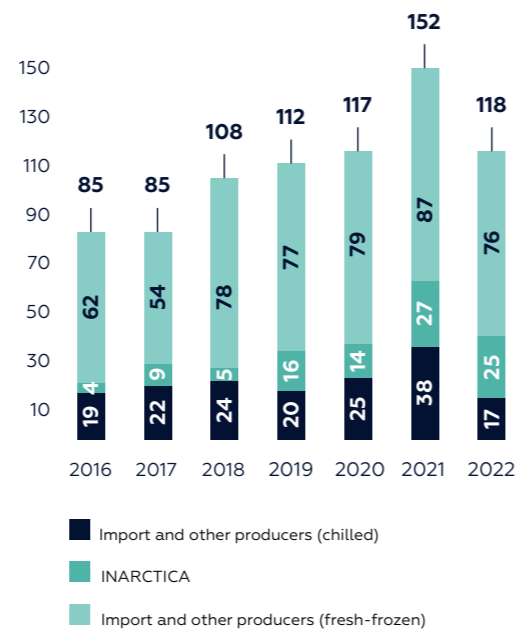
Imports of fish, fish products and seafood, according to the All-Russian Association of Fish Entrepreneurs and Exporters (VARPE), decreased by 32.7% in 2022 compared to 2021, amounting to

387,000 tonnes

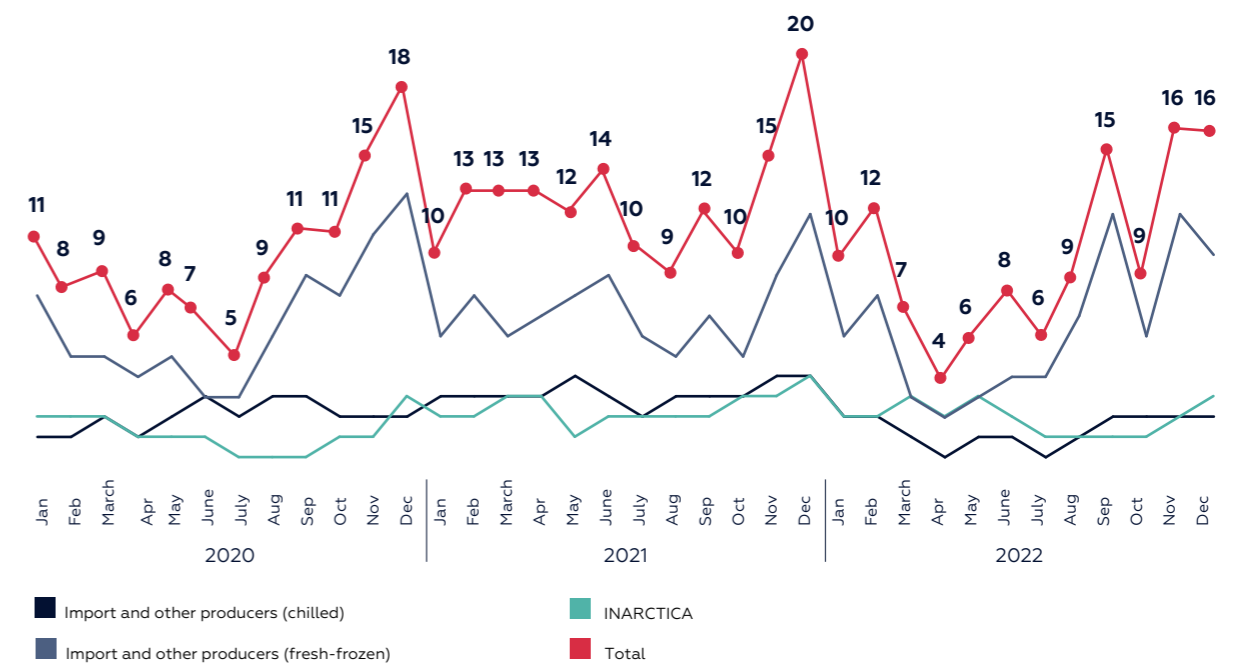
In monetary terms, imports in 2022 amounted to USD 1,819 million, down 14% year-on-year.

The Russian salmon market in 2022 returned to its 2020 level (-22% year-on-year).

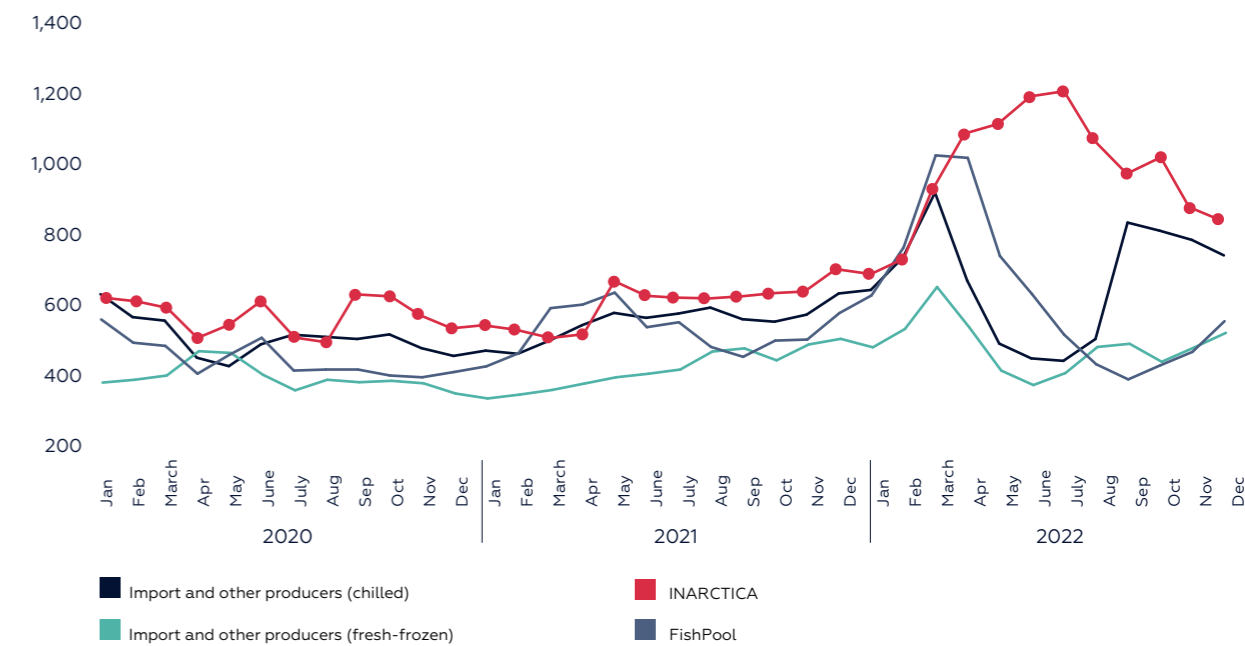
Salmon market in Russia², kt



Salmon sales in the Russian Federation², kt



Average prices², RUB/kg, excl. VAT



¹ Source: <https://defagroup.com/news/itogi-importa-za-2022-god.html>.

² Source: Company data.



RIDING THE WAVE OF SUCCESS

We continue to drive the growth and efficiency of our business.

During the reporting year, we sold fry farms in Norway and acquired three smolt production facilities in Russia. INARCTICA has exciting plans ahead, including the construction of a feed plant and a fish processing facility. Our dedicated efforts to enhance efficiency have delivered outstanding results: in 2022, the volume of marketable biomass in the water increased by 22%, reaching an all-time high for the Company.

36 kt

volume of marketable biomass in water

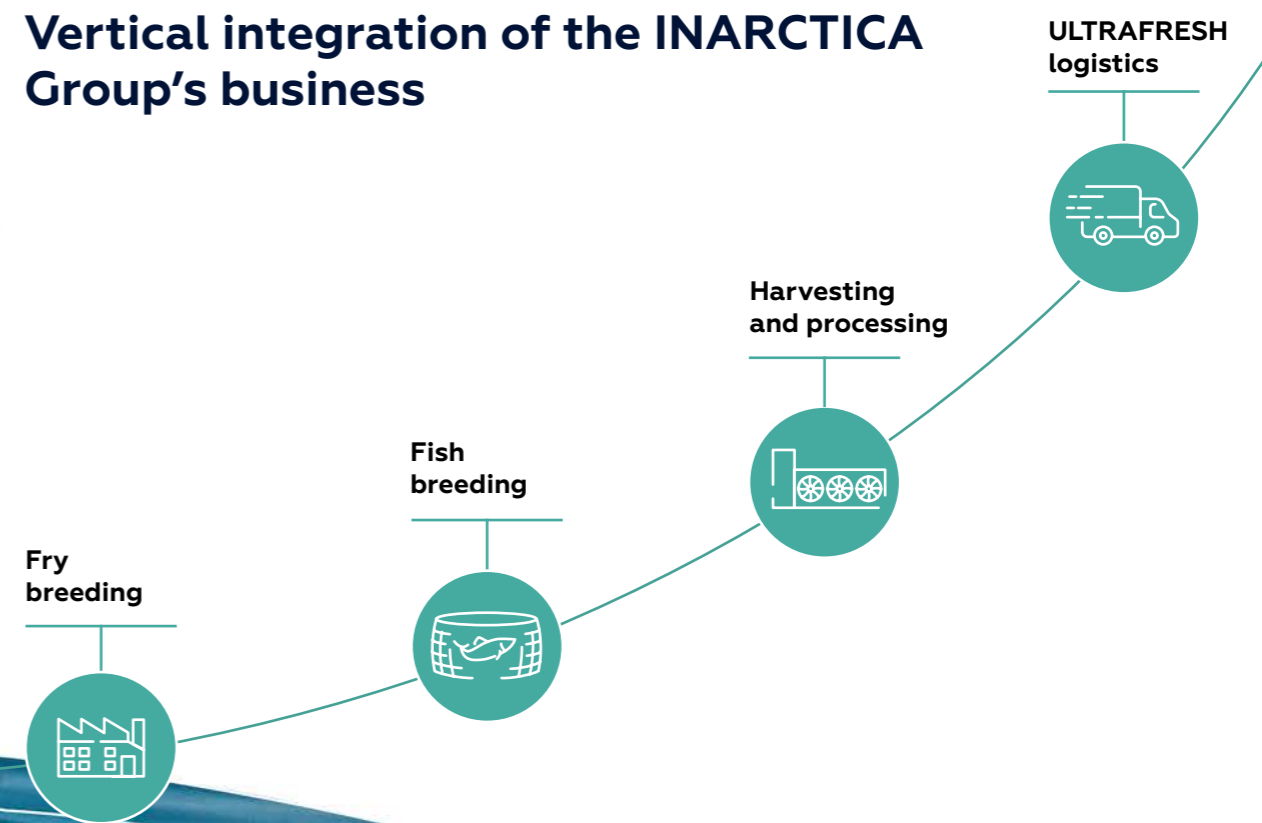
25.6 kt

products sold

4 million fry

capacity of new smolt plants in Russia

Vertical integration of the INARCTICA Group's business



Business Model

Infrastructural capacities in Atlantic salmon and sea trout farming



Smolt plants¹

- 3 fry production plants in the Russian Federation



Feed carriers

- 2 carriers with a monthly shipping capacity of up to 8.5 kt of feed



Support vessels

Repair shop

- Maintenance and repair of farm equipment
- Manufacture of workboats

Support service

- Installation of farm equipment
- Operation of net cleaning equipment

Packing workshop

- Production of fish products packaging



Live fish carriers

- 3 live fish carriers with a total capacity of up to 290 t of commercial fish



Catamarans, passenger ships, workboats

- 11 catamarans for farm equipment installation
- 8 passenger ships for transportation of people
- workboats for farmworkers from the barge to fish cages



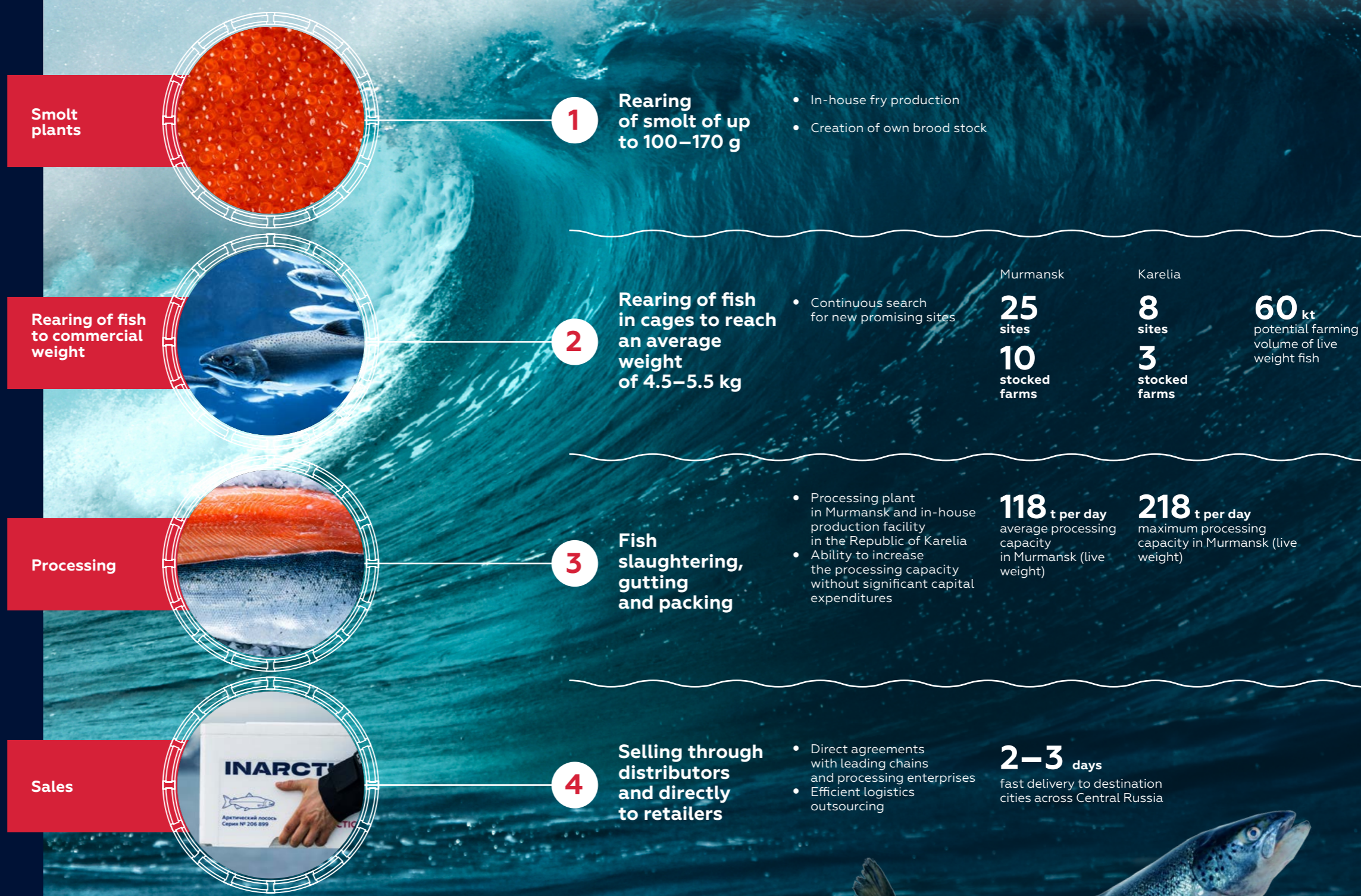
Delousing system²

- 4 FLS production lines

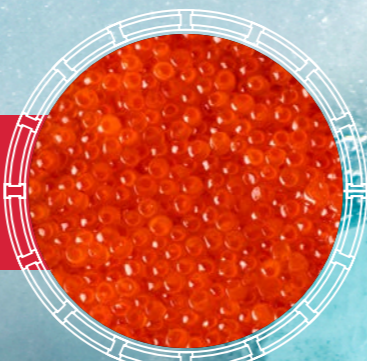


Processing of fish products

- 2 fish processing plants in the Murmansk Region and the Republic of Karelia



Smolt plants



1

Rearing of smolt of up to 100–170 g

- In-house fry production
- Creation of own brood stock

Rearing of fish to commercial weight



2

Rearing of fish in cages to reach an average weight of 4.5–5.5 kg

- Continuous search for new promising sites

	Murmansk	Karelia	
	25 sites	8 sites	60 kt potential farming volume of live weight fish
	10 stocked farms	3 stocked farms	

Processing



3

Fish slaughtering, gutting and packing

- Processing plant in Murmansk and in-house production facility in the Republic of Karelia
- Ability to increase the processing capacity without significant capital expenditures

118 t per day average processing capacity in Murmansk (live weight)	218 t per day maximum processing capacity in Murmansk (live weight)
--	--

Sales



4

Selling through distributors and directly to retailers

- Direct agreements with leading chains and processing enterprises
- Efficient logistics outsourcing

2–3 days fast delivery to destination cities across Central Russia

¹ Smolt is a juvenile salmon, a 12–18 month old fry weighing 120–160 g that can be transferred to cages.

² Delousing is the anti-parasite protection of fish.



Fish Farming Technology

INARCTICA PJSC is a recognised leader in the aquaculture segment in Russia. We are building our vertically integrated business in the salmon aquaculture market from growing salmon fry and selling directly to the biggest clients, i.e., retail chains and fish processing enterprises.

The production process begins with the egg planting in our smolt plants located in the Kaluga and Nizhny Novgorod Regions. The smolt (fry) grow to a weight of 100–110 g within seven to nine months.

The smolt is then transported to INARCTICA PJSC's marine fish farms in the Murmansk Region and freshwater farms in the Republic of Karelia. Modern underwater cameras and automatic feeding systems are installed in every fish farm to keep an eye on the health of the fish. Special extruded feed of the highest quality is purchased to feed the fish. Feed is carried on two of INARCTICA's own vessels with a monthly capacity of up to 8,500 tonnes.

The fish are reared for 15–20 months to commercial weight (5.5 kg for salmon and 4.5 kg for trout). Production standards are scrupulously upheld at the fish farms by the Company workers. To ensure farm efficiency, the Company uses eight passenger vessels to transport people, 11 catamarans for equipment installation and farm maintenance, and workboats. Engineering, support, diving services and the net service station in INARCTICA PJSC have a wealth of experience. In addition, the Company has a dedicated biological service that monitors the health of fish at all stages of growth.

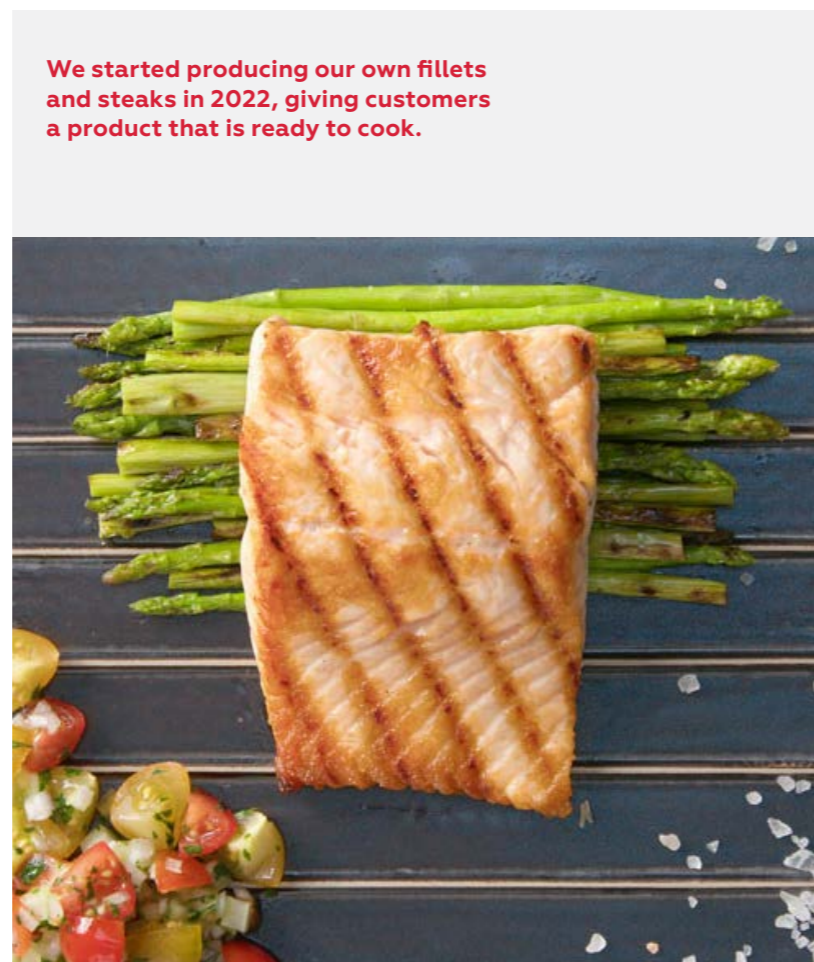
The Company uses a proprietary delousing system consisting of four separate lines.

We begin harvesting fish once they are of a marketable size. It uses three in-house live fish carriers with a combined capacity of up to 290 tonnes of commercial fish per day. The fish are transported to INARCTICA's fish-processing plants, where they are slaughtered, gutted and packaged. The maximum processing capacity is 218 tonnes per day.



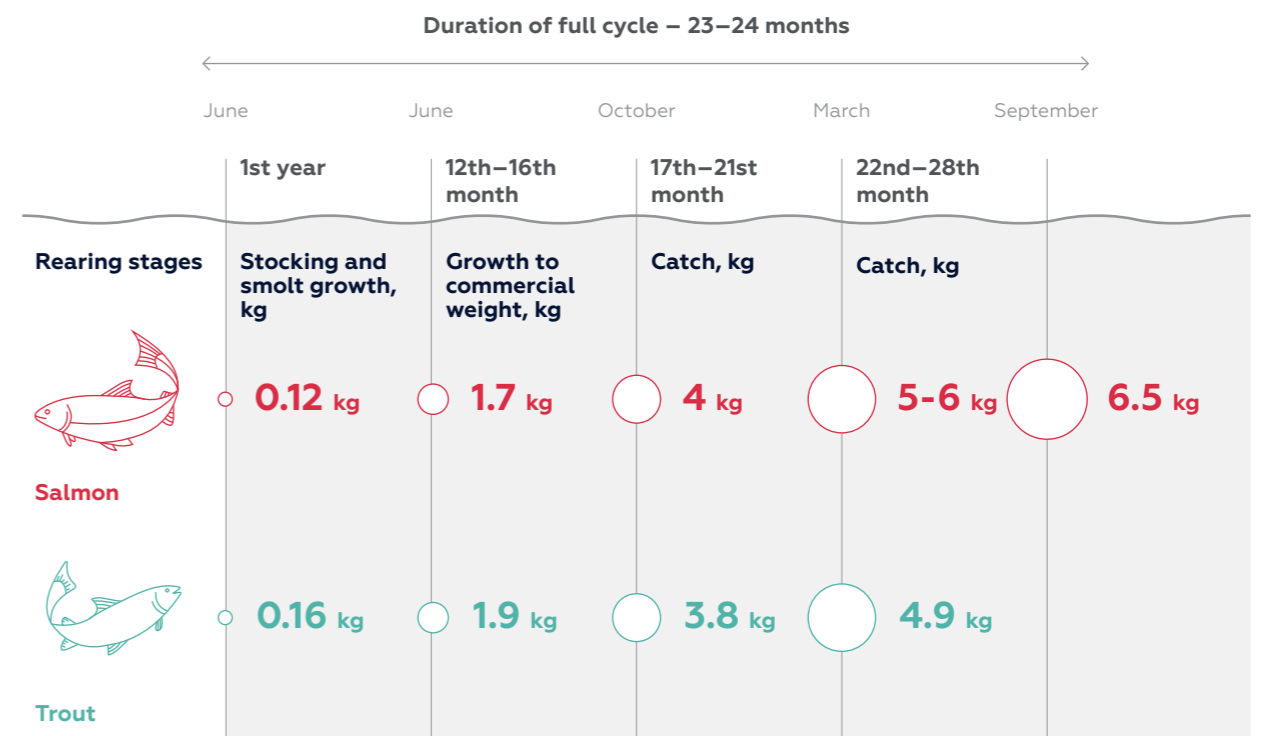
We sell fish through distributors and directly to retailers.

The products are supplied under its own INARCTICA brand. We have direct agreements with leading chains and processing enterprises. Our supply chain guarantees prompt delivery to destination cities (2–3 days to cities in Central Russia). We do this to make it possible for our customers to buy ultrafresh products at stores and restaurants.



We started producing our own fillets and steaks in 2022, giving customers a product that is ready to cook.

Aquaculture farming cycle for salmon and trout



High efficiency of fish farming compared to meat production

Feed conversion ratio ¹	1.3	1.9	3.9	8.0
Meat for human consumption ² , %	73	74	73	57
Meat for human consumption ³ , kg/100 kg of feed	56	39	19	7



¹ The feed weight in kg needed to produce 1 kg of commercial biomass.
² Proportion of meat for human consumption in total biomass.
³ Weight of meat for human consumption grown when 100 kg of feed are eaten.

Company's Performance Results in the Murmansk Region

In the reporting year, we planted

9.4 million

Atlantic salmon smolt and rainbow trout fry with an average weight of 138 g at five fish farms.

By the end of 2022, the average weight of fish reached 1.74 kg. In August 2023, we plan to start harvesting and selling fish of marketable weight.

The harvesting and sale of marketable products from INARCTICA's farms in the Murmansk Region continued throughout the year, amounting to 28,800 tonnes of marketable fish in live weight. We sold 24,500 tonnes of gutted fish with head¹.

¹ Fish gutted with head.

Plans for 2023

We will keep stocking three to five farms with salmon fry and smolt trout in 2023. INARCTICA PJSC will consistently implement the current biological safety strategy, salmon louse control and other regulatory procedures of the Company.

We intend to develop and exploit new sites in the Barents Sea and maintain stable cycles of stocking and harvesting.

In addition, we will pursue cooperation with the state authorities to continue subsidising interest rates on loan agreements, as well as developing additional support measures for aquaculture.

Company's Performance Results in the Republic of Karelia

We stocked more than

1.1 million

rainbow trout fry in spring and summer of 2022.

Fish from various generations are still assigned to separate fish farming sites (FFS) in accordance with the biosecurity strategy. In line with the Company's strategy, all commercial fish are held at FFS-2 and FFS-1.

In the reporting year, we caught 1,300 tonnes of commercial fish in live weight and sold 1,100 tonnes of gutted fish with head and caviar.

Plans for 2023

We will keep pushing for more biosecurity in 2023. We plan to enter into long-term agreements for the supply of planting material, as well as to pursue cooperation with the state authorities on further subsidising interest rates on loan agreements and developing additional measures to support aquaculture. We will also continue to integrate aquaculture with other sectors of agriculture for the sustainable development of the entire industry.

Smolt Plants in Russia

In the reporting year, we sold our smolt plants in Norway and acquired new assets in Russia.

Currently, the Group has three smolt plants located across our country: Selective Aquaculture Centre LLC and a property complex in Ermolino with a total capacity of 3.0–3.5 million fish fry located in the Kaluga Region, and Mulino Fish Farming LLC with a potential capacity of 1 million fish fry located in the Nizhny Novgorod Region.



We are building our business with investors and shareholders in mind

and continue to make improvements in our corporate governance. In the reporting year, we paid record dividends, offered shareholders the opportunity of electronic voting at general meetings, and launched an anti-corruption hotline.

RUB 3.3 billion

paid out to shareholders as dividends

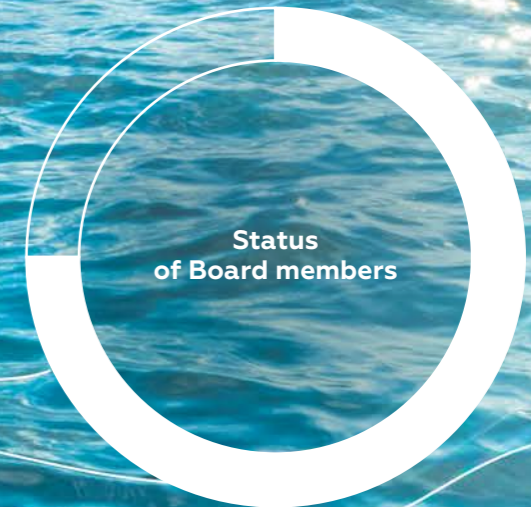
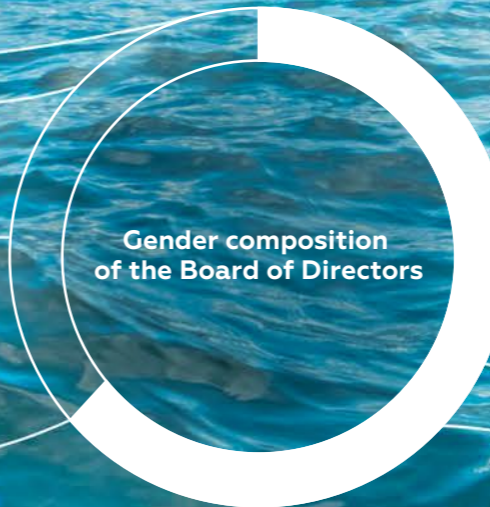
96%

full or partial compliance with the recommendations of the Corporate Governance Code

ACRA and NCR

affirmed their rating at A- and upgraded their outlook from Stable to Positive

BALANCING THE INTERESTS



■ 62% Men
□ 38% Women

■ 75% Independent
□ 25% Non-executive

Major Corporate Events in 2022

The majority of the Company's previously stated objectives for the improvement of its corporate governance structure were accomplished successfully in 2022.

The number of shareholders increased from 14,000

to 40,000

January	February	March	April	May	June
1 The Company's General Meeting of Shareholders approved a new version of the Regulations on the Board of Directors.	2 The Company's Board of Directors approved the share prospectus as well as the bond prospectus and programme.	3 Ekaterina Chernova was elected Chair of the Board of Directors.	4 A shareholder hotline was put in place.	5 The Risk Management Policy was approved.	6 The annual General Meeting of Shareholders amended the Company's Charter to abolish the Company's Auditing Commission.

July	August	September	October	November	December
7 For items on the General Meeting of Shareholders' agenda, an electronic voting mechanism was introduced.	8 The General Meeting of Shareholders decided to approve a new version of the Company's Charter and updated Regulations for the General Meeting of Shareholders.	9 The Company's share buy-back programme was extended until 31 December 2024. The Company's new corporate name, INARCTICA PJSC, was registered on 13 September.	10 Deals were closed or the acquisition of two production companies (fry plants), which joined the INARCTICA Group.	11 The Company's new corporate website www.inarctica.com was launched.	12 The Company started the process of disposing its Norwegian assets.



The Company paid a record dividend of

RUB 3.339
billion to its shareholders

Corporate Governance System

The Company’s well-developed and well-functioning corporate governance framework encourages sustained communication between its shareholders and internal governing bodies, as well drives up its shareholder value. For this reason, INARCTICA PJSC pays great attention to its corporate governance system and continually improves it, in deference to international best practices, Russian corporate law norms, the Company’s Charter, internal documents regulating the activities of the Company’s governing bodies, recommendations of the Corporate Governance Code of the Bank of Russia and the Listing Rules of MoscowExchange PJSC.

For its own corporate governance, the Company establishes the following vital principles:



Compliance with the legislation of the Russian Federation



Transparency



Accountability



Equality of all shareholders



Commitment to the Company’s sustainable development

On top of that, the Company unconditionally complies with all basic and recognised principles of corporate governance.

Ensuring the successful development of the Company while maintaining a reasonable balance between the legitimate interests of the Company’s shareholders and management has been, and remains, the primary objective of corporate

governance. Reduced investment risks, increased investment appeal, and improved corporate reputation are all goals of the Company’s effective corporate governance.

The management of the Company constantly reviews current corporate governance practices in Russia and abroad, and the best of them are incorporated into the Company’s corporate governance structure.

Internal documents regulating the corporate governance system in the Company

- Charter (approved on 31 August 2022)
- Regulations on the General Meeting of Shareholders (approved on 2 March 2023)
- Regulations on the Board of Directors (approved on 2 March 2023)
- Regulations on Remuneration and Compensation for Members of the Board of Directors (approved on 23 June 2022)
- Regulations on Dividend Policy (approved on 29 March 2019)
- Regulations on the Strategy Committee of the Board of Directors (approved on 15 December 2021)
- Regulations on the Audit Committee of the Board of Directors (approved on 30 June 2022)
- Regulations on the Nomination and Remuneration Committee of the Board of Directors (approved on 15 December 2021)
- Regulations on the Sustainable Development Committee of the Board of Directors (approved on 15 December 2021)
- Regulations on the Internal Audit Service (approved on 30 September 2016)
- Regulations on the Corporate Secretary (approved on 30 September 2016)
- Regulations on Insider Information (approved on 14 August 2020)
- Regulations on Information Policy (approved on 31 December 2020)
- Performance Assessment Methodology for the Board of Directors, Board Committees and Board members (approved on 11 May 2017)
- Risk Management Policy (approved on 4 May 2022)
- Shareholder Relations Policy (approved 14 March 2022)



Assessment of corporate governance quality

In past years, one of the Company’s top corporate governance goals was to continually raise the bar for excellent corporate governance and put as many of the Bank of Russia Corporate Governance Code’s (hereafter, the Corporate Governance Code) principles into practice as possible. The management of the Company made great efforts in 2022 to substantially reduce the number of Corporate Governance Code recommendations that the Company did not comply with or complied with partially.

Based on the Company’s self-assessment of compliance with the recommendations of the Corporate Governance Code, the level of full or partial compliance in 2022 was 96%, up from 92% in 2021. Thus, the Company fully complied with 66 recommendations, partially complied with ten recommendations, and did not comply with only three recommendations.



Compliance of INARCTICA PJSC with the recommendations of the Corporate Governance Code in the period from 2020 to 2022¹

Corporate Governance Principle	Number of recommendations	Full compliance			Partial compliance			No compliance		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Shareholder rights and equal conditions for shareholders in the exercise of their rights	13	12	9	11	1	2	2	–	2	–
Board of directors of a company	36	30	25	27	5	10	7	1	1	2
Corporate secretary of a company	2	2	2	2	–	–	–	–	–	–
Remuneration system for members of the board of directors, executive bodies and other key executives of a company	10	8	10	10	2	–	–	–	–	–
Risk management and internal control system	6	4	5	6	2	1	–	–	–	–
Disclosure of company information, company information policy	7	7	6	6	–	1	1	–	–	–
Major corporate actions	5	–	–	4	1	2	–	4	3	1
Total	79	63	57	66	11	16	10	5	6	3
	100%	80%	72%	83%	14%	20%	13%	6%	8%	4%

The Company prioritised the interests of its shareholders by making significant adjustments to its internal documents during the reporting year. The Company's Charter and the Regulations on the General Meeting of Shareholders stipulated that notices of general meetings of shareholders should be posted on the Company's website at least 30 days before the meeting. Provision is made for completing the electronic form of the ballot and the use of information and communication technology

to enable remote participation in general meetings of shareholders, discussion of agenda items and decision-making on issues put to a vote.

The new version of the Company's Charter (dated 31 August 2022) sets out a list of major corporate actions on which the Board of Directors decides or makes recommendations to the General Meeting of Shareholders. The Board members present at the meeting must vote with a qualified three-quarters majority in order to decide on these issues.

The Analytical Credit Rating Agency (ACRA) reviewed the Company's rating in 2022 and found that the corporate governance of the Company was at a moderately high level.

¹ Due to a change in the regulator's assessment criteria in 2021, the Company altered how it assessed compliance with the Corporate Governance Code's principles. As a result, the level of compliance with the Code's recommendations was decreased.



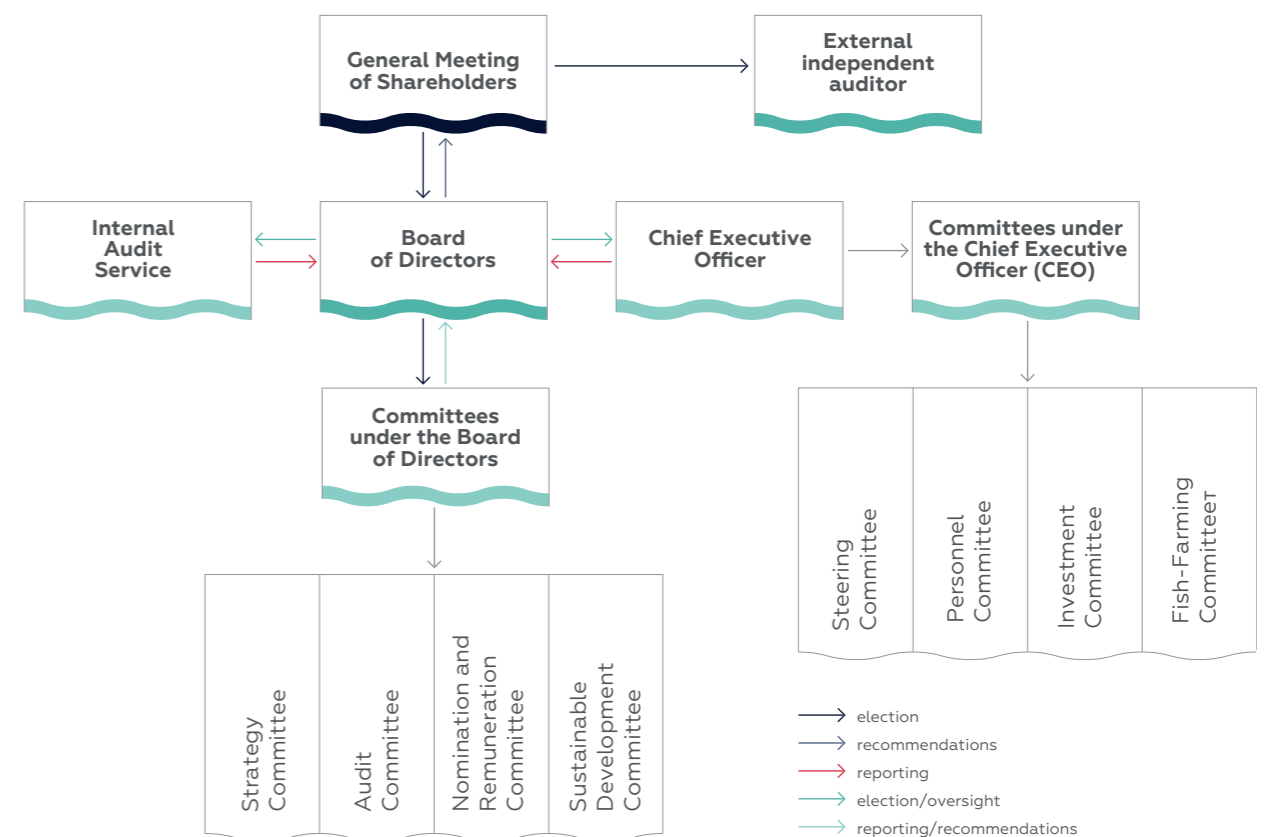
Plans for further improvements in corporate governance in the Company

The following areas are where the Company intends to continue its work in 2023:

- To further improve the quality of corporate governance
- To upgrade the risk management and internal control system
- To increase the Company's information transparency
- To integrate newly acquired assets into the INARCTICA Group's general structure and establish group management standards across them
- To develop additional corporate documents and further improve existing ones
- To engage independent consultants to conduct external assessments of the work of the Company's Board of Directors, its members and committees

Structure of corporate governance bodies

In 2022, the Company had the following structure of corporate governance bodies.



The provisions in the Company's Charter requiring the election of the Auditing Commission and governing its operations were eliminated in 2022 by decision of the General Meeting of Shareholders in line with the Federal Law on Joint Stock Companies.

General Meeting of Shareholders

The General Meeting of Shareholders is the Company's supreme governing body and decides on the most crucial matters that cannot be left to the authority of other governing bodies.



The Company's [Charter](#) contains an exhaustive list of matters that are within the purview of the General Meeting of Shareholders of the Company.



The procedure for convening and holding the General Meeting of Shareholders is regulated by the Company's Charter, [the Regulations on the General Meeting of Shareholders of the Company](#) and the Bank of Russia Regulations No. 660-P on General Meetings of Shareholders dated 16 November 2018.

Following the idea of treating all of its stakeholders equally, the Company tried to post materials for the General Meetings of Shareholders in both English and Russian in 2022.

The Company makes materials for the General Meeting of Shareholders available to shareholders at the Company's offices and, no later than 30 days before the date of the relevant meeting, publishes all necessary materials on the Company's website www.inarctica.com (previously www.russaquaaculture.ru) in the General Meetings of Shareholders section and on the Company's page on the website of the agency authorised to disclose information on the Russian securities market – Interfax LLC – Corporate Information Disclosure Centre <https://www.e-disclosure.ru/portal/company.aspx?id=17531>.

Following the adoption of Decree No. 351¹ dated 12 March 2022 by the Government of the Russian Federation, which allowed securities issuers to restrict or refuse public disclosure of information to be disclosed in accordance with the requirements of federal laws² due to the risk of restrictive measures against issuers or members of their governing bodies, the Company made limited public disclosure of information during the reporting period. The Company did not, however, deny shareholders access to documents containing non-disclosed information when they sought it.

The Company set up a dedicated email address, corporate@inarctica.com, to which shareholders can send a scanned copy of the corresponding signed statement and confidentiality agreement³ if they wish to review the Company's documents. Shareholders can also use this email address to send their questions and suggestions to the Company's CEO, Chair and other members of the Board of Directors.

The Company did not violate any shareholders' rights during the reporting period, and no corresponding administrative action was taken against it.



In 2022, the Company approved [the Shareholder Relations Policy](#), which sets out the objectives and principles of shareholder relations, the mechanisms of such relationships and the Company's obligations to respect the legitimate rights and interests of its shareholders.

Results of the General Meeting of Shareholders held in 2022

In the reporting year, the Company held five General Meetings of Shareholders, of which one was held in the form of joint presence of shareholders and four – in the form of absentee voting.

A total of
21 items
were considered by the General Meeting of Shareholders in 2022



The following decisions were taken at the extraordinary General Meeting of Shareholders held on 20 January 2022.

- To approve interested-party transaction No. 086401/21 dated 8 December 2021 between Moscow Credit Bank PJSC (Lender) and Russian Aquaculture PJSC (Guarantor) to secure the obligations of RM – Aquaculture LLC (Borrower) under Loan Agreement No. 0864/21 dated 8 December 2021.
- To approve Atlas Audit Limited Liability Company (Atlas Audit LLC) (OGRN 5147746074251) as the Company's auditor responsible for auditing the Company's 2021 financial statements prepared under Russian Accounting Standards (RAS).
- To approve the new version of the Regulations on the Board of Directors of the Company.

The following decisions were taken at the annual General Meeting of Shareholders held on 23 June 2022.

- To approve the Annual Report of the Company for 2021.
- To approve the annual accounting (financial) statements of the Company for 2021.
- Not to distribute profits earned by the Company at the end of 2021. No dividend to be paid.
- To approve Amendment No. 4 to the Charter of the Company.
- To determine the number of Board members of the Company – eight persons.
- To elect the following persons to the Board of Directors of the Company:
 - Sayyora Ayupova
 - Anna Vasilenko
 - Dmitry Vasilkov
 - Arne Geirulv
 - Roman Kascheyev
 - Andrey Marchenko

- Vladislav Pogulyayev
 - Ekaterina Chernova;
- To approve the sums paid to the Company's Board members as compensation for their service on the Board of Directors.
 - To approve Atlas Audit LLC (OGRN 5147746074251) as the Company's auditor to audit the Company's RAS financial statements for 2022. To approve Joint Stock Company Business Solutions and Technologies (BST JSC) (OGRN 1027700425444) as the auditor responsible for the audit of the Company's 2022 consolidated financial statements prepared under the International Financial Reporting Standards (IFRS).
 - To approve the new version of the Regulations on Remuneration and Compensation for Members of the Board of Directors of the Company.

No decisions were taken by the General Meeting of Shareholders on the following issues:

- On the election of the members of the Auditing Commission of Russian Aquaculture PJSC
- On approval of the sums paid to members of the Auditing Commission of Russian Aquaculture PJSC for serving on the Auditing Commission

The following decisions on the agenda items were taken at the extraordinary General Meeting of Shareholders held on 30 June 2022.

- To distribute the Company's profit for the three months of 2022 as follows:
 - To pay a dividend of RUB 8.00 per ordinary share in cash
 - To recommend that the record date (on which the persons eligible to receive dividends are determined) be 11 July 2022

¹ Decree No. 351 of the Government of the Russian Federation dated 12 March 2022 on Peculiarities of Disclosure and Provision of Information to be Disclosed and Provided in accordance with the requirements of the Federal Law on Joint Stock Companies and the Federal Law on Securities Market, and peculiarities of insider information disclosure in accordance with the requirements of the Federal Law on Combating Insider Information Misuse and Market Manipulation and on Amending Certain Legislative Acts of the Russian Federation.

² Federal Law No. 208-FZ dated 26 December 1995 (as amended on 7 October 2022 and as amended on 19 December 2022) On Joint Stock Companies and Federal Law No. 39-FZ dated 22 April 1996 (as amended on 20 October 2022 and as amended on 19 December 2022) On the Securities Market.

³ Document forms are available on the Company's official website in the Shareholder Contacts section: <https://inarctica.com/investors/contacts-shareholders/>.

- To pay out dividends to shareholders in compliance with the timelines and procedures provided by the applicable Russian Federation laws
 - To leave the remainder of the Company's profits at the Company's disposal
2. To approve the new version of the Company's Charter.

The following decisions were taken at the extraordinary General Meeting of Shareholders held on 31 August 2022.

1. To distribute the Company's profit for the first half of 2022 as follows:
 - To pay a dividend of RUB 15.00 per ordinary share in cash
 - To recommend that the record date (on which the persons eligible to receive dividends are determined) be 11 September 2022
 - To pay out dividends to shareholders in compliance with the timelines and procedures provided by the applicable Russian Federation laws
 - To leave the remainder of the Company's profits at the Company's disposal
2. To approve interested-party transaction No. 013501/22 dated 25 April 2022 between Moscow Credit Bank PJSC (Lender) and Russian Aquaculture PJSC (Guarantor) to secure the obligations of RM – Aquaculture LLC (Borrower) under Loan Agreement No. 0135/22 dated 25 April 2022.
3. To approve the new version of the Company's Charter.
4. To approve the new version of the Regulations on the General Meeting of Shareholders of the Company.

The extraordinary General Meeting of Shareholders held on 7 December 2022 decided to distribute the Company's profit for the first nine months of 2022 as follows:

- To pay a dividend of RUB 15.00 per ordinary share in cash
- To recommend that the record date (on which the persons eligible to receive dividends are determined) be 18 December 2022
- To pay out dividends to shareholders in compliance with the timelines and procedures provided by the applicable Russian Federation laws
- To leave the remainder of the Company's profits at the Company's disposal

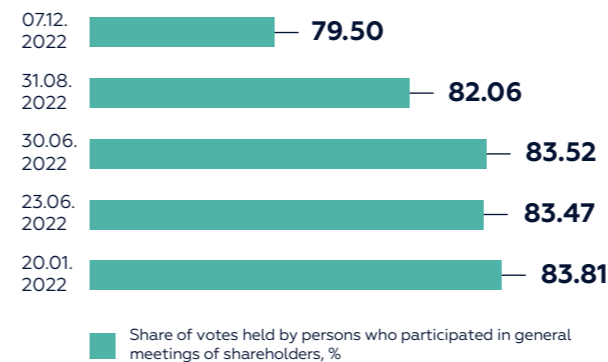


As of 2022, the Company offered its shareholders the possibility to fill in an electronic ballot form for voting at the General Meeting of Shareholders in [the Shareholder personal account on the website of the Company's registrar – IRC-R.O.S.T. JSC.](#)

This mechanism greatly improved the participation of minority shareholders in the Company's general meetings.

The average number of votes cast by shareholders attending the Company's General Meeting of Shareholders in 2022 was **82.47%**, slightly lower than in 2021 due to the absence of the will expressed by non-resident shareholders who had been actively voting in previous periods.

Quorum at general meetings of shareholders in 2022



Except for cumulative voting on the election of the Company's Board members, voting at the General Meeting of Shareholders is done in line with the rule of 'one voting share - one vote'¹.

All decisions at the General Meeting of Shareholders are made by a majority vote of the holders of the Company's voting shares attending the meeting. Clause 5.17 of the Company's Charter defines the matters to be decided by a qualified majority voting. These include:

- Amending the Company's Charter or approving a new version of the Charter
- Acquiring outstanding shares by the Company in cases provided for by law
- Determining the number, par value, category (type) of authorised shares and the rights conferred by these shares
- Making decisions on the consent or subsequent approval of major transactions in cases provided for by law
- Deciding to apply for delisting of the Company's shares and/or equity-linked shares, bonds and options of the Company
- Restructuring the Company
- Winding up the Company, appointing a winding-up board and approving the interim and final liquidation balance sheets

Like in previous meetings, shareholders strongly supported the decisions made on each item on the agenda at the 2022 general meetings of shareholders. The range of votes cast in favour of the items put to a vote was 89.68 to 100%.

The Company's independent registrar, Joint Stock Company Independent Registrar Company – R.O.S.T. (IRC-R.O.S.T. JSC), handles the duties of the tabulation commission at the General Meeting of Shareholders.

More information on the results of the votes and decisions taken at the general meeting of shareholders during the reporting year can be found on the Company's website².



¹ The Company adheres to the principles set out in the Bank of Russia's Corporate Governance Code, recognises the best international corporate governance practices and does not allow voting of quasi-treasury shares at general meetings of shareholders.

² www.inarctica.com.

Board of Directors

Within the bounds of its authority as outlined in the Company's Charter and the laws of the Russian Federation, the Board of Directors offers general strategic guidance to the Company on behalf of and in the interests of all of its shareholders.



The procedure for the formation of the Board of Directors and convocation and holding of its meetings is determined by the Charter and [the Regulations on the Board of Directors of INARCTICA PJSC](#).

The Board of Directors' actions are governed by the binding decisions made by the General Meeting of Shareholders of the Company.

The Board performs its duties with reason and justice, keeping in mind the interests of the Company, each and every shareholder, as well as other stakeholders like the Company's employees, lenders, and counterparties. The Board of Directors takes decisions with consideration of their possible impact on the environment and society.

The Board of Directors applies the following guiding principles:

- Making decisions based on reliable information about the Company's operations
- Safeguarding shareholders' rights to the Company management, dividends, and full and accurate information about the Company
- Balancing the interests of various shareholder groups and reaching the most objective decisions for the benefit of all Company shareholders
- Going concern of the Board of Directors
- Succession of the Board of Directors

Composition of the Board of Directors

Procedure for electing the Board members and removing them from office

In accordance with the Company's Charter, the composition of the Board of Directors is determined by the General Meeting of Shareholders of the Company to consist of at least seven members. Shareholders seek to nominate candidates and form the Board of Directors in such a way that at least half of its members are independent.

The Nomination and Remuneration Committee of the Board of Directors assesses the compliance of the Company's Board members¹ with the independence criteria.

Members of the Board of Directors are elected at the Company's annual General Meeting of Shareholders for a term until the next annual General Meeting. The General Meeting of Shareholders is entitled to terminate the powers of the Board of Directors early and elect a new Board of Directors.

As of 31 December 2022, the Board of Directors had

8 members²

Requirements for nominees to the Board of Directors

The Company's Regulations on the Board of Directors set out the requirements for nominees to the Board of Directors.

Any natural person who satisfies the qualifications below is eligible to serve on the Board of Directors of the Company:

- Aged over 30 years
- Minimum of three years' management experience
- No criminal record for economic crimes
- Not prohibition of holding a management position
- Membership in no more than five boards of directors of companies other than INARCTICA

Nomination to the Board of Directors is compliant with the legislation of the Russian Federation, the Charter, and other internal documents of the Company.

The Company reviews and evaluates nominees to the Board of Directors regardless of their age, gender, race, nationality, ethnicity, marital status, religious belief, language, political position, sexual orientation, pregnancy, maternity, paternity or disability. The Company strives to guarantee that at least one-third of the Board of Directors is made up of women in order to promote gender diversity on the Board.

Maksim Vorobyov stepped down from the Board of Directors in March 2022. In December 2022, Arne Geirulv submitted a statement of withdrawal from the Company's Board of Directors. The remaining Board members continued to serve on the Company's Board of Directors.

Onboarding of newly elected members of the Board of Directors

INARCTICA PJSC takes care to ensure that new members of the Board of Directors quickly adapt to and fully immerse in the Company's operations.

Each newly elected Board member undergoes an onboarding procedure, which includes familiarisation with the work of the Board of Directors and its committees, the Company and its management team, operational, financial and economic activities of the Company, business model, current situation, development prospects, and corporate governance practices in the Company.

The Company provides all newly elected members of the Board of Directors with an induction kit: the Company's Charter, the Regulations on the Governing Bodies, the Regulations on Information Policy, the Company's long-term and short-term strategy, annual reports for the last three years, information materials on the basics of Atlantic salmon, trout, mussels and algae aquaculture and videos on the Company's operations.

For the newly elected members of the Board of Directors, the Company's management organises field trips to the Murmansk Region to visit the fish processing plant's cage complexes and other fish-farming infrastructure to learn more about the Company's Atlantic salmon and sea trout farming operations.

Additionally, an electronic document management system has been set up so that the Board of Directors' members can review meeting materials and previous meeting minutes, participate in absentee voting on agenda items, ask questions, and leave dissenting opinions. This allows for better coordination and prompt communication between the Company's management and Board of Directors members.

¹ The criteria for qualifying the independence of members of the Board of Directors (Supervisory Board) are defined in Annex No. 4 to the Listing Rules of the Moscow Exchange (approved by the Supervisory Board of the Moscow Exchange on 26 January 2023, Minutes No. 14).

² Arne Geirulv, a Board member of the Company, submitted a letter of resignation to the Company on 14 December 2022.



Composition of the Board of Directors¹



Ekaterina Chernova

Chair of the Board of Directors
Chair of the Sustainable Development Committee of the Board of Directors
Member of the Audit Committee of the Board of Directors

Year of birth: 1980
Citizenship: Russian citizen

Date of first election to the Company's Board of Directors: 13 January 2016

Education: Ekaterina Chernova graduated from Finance Academy under the Government of the Russian Federation, World Economics (Economist). She also was a student of Harvard Business School (General Management Program) in 2012, has an ACCA Diploma, and is a member of the Independent Directors Association.

Professional background: from 2015 to 2018, she served as CFO of CFC Management LLC, and since 2018 she has been CEO of CFC Management LLC; since 2022, she has been the founder and CEO of CFC Global FZCO.

Ekaterina Chernova worked for an industrial holding company Access Industries and for an international audit firm PricewaterhouseCoopers.

As of the reporting date, she held 10,940 ordinary shares of INARCTICA PJSC and no interest in share capitals of its controlled entities. She sold 1,150 shares of the Company in January 2022, reducing its shareholding to 0.0124%.

No administrative and/or criminal records for crimes involving money, taxes, levies, or the securities market.

Competencies: Ekaterina Chernova has been running an investment company for six years and serving as a financial expert in direct and venture investments in Russia for over 15 years.

She is competent to handle strategic and business solutions in joint-stock holding companies, including M&A, restructuring, transformation, corporate governance, change management and HR strategies, crisis management, and has excellent leadership and communication skills.

¹ The information is as at 31 December 2022.



**Sayyora
Ayupova**

Independent member of the Board of Directors
Chair of the Strategy Committee
of the Board of Directors

Member of the Nomination and Remuneration
Committee of the Board of Directors

Year of birth: 1980
Citizenship: Uzbekistan

**Date of first election to the Company's Board
of Directors:** 30 June 2021

Education: Sayyora Ayupova graduated from Tashkent State University of Oriental Studies, Economics and Regional Studies. She is a certified IoD Chartered Director (Institute of Directors, UK). In 2020–2021, she was a student at INSEAD (Building Digital Partnerships and Ecosystems; Strategy in the Age of Digital Disruption; FinTech).

Professional background: from 1997 to 2015, Ms Ayupova held various positions in Procter&Gamble, Turkey, Central Asia, and Caucasus (2012–2015, CEO of Procter&Gamble, Central Asia); from 2015 to 2016, she was a CEO of Coca-Cola Hellenic BC, Armenia, and from 2016 to 2018 served as a sales director in Coca-Cola Hellenic BC, Russia. From 2019 to 2022, she sat on the Board of Directors of Alfa-Bank Kazakhstan as an independent director, and since 2022, she has been a director at Kompass Directors (Uzbekistan).

As at the reporting date, she did not hold any shares in the Company or interest in the share capitals of its controlled entities, and did not enter into any transactions with the securities (shares) of these companies.

No administrative and/or criminal records for crimes involving money, taxes, levies, or the securities market.

Competencies: Sayyora Ayupova has development and management competence in strategic business planning, business transformation and digitalisation, marketing brand building, organisational restructuring, and business models.



**Anna
Vasilenko**

Independent member of the Board of Directors
Chair of the Nomination and Remuneration
Committee of the Board of Directors

Member of the Sustainable Development
Committee of the Board of Directors

Year of birth: 1973
Citizenship: Russian citizen

**Date of first election to the Company's Board
of Directors:** 30 June 2021

Education: Anna Vasilenko graduated from Lomonosov Moscow State University, Economics; Skolkovo School of Management. She is a certified IoD Chartered Director (Institute of Directors, UK).

Professional background: from 2014 to 2020, Ms Vasilenko held managerial positions in key account and issuer engagement at Moscow Exchange PJSC; since 2021, she has been a head of EM, an international financial, corporate and digital communications agency for emerging markets. Since June 2021, she has been a member of the Board of Directors of United Company Rusal as an independent director.

As at the reporting date, she did not hold any shares in the Company or interest in the share capitals of its controlled entities, and did not enter into any transactions with the securities (shares) of these companies.

No administrative and/or criminal records for crimes involving money, taxes, levies, or the securities market.

Competencies: Ms Vasilenko is competent in finance, corporate governance, strategy, PR and IR, and HR management.



**Dmitry
Vasilkov**

Independent member of the Board of Directors
Member of the Strategy Committee
of the Board of Directors

Year of birth: 1981
Citizenship: Russian citizen

**Date of first election to the Company's Board
of Directors:** 30 June 2021

Education: Dmitry Vasilkov received his master's degree from Moscow State Institute of International Relations (University) of the Ministry of Foreign Affairs of the Russian Federation (MGIMO University), the World Economy Department.

Professional background: he has been a CEO of EcoCapital LLC and Engaging Audience LLC since 2017. Since 2022, Mr Vasilkov has been a CEO of QuScape (Quantum Systems LLC). He is the developer of corporate communications software WhenSpeak, co-founder of UNIX LLC and founder of Pompeii Art Group LLC.

As at the reporting date, he did not hold any shares in the Company or interest in the share capitals of its controlled entities, and did not enter into any transactions with the securities (shares) of these companies.

No administrative and/or criminal records for crimes involving money, taxes, levies, or the securities market.

Competencies: Mr Vasilkov is competent in set-up and management of FMCG¹ companies, business management strategy, production digitalisation (simulation modelling, optimisation, and quantitative production, business and finance), IT products development and implementation.



**Arne
Geirulv²**

Non-executive member
of the Board of Directors

Year of birth: 1959
Citizenship: Norwegian citizen

**Date of first election to the Company's Board
of Directors:** 30 June 2016

Education: Arne Geirulv graduated from University of Bergen, Aquaculture Biology (Candidatus magisterii).

Professional background: He has been a CEO of Aquaculture & Environmental Consulting AS since 2012 and chaired the boards of directors at Øyralaks AS, Villa Smolt AS, Oldenselskapene AS, and Olden Oppdrettsanlegg AS since 2018.

As at the reporting date, he did not hold any shares in the Company or interest in the share capitals of its controlled entities, and did not enter into any transactions with the securities (shares) of these companies.

No administrative and/or criminal records for crimes involving money, taxes, levies, or the securities market.

Competencies: Mr Geirulv is highly skilled in strategy and finance, has over 30 years of experience in aquaculture, is a world-renowned specialist in Norwegian salmon aquaculture.

¹ Fast-Moving Consumer Goods.

² Stepped down from the Board of Directors on 15 December 2022.



**Roman
Kashcheyev**

Independent member of the Board of Directors

Member of the Audit Committee
of the Board of Directors

Year of birth: 1977

Citizenship: Russian citizen

**Date of first election to the Company's Board
of Directors:** 30 June 2021

Education: He holds a Master in Economics from Lomonosov Moscow State University (MSU) and ICA International Diploma in Governance, Risk and Compliance.

Professional background: From 2000 to 2005, he was a project manager in management consulting, including IBM Consulting and IBS. He designed the Shareholder Value Management course and held it in MSU and RANEPa. From 2005 to 2017, Mr Kashcheyev held various positions in corporate governance and compliance at RUSAL Group, and from 2009 to 2017, he was a member of the Supervisory Board of RUSAL Global Management B.V. From 2017 to 2019, he was a director for international corporate governance and compliance at En+ Group, and from 2018 to 2019 – aboard member of En+ Holding Limited. Since 2019, Mr Kashcheyev has been a compliance director at Ingosstrakh IPJSC.

As at the reporting date, he did not hold any shares in the Company or interest in the share capitals of its controlled entities, and did not enter into any transactions with the securities (shares) of these companies.

No administrative and/or criminal records for crimes involving money, taxes, levies, or the securities market.

Competencies: Roman Kashcheyev has extensive experience in building corporate governance systems in large public companies and is competent in IT and risk management.



**Vladislav
Pogulyayev**

Independent member of the Board of Directors

Chair of the Audit Committee
of the Board of Directors

Member of the Nomination and Remuneration
Committee of the Board of Directors

Year of birth: 1978

Citizenship: Russian citizen

**Date of first election to the Company's Board
of Directors:** 30 June 2021

Education: Vladislav Pogulyayev graduated from Lomonosov Moscow State University (MSU), Economics. He holds an Executive MBA from the Skolkovo School of Management in Moscow, a PhD in Economics, a unified auditor qualification certificate, and a Certified Public Accountant (CPA) degree in the USA.

Professional background: Mr Pogulyayev has been a CEO of Unicon JSC since 2014, and a CEO of Unicon Financial Consulting LLC since 2015. With over 20 years of professional management experience, he held executive positions in international audit companies and real economy business.

As at the reporting date, he did not hold any shares in the Company or interest in the share capitals of its controlled entities, and did not enter into any transactions with the securities (shares) of these companies.

No administrative and/or criminal records for crimes involving money, taxes, levies, or the securities market.

Competencies: Vladislav Pogulyayev has expertise in audit and finance, risk management, assessment, capital transaction support, and strategic management.



**Andrey
Marchenko**

Independent member of the Board of Directors

Member of the Sustainable Development
Committee of the Board of Directors

Year of birth: 1982

Citizenship: Russian citizen.

**Date of first election to the Company's Board
of Directors:** 29 December 2020

Education: Andrey Marchenko graduated from Moscow State Open University named after Viktor S. Chernomyrdin and Lomonosov Moscow State University, Public Administration. He holds a PhD in Economics, and is a professional securities market participant (FFMS certificate, series 1.0).

Professional background: Professional background: from 2011 to 2020, he was an executive director at United Capital Partners Advisory LLC, and from 2015 to 2020 – a CEO of Northern Investments LLC. From 2016 to 2022, Mr Marchenko is a member of the strategy and investments committee of the board of directors of Inter RAO PJSC. From 2019 to 2021, he was a member of the boards of directors of Geosplit Holding LLC, Cryogas M&T Poland S.A., Cryogas JSC,

and Polus-Kholoda LLC. Since 2020, he has been a partner of an investment group Sinai Capital. Since 2022, he has been an independent member of the Board of Directors of Rosseti Centre and Volga Region PJSC. Mr Marchenko is an expert of the ASI3 working group for monitoring the action plan (roadmap) for Corporate Governance Improvement, as well as of the Moscow Exchange working group for improving dividend policies of Russian companies.

As at the reporting date, he did not hold any shares in the Company or interest in the share capitals of its controlled entities, and did not enter into any transactions with the securities (shares) of these companies.

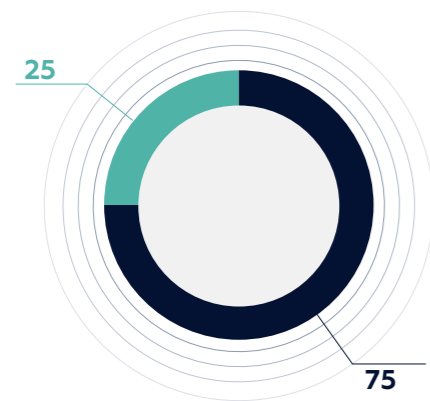
No administrative and/or criminal records for crimes involving money, taxes, levies, or the securities market.

Competencies: Mr Marchenko has in-depth knowledge and significant experience in public markets, corporate finance and sustainable strategy.



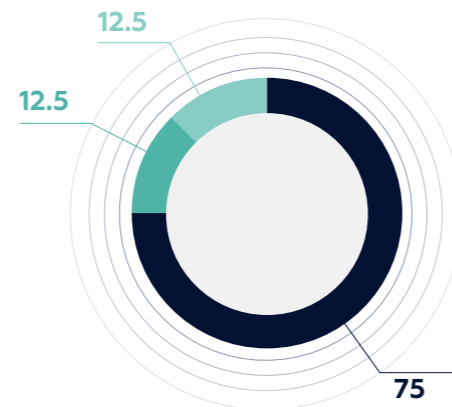
Diversification of the Board of Directors

Length of service on the Board of Directors, %



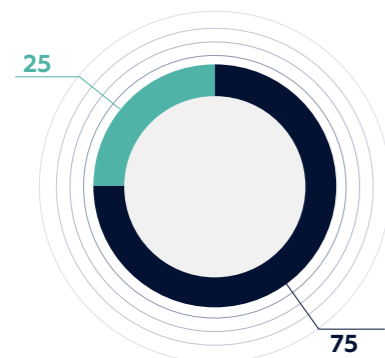
Over 5 years 1 to 3 years

Age, %



46 to 50 over 50 40 to 45

Status of Board members, %

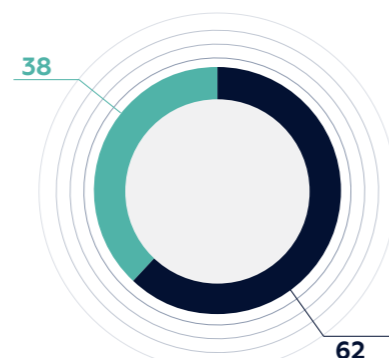


Non-executive Independent

At the time this Annual Report was written, the average tenure of Board of Directors members was three years, due to the Board of Directors' renewal by two-thirds in 2021.

The bulk of the Company's Board members are independent directors. The Nomination and Remuneration Committee of the Board of Directors assessed the independence of the Board members. Five members of the Board of Directors fully satisfy the independence criteria, according to the assessment's findings, and one member of the Board of Directors was recognised as independent at the meeting of the Company's Board of Directors.

Gender composition of the Board of Directors, %



Women Men

As part of INARCTICA's Corporate Governance Compliance Report, the Company submits quarterly compliance questionnaires to the Moscow Exchange in order to preserve its position in the second quotation list.

The average age of Board members is 46. The Board of Directors' members possess all the skills and knowledge required for the Company's successful strategic management.

The percentage of female Board members is 37% (3 out of 8), which is significantly higher than the average for all boards worldwide and demonstrates the Company's commitment to gender equality and diversity in line with current global trends and the ideals of sustainable development.

Matrix of competences of Board members:

Full name of Board member	Strategy	Finance /Audit	Corporate governance	Information technology (IT)	Industry specialisation	Human resources management	Risk management	M&A	IR/GR
S. Ayupova	●			●		●			
A. Vasilenko	●	●	●			●			●
D. Vasilkov	●			●					
A. Geirulv	●	●			●				
R. Kascheyev		●	●	●			●		
A. Marchenko	●	●							●
V. Pogulyayev	●	●					●	●	
E. Chernova	●	●	●			●	●	●	●

Chair of the Board of Directors

The Chair of the Board of Directors of the Company oversees the effective coordination of the Board of Directors' activities and its communication with other governing and control bodies of the Company.

At the first meeting of the newly elected Board, the Board members elect the Chair from among themselves by a majority vote of the total number of Board members. Members of the Board of Directors may re-elect the Chair of the Board of Directors at any time.

The Chair position cannot be filled by a Board member who also serves as the Company's sole executive body.

The Corporate Governance Code recommends that the Chair of the Company's Board of Directors be an independent Board member.

On 16 March 2022, Ekaterina Chernova was elected Chair of the Board of Directors of INARCTICA PJSC, for the first time in the Company's history. Although Ms Chernova is not an independent member of the Company's Board of Directors, she has served on the Board for more than six years and contributes to its efficient operation and the use of best practices in corporate governance. Ekaterina Chernova encourages open debate and the active participation of the Board members during meetings. The Board members were quite pleased with the work Ms Chernova did as Chair in 2022.

Senior Independent Director

The independent Board members have the right to choose a Senior Independent Director from among themselves if the Company's Board Chair does not meet the independence criteria.

Duties of the Senior Independent Director:

- To be a Board advisor who assists the Chair of the Board in establishing an effective operation framework and sustaining communication between the Board and the Company's shareholders
- To make sure that the Board's lines of communication with its shareholders and with one another are functional
- To facilitate communication between independent Board members, including planning and presiding over independent directors' meetings
- To aid in the settlement of disputes involving independent Board members
- To arrange for an assessment of the performance of the Chair of the Company's Board of Directors by independent Board members

The Company did not elect a Senior Independent Director in 2022. The option of electing a Senior Independent Director was communicated to the independent members of the Board of Directors; however, the Company did not receive any nominations for such a position.

Conflict of interest of Board members

The Company’s Regulations on the Board of Directors include guidelines on how Board members should behave in the case of a conflict of interest.

The Board of Directors’ responsibility is to inform the Company of the following as quickly as possible:

- Holding (direct and/or indirect) of the Company’s securities by them and their spouses, parents, children, full-blooded and half-siblings, adoptive parents and adoptees, as well as the acquisition and/or disposal of the Company’s securities on any grounds
- Shareholding of other legal entities by them or their spouses, parents, children, full-blooded and half-siblings, adoptive parents and adoptees, if the percentage of such shareholding is at least 20%

A member of the Board of Directors must refrain from any actions that will or may lead to a conflict between his/her interests and those of the Company (including where the Company is an interested party).

Any member of the Board of Directors who has a conflict of interest during the consideration of a matter must abstain from both participating in the discussion of that matter at the meeting and from voting on it.

In order to discover any potential conflicts of interest, the Corporate Secretary of the Company additionally asks the Board members quarterly for information about their shareholdings in other businesses or about their participation in governing bodies of such businesses.

In 2022, two issues were put to a vote of the Board of Directors, and the Board members who were interested in the outcome abstained from voting on these issues.

There were no interested-party transactions by members of the Board of Directors during the reporting period.



The Regulations on Payment of Remuneration and Compensation to Members of the Board of Directors of the Company (hence also referred to as the Regulations) govern the process for such payment.

The Regulations provide for monthly remuneration for members of the Board of Directors of the Company.

According to the Regulations, Board members are not eligible for any bonuses.

Remuneration conditions

An annual base remuneration is paid to a member of the Board of Directors if he/she participated in more than 50% of the meetings of the Board of Directors (in presentia and absentia) held during the next successive pay period. A Board member has the right to opt out of payment for sitting on the Board of Directors.

Compensation and benefits for members of the Board of Directors

The Regulations set out the cases when members of the Board of Directors can be reimbursed for their expenses incurred in the exercise of their functions. Board members will can be reimbursed for the following expenses:

- Expenses incurred in travelling to and from the venue of the meeting
- Living expenses
- Expenses not related to attendance at meetings but related to the business of the Company
- Expenses associated with obtaining professional advice on matters considered at meetings of the Board of Directors

The monthly remuneration of a member of the Board of Directors is calculated by the formula:

$$MR = ABR / 12,$$

where MR is the monthly remuneration of a Board member
 ABR is the annual base remuneration of a Board member

[GRI 2–19, 2–20]

Remuneration of Board members

When electing the members of the Board of Directors, the General Meeting of Shareholders of the Company establishes the annual base remuneration for each Board member. The annual base remuneration includes remuneration for serving on both the Board of Directors and its committees.

Annual base remuneration for Board members established by the General Meeting of Shareholders for 2022:

- For independent Board members – RUB 3 million, and an additional RUB 1 million sitting on each Board committee they serve on
- For other Board members – RUB 2.5 million

A Board member elected as Chair of the Company’s Board of Directors receives an additional remuneration of RUB 2.5 million per year for serving as the Chair of the Board of Directors.

The level of remuneration paid by the Company to members of the Board of Directors is sufficient to attract, motivate and retain individuals with the necessary expertise for the Company.

Amounts payable to members of the Board of Directors in 2021 and 2022

Full name	2021		2022	
	Remuneration paid for serving on the Board of Directors, RUB '000	Reimbursement of expenses, RUB	Remuneration paid for serving on the Board of Directors, RUB '000	Reimbursement of expenses, RUB
Sayyora Ayupova	2,513.9	0	5,000.0	0
Anna Vasilenko	2,513.9	0	5,000.0	0
Dmitry Vasilkov	2,011.1	0	3,999.9	0
Maksim Vorobyov	2,499.9	0	645.0	0
Arne Geirulv	3,544.5	0	2,499.9	0
Roman Kascheyev	2,011.1	0	3,999.9	0
Andrey Marchenko	3,254.1	0	3,999.9	0
Vladislav Pogulyayev	2,513.9	0	5,000.0	0
Ekaterina Chernova	2,499.9	0	3,805.5	0



D&O insurance of Board members

Managing the Company is a complex process involving the possibility that decisions taken by the Company's governing bodies in the reasonable and good-faith performance of their duties will turn out to be wrong and have negative consequences for the Company.

Directors' and officers' liability insurance (D&O insurance) makes it possible not only to compensate the Company or third parties for losses incurred, but also to attract competent specialists to the Company's Board of Directors, who will have adequate discretion and independence in their decision-making.

The Company contracted SOGAZ JSC to insure the liability of the Board of Directors and officials at its own expense (D&O Insurance Agreement No. 22DO0016 dated 27 April 2022). The total aggregate limit of coverage is RUB 1 billion. The insurance agreement is valid from 26 April 2022 to 25 April 2023.

Business report of the Board of Directors

Work planning for the Board of Directors and Board committees

Meetings of the Board of Directors and each of Board Committees are held as needed, but at least once every four months, in accordance with the pre-approved Work Plan for the Board of Directors and Board Committees (hence also referred to as the Board Work Plan).

The Board Work Plan is developed in accordance with the Regulations on the Board of Directors of the Company.

The Work Plan of the Board of Directors for 2022 was approved at the meeting of the Board of Directors held on 13 December 2021.

Since 2023, the Board of Directors has moved to approving the Board of Directors' work plan on a semi-annual basis. The Work Plan for the first half of 2023 was approved at the meeting of the Board of Directors on 14 December 2022.

At its in-person meetings, the Board of Directors generally reviews the Group's consolidated financial results, the execution of the Group's business plan and strategy, management reports on the execution of Board instructions and the approval of major investment projects.

Voting in absentia is allowed on issues that can be decided without the joint attendance of the Board of Directors at the meeting.

Meetings of the Board of Directors

The Board of Directors held 32 meetings in 2022, four of which involved in-person attendance by Board members and the remaining 28 – absentee balloting.

During their in-person meetings, the Board of Directors heard reports from the chairpersons of the Board committees, approved the business plan for 2023 and the adjustment of the Company's strategy for 2023–2027, reviewed the management results of the Company, management reports on the completion of Board assignments and performance assessment reports of the Board, its committees and members of the Board of Directors of the Company.

The convening of general meetings of shareholders (62 items) and the approval of transactions (19 items) were the two most frequent topics discussed at the meetings.

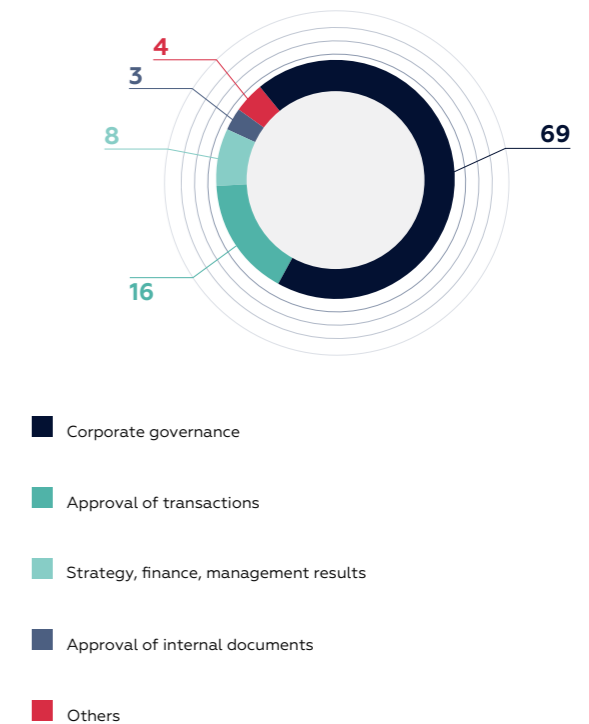
Material issues considered by the Board of Directors of the Company

In the reporting year, the Board of Directors reviewed and made decisions or recommendations/instructions to the Company's management on such material issues related to the continuity of the Company's operations in the context of sanctions risks and their possible impact on the Company's business plan, adjustment of the strategy, approval of the business plan for 2023, review of the Company's management results, and approval of investment projects.

The Board evaluated progress reports detailing management's completion of Board assignments at each meeting, and the chairpersons of Board committees presented updates on the activities of their respective committees.

Particularly significant issues were thought out in advance by the Board's dedicated committees for further clarification. Following the consideration of such issues, the committees made recommendations to the Board of Directors on how to vote at meetings.

Structure of issues reviewed by the Board of Directors in 2022, %



121 issues
reviewed at the meetings of the Board of Directors

32 meetings
held by the Board of Directors

Progress reports detailing the completion of Board assignments

The Corporate Secretary keeps a special log of all the assignments and recommendations made by the Board and its committees and keeps track of when they are completed. The Corporate Secretary reports to the Board of Directors on the progress of completing Board assignments at all meetings of the Board of Directors that are held in the form of joint attendance.

Completion of assignments given by the Board of Directors of the Company

Progress status	Assignments of the Board of Directors	Assignments of the Strategy Committee	Assignments of the Audit Committee	Assignments of the Nomination and Remuneration Committee	Assignments of the Sustainable Development Committee
Completed during 2022	16	5	5	4	10
Pending as of 31.12.2022	15	–	7	1	11
Suspended	1	–	–	–	–
Total	32	5	12	5	21

Board members' attendance at meetings of the Board of Directors and Board committees in 2022

Full name of Board member	Attendance at Board meetings		
	Total	Meetings in presentia	Meetings in absentia
FROM 01.01.2022 TO 23.06.2022			
Maksim Vorobyov	4/4 ¹	1/2	3/15
Sayyora Ayupova	17/17	2/2	15/15
Anna Vasilenko	17/17	2/2	15/15
Dmitry Vasilkov	17/17	2/2	15/15
Arne Geirulv	17/17	2/2	15/15
Roman Kascheyev	17/17	2/2	15/15
Andrey Marchenko	17/17	2/2	15/15
Vladislav Pogulyayev	17/17	2/2	15/15
Ekaterina Chernova	17/17	2/2	15/15
FROM 24.06.2022 TO 31.12.2022			
Sayyora Ayupova	14/15	2/2	12/13
Anna Vasilenko	14/15	2/2	12/13
Dmitry Vasilkov	15/15	2/2	13/13
Arne Geirulv	10/12 ²	2/2	8/10
Roman Kascheyev	15/15	2/2	13/13
Andrey Marchenko	15/15	2/2	13/13
Vladislav Pogulyayev	12/15	2/2	10/13
Ekaterina Chernova	14/15	2/2	12/13

Board Performance Assessment Report



The Board of Directors of the Company conducts an annual assessment of its performance in line with the approved [Performance Assessment Methodology for the Board of Directors, Board Committees and Board Members](#).

Findings of the self-assessment

Members of the Board of Directors rated very highly their work in shaping the Company's development strategy and overseeing its implementation, as well as the procedure for organising the work of the Board of Directors set out in its internal documents, providing information to its members and enabling the full participation of said persons in meetings, with due consideration of the key recommendations of the Corporate Governance Code.

The Board of Directors makes sure that the effectiveness of the work done by the Board of Directors, its committees and its members is assessed through a formalised procedure in accordance with the requirements of the Corporate Governance Code. The Board of Directors has the option of conducting the self-assessment of its performance or hiring a certified independent external organisation (consultant) to do so. The findings of the assessment should be reviewed at an in-person meeting of the Board of Directors.

Interaction between management and the Board of Directors of the Company

Representatives of the Company's executive bodies and structural divisions responsible for preparing materials on agenda items of the meetings, as well as for completing assignments of the Company's Board of Directors are always present at Board meetings, and members of the Board of Directors have the opportunity to ask questions arising during the discussion of materials. The level of interaction between the Company's Board of Directors, its committees and the Company's management is highly rated by the members of the Board of Directors.

The Board of Directors again assessed its annual performance¹ on its own in 2022 by filling out performance assessment checklists for the Company's Board of Directors, its Committees, and Board members. On 14 December 2022, the Board of Directors met in person to go over the results.

Board members noted that the Company's management, despite the crisis year and high workload, is open to dialogue and always provides additional information when requested, just like they did in 2021.

Board members assessed the performance of the Board of Directors as a governing body, the competencies of the Board of Directors of the Company, the procedure for forming the Board of Directors, the professional qualities of Board members, the organisation of the work of the Board of Directors, Board committees, Board meetings, the quality and scope of materials required for Board meetings, the correlation of decisions made by the Board with the Company's strategy, communications between members of the Board of Directors and the Company's management, internal control and risk management, the work of the Chair, the non-executive and independent members of the Board of Directors of the Company, and the Corporate Secretary.

Interaction between the Board of Directors and Board committees

The interaction of the Company's Board of Directors with its committees is conducive to the high-quality and productive operation of the Board of Directors. With the expert evaluation given by the committees of the Board of Directors of the Company, their opinions and recommendations on the issues within their purview, the issues under consideration can receive a more detailed elaboration.



¹ Stepped down from the Board of Directors on 15 March 2022.
² Stepped down from the Board of Directors on 15 December 2022.

¹ The self-assessment of the performance of the Board of Directors, its Committees and the members of the Board of Directors was carried out between 14 November 2022 and 6 December 2022.

Based on a review of the Board of Directors' and its committees' meeting minutes, it can be concluded that during the reporting period, the Board followed the committees' recommendations in making decisions.

Based on the findings of the self-assessment, Board members offered their recommendations on what else could be done to improve the work of the Board Committees.

In 2022, there were three Strategy Committee meetings, six Audit Committee meetings, six Nomination and Remuneration Committee meetings and four Sustainable Development Committee meetings.

Comparatively, in 2021 there were two Strategy Committee meetings, six Audit Committee meetings, six Nomination and Remuneration Committee meetings and two Sustainable Development Committee meetings.

Members of the Board gave the Company's committees a higher rating for their performance in 2022 than they did in 2021.



4.81

out of a possible 5 points

The performance of the Audit Committee of the Company's Board of Directors is rated by members of the Board of Directors (4.33 in 2021).



4.25

out of a possible 5 points

The performance of the Strategy Committee of the Company's Board of Directors is rated by members of the Board of Directors (4.25 in 2021).



4.38

out of a possible 5 points

The performance of the Nomination and Remuneration Committee of the Company's Board of Directors is rated by members of the Board of Directors (4.37 in 2021).



4.71

out of a possible 5 points

The performance of the Sustainable Development Committee of the Company's Board of Directors is rated (4.46 in 2021).

Results of self-assessments conducted in 2020–2022 (average scores)

Assessment criterion	2020	2021	2022
Score of the Board of Directors	4.45	4.60	4.61
Score of the Chair of the Board of Directors	4.60	4.81	4.96
Score of Board members	4.18	4.64	4.64
Score of the professional attributes of members of the Board of Directors	4.43	4.78	4.66
Committees under the Board of Directors	4.14	4.35	4.54
Performance of the Corporate Secretary	4.67	5.00	4.92

Assessment of the Corporate Secretary's performance

Performance assessment of the Company's Corporate Secretary is as part of the annual performance assessment procedure for the Board of Directors, its Committees and members of the Board of Directors.

The Corporate Secretary's performance was rated by members of the Board of Directors at 4.92 out of a possible 5 points (in 2021, the score was 5 out of 5).

Total performance score of the Board of Directors

According to a questionnaire survey conducted among members of the Company's Board of Directors, the average score for all assessed parameters¹ was 4.62 out of a possible 5, which is a high score for the Board of Directors, its committees and members of the Board of Directors (in 2021, the average score for all assessed criteria was 4.65 out of 5).

The Company is thinking of having an outside organisation assess the Company's Board of Directors in 2023.



4.92

out of a possible 5 points

Performance evaluation of the Corporate Secretary in 2022



4.62

out of a possible 5 points

Overall score of the Board performance evaluation in 2022

¹ Including a performance evaluation of the of each Board member, which is not specified in this Report.

Committees under the Board of Directors

In 2022, there were four committees formed under the Company's Board of Directors:



Audit Committee



Strategy Committee



Nomination and Remuneration Committee



Sustainable Development Committee

To improve the effectiveness of interaction with the Company's officials, to prepare in advance and discuss issues considered by the Board of Directors more promptly and in more details, as well as to monitor the implementation of decisions made, the Board of Directors establishes standing committees. The Board of Directors has the authority to establish and dissolve committees of the Board of Directors, to decide the number and makeup of committees, to appoint and remove committee chairpersons, and to approve committee regulations.

The Board of Directors' committees serve as advising bodies, and the Board of Directors may or may not rely on their recommendations when making decisions.

The Board of Directors strives to form committees in line with the recommendations of the Corporate Governance Code of the Bank of Russia and the requirements of the Listing Rules of the Moscow Exchange.

According to the Company's corporate governance guidelines, adherence to which is a requirement for including and keeping shares in the second tier of the securities quotation list established by the Listing Rules of the Moscow Exchange, the Audit Committee and the Nomination and Remuneration Committee of the Board of Directors of the Company should consist of independent directors, and, if for some objective reason, this is not possible, the majority of the Committee should be made up of independent Board members.

The Audit Committee consists of two independent directors, V. Pogulyaev and R. Kascheyev, as well as the Chair of the Board of Directors, E. Chernova. Although E. Chernova's membership on the Audit Committee prevents it from being entirely made up of independent directors, her expertise in audit and finance, education in economics and management, ACCA diploma, and more than fifteen years of experience as a financial expert in Russia's private equity and venture capital industries enable her to carry out the duties outlined in the Regulations on the Audit Committee effectively. The Board of Directors therefore believes that the composition of the Audit Committee strikes a balance between the members' independence, professional experience, and financial and auditing skills.

The Nomination and Remuneration Committee of the Company's Board of Directors is made up entirely of independent Board members. The Committee is chaired by A. Vasilenko who possesses all the necessary HR management skills as well as a wealth of experience working for businesses across a variety of industries.

Attendance of Board members at Committee meetings

Full name of Board member	Attendance at Board committee meetings			
	Audit Committee	Strategy Committee	Nomination and Remuneration Committee	Sustainable Development Committee
FROM 01.01.2022 TO 23.06.2022				
Maksim Vorobyov	-	-	-	-
Sayyora Ayupova	-	1/1	2/2	-
Anna Vasilenko	-	-	2/2	2/2
Dmitry Vasilkov	-	1/1	-	-
Arne Geirulv	-	1/1	-	-
Roman Kascheyev	3/3	-	-	-
Andrey Marchenko	-	-	-	2/2
Vladislav Pogulyayev	3/3	-	2/2	-
Ekaterina Chernova	3/3	-	-	2/2
FROM 24.06.2022 TO 31.12.2022				
Sayyora Ayupova	-	2/2	4/4	-
Anna Vasilenko	-	-	4/4	2/2
Dmitry Vasilkov	-	2/2	-	-
Arne Geirulv	-	2/2	-	-
Roman Kascheyev	3/3	-	-	-
Andrey Marchenko	-	-	-	2/2
Vladislav Pogulyayev	3/3	-	4/4	-
Ekaterina Chernova	3/3	-	-	2/2



Audit Committee of the Board of Directors



Report of the Chair of the Audit Committee on the work performed by the Committee in 2022

Vladislav Pogulyayev

In 2022, the Audit Committee held six meetings, five of which were in the form of joint attendance. All Committee members attended the meetings and invited other Board members to join the meetings.

The Audit Committee paid close attention to review the completeness of the Company's risk map, the relevance of the Risk Management Policy and the quality of the risk management process carried out by the Company's management. Risk management issues were addressed at almost all Committee meetings.

The year 2022 was replete with the risks that were previously thought to be unlikely to occur, and management confirmed the high quality of the risk management process, the deep understanding of risk management concepts and methodologies, and the real and full application of the risk management policy in all key internal processes aimed to ensure the stability of the Company's operations.

The Audit Committee interviewed all major risk owners, checked that the Company's risk map was up-to-date, and through conversation with risk owners confirmed that each of them is duly complied with the Company's Risk Management Policy.

Before the Company's Board of Directors approved the 2023 business plan in 2022, the Audit Committee members gave it a thorough evaluation.

While reviewing the draft business plan, Committee members received reassurances regarding the high quality of the planning

process, both in terms of the accuracy and traceability of all the numerical indicators in the plan and the fact that the plan takes into account all pertinent information for all of the Board's focus areas, including strategy, the new construction segment, sustainability plans, risk management programmes, and other significant aspects.

The Audit Committee observes that all management representatives and line managers of the Company are heavily and genuinely invested in the planning and review process, which gives the Board assurance that the Company's 2023 business plan is pertinent, comprehensive, and represents a high-quality outlook.

The Audit Committee regularly examines the accuracy and reliability of the Company's consolidated financial statements.

The Audit Committee held three meetings to review the reliability of the Company's annual and interim consolidated financial statements and to meet with the Company's auditors.

The Audit Committee believes that the Company's consolidated financial statements are accurate because every conversation with the auditors went as expected and all significant issues of the audit were covered.

The Audit Committee considered the auditor nominations for the 2022 reporting year within its remit and made respective recommendations to the Board to approve at the General Meeting of Shareholders. //

The role of the Audit Committee is to evaluate the efficiency of the Company's risk management and internal control system, as well as internal and external audits of the Company, and to provide recommendations to the Board of Directors when making decisions on these issues. The Audit Committee also reviews the Company's financial performance, analyses the Company's financial statements (including interim financial statements), and makes recommendations to ensure that the Company strictly complies with applicable Russian law.

The Audit Committee of the Board of Directors is chaired by an independent member of the Board of Directors, which is in line with the recommendations of the Corporate Governance Code of the Bank of Russia.

The following three people make up the incumbent Audit Committee of the Board of Directors, which was elected on 30 June 2022 (Board meeting minutes No. 378 dated 30 June 2022):

- Vladislav Pogulyayev – Chair of the Audit Committee
- Roman Kascheyev
- Ekaterina Chernova

The Audit Committee met six times in 2022 in face-to-face format, including by videoconference.

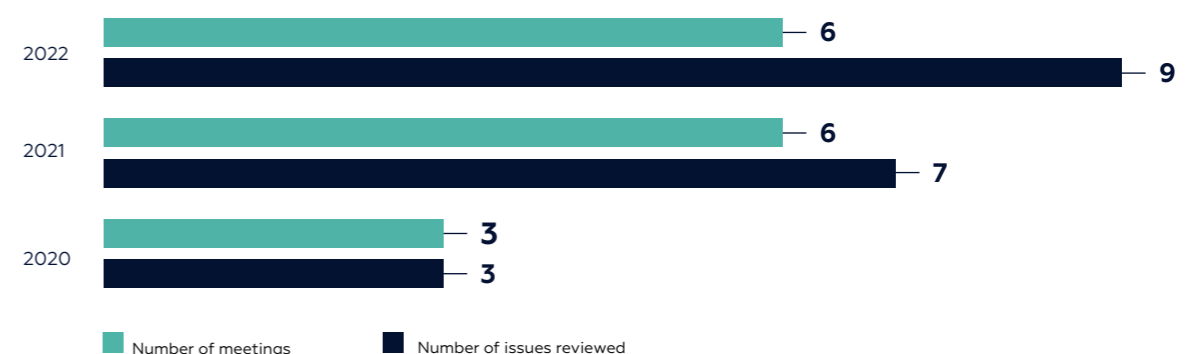
Primary competencies of the Committee

- Monitoring the completeness, accuracy, and reliability of accounting (financial) statements of the Company, which are compliant with RAS and the Company's consolidated financial statements under IFRS
- Monitoring the reliability and effectiveness of risk management, internal control and corporate governance, including the performance assessment of the Company's risk management, internal control, and corporate governance practices, and the development of proposals for their improvement
- Handling the employment (termination) and remuneration of the Internal Audit Service's Head
- Assessing the internal audit performance and considering the proposals for its improvement
- Assessing the independence, objectivity and absence of conflict of interest of the Company's external auditors, including the assessment of nominees for the Company's auditors, proposals for the appointment, re-election and removal of the Company's external auditors, their remuneration and the terms of their engagement

Recommendations of the Audit Committee to the Company's Board of Directors

- To approve the Risk Management Policy of Russian Aquaculture PJSC.
- To recommend to the annual General Meeting of Shareholders to approve Atlas Audit LLC (OGRN 5147746074251) as the Company's auditor responsible for auditing the Company's RAS financial statements for 2022.
- To recommend to the annual General Meeting of Shareholders to approve BST JSC (OGRN 1027700425444) as the Company's auditor in charge of auditing the IFRS consolidated financial statements of the Company for 2022.
- To approve the Company's business plan for 2023.

Number of meetings and items reviewed by the Audit Committee in the last three years



Strategy Committee of the Board of Directors



Report of the Chair of the Strategy Committee on the work performed by the Committee in 2022

Sayyora Ayupova

Beginning in March 2022, the Strategy Committee of the Board of Directors of INARCTICA PJSC met three times to discuss with the Company’s management how to approach strategic investment projects in light of the altered geopolitical and economic environment and the difficulties associated with the Company’s long-term strategy for 2022–2026.

The meetings of the Strategy Committee were attended by all Committee members.

During its meetings, the Strategy Committee considered strategic investment projects to build the Company’s vertically integrated business, and adjusted the INARCTICA Group’s development strategy for 2023–2027.

The meetings culminated in the formulation of thorough recommendations for the Company’s Board of Directors regarding steps to be taken in connection with the renewal and execution

of strategic projects. In particular, management concentrated on creating new competencies to successfully implement the modified strategy, found new openings for extending and adapting investment projects, tested and launched a new, highly profitable B2B ready-to-eat product line, and rethink the business marketing support options. As a result, the Company kept on track with its strategic plan to develop a vertically integrated business strategy in the new environment.

The Strategy Committee intends to keep an eye on the Company’s progress on updated investment projects in 2023, develop new capabilities for accomplishing the long-term strategy, and put into practice a new commercial strategy to broaden its client base and geographic reach. Currently, these appear to be the most important and promising sectors of the Company’s development.

The purpose of the Strategy Committee of the Board of Directors is to ensure that the Company’s Board of Directors effectively addresses issues pertaining to identifying the priority areas, strategic goals, and fundamental principles of the Company’s strategic development, monitoring the advancement of adopted programmes, and making recommendations to the Board of Directors on these areas.

Primary competencies of the Committee

- Making recommendations to the Board of Directors on the priority business areas and the overall development strategy of the Company and its subsidiaries, and approving a strategy implementation plan and suggesting changes to this strategy
- Developing the Company’s investment policy.
- Making recommendations on the Company’s dividend policy and on the distribution of the Company’s profits and losses.
- Identifying the Company’s key performance indicators (KPIs) and assessing the Company’s performance over the long term.

The following three people make up the incumbent Strategy Committee of the Board of Directors, which was elected on 30 June 2022 (Board meeting minutes No. 378 dated 30 June 2022):

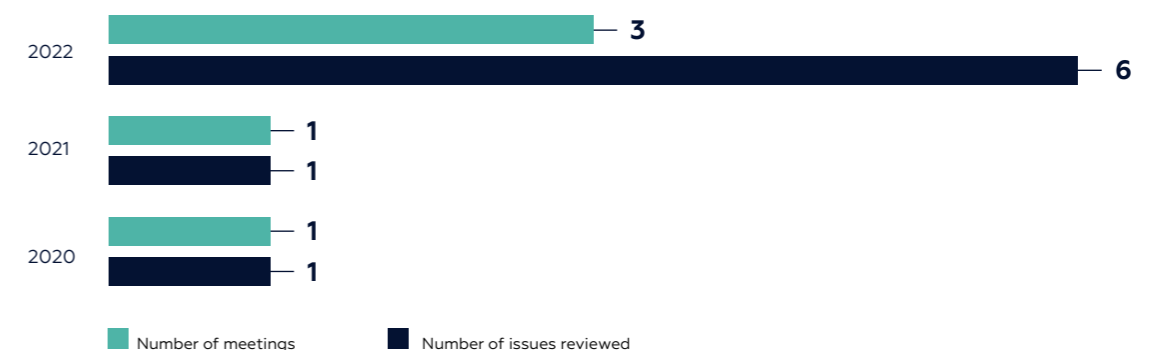
- Sayyora Ayupova – Chair of the Strategy Committee
- Dmitry Vasilkov
- Arne Geirulv

The Strategy Committee met three times in 2022 in face-to-face format, including by videoconference. The meetings were attended by all Committee members. Meeting attendees discussed the progress being made on investment projects and the creation of value-added products (VAPs), as well as evaluated the INARCTICA Group’s development strategy for 2023–2027 and provided the Board of Directors with the necessary recommendations.

Recommendations of the Strategy Committee to the Company’s Board of Directors

- To approve the Company’s development strategy for 2023–2027.

Number of meetings and items reviewed by the Strategy Committee in the last three years



Nomination and Remuneration Committee of the Board of Directors



Report of the Chair of the Nomination and Remuneration Committee on the work performed by the Committee in 2022

Anna Vasilenko

“ The key objective of the Nomination and Remuneration Committee of the Board of Directors of INARCTICA PJSC is to strengthen the professional composition and, consequently, the efficiency of the Company. In 2022, the Committee had special focus on long-term motivation of employees of INARCTICA Group, KPI system of key managers, as well as approaches to succession planning of the top management.

Over the past year, the management of INARCTICA has significantly advanced its competencies, which is particularly valuable for ensuring the Company’s sustainable performance. We continue to improve the KPI system of top management, in particular, we are integrating sustainability indicators into it.

Likewise, we are actively working on succession planning within the Company, taking into account its business strategy and current challenges. The Committee communicates with management on an ongoing basis to identify employee expectations in terms of professional development.

In 2022, the Committee assessed the independence of the members of the Board of Directors, approved a long-term incentive scheme for the Company’s employees, and analysed the continuity of key employees’ functions and management’s KPIs for 2023.

The Nomination and Remuneration Committee’s work plan for 2023 includes refining the KPI system and long-term incentives for employees. Particular attention will be paid to HR issues affecting the Company’s sustainability prospects. ”

The Nomination and Remuneration Committee’s main goal is to ensure that the Company’s Board of Directors works efficiently to resolve matters pertaining to corporate personnel policy, standards, and principles for selecting candidates for the Company’s governing bodies, as well as to bring in the most qualified professionals to manage subsidiaries and affiliates.

Primary competencies of the Committee

- Developing the Company’s overall HR policy
- Elaborating the remuneration policy and various employee incentive programmes, overseeing their implementation and enforcement
- Evaluating the performance of the Company’s executive bodies, including a preliminary review of reports on KPI fulfilment
- Planning key appointments and making recommendations to the Board of Directors on candidates for key positions within the Board purview
- Preparing recommendations on a performance evaluation system for the Company’s Board of Directors and its Committees
- Assessing the composition of the Board of Directors in expertise, experience, independence and involvement of its members in the Board activities, and identifying priority areas to make the Board stronger
- Analysing qualifications and independence of all candidates to the Board based on the information available to the Committee
- Recommending to the Board of Directors that, in certain cases, a candidate (or a member) be deemed independent, notwithstanding any formal affiliation with the Company, its material shareholder, counterparty or competitor

The following three people make up the incumbent Nomination and Remuneration Committee of the Board of Directors, which was elected on 30 June 2022 (Board meeting minutes No. 378 dated 30 June 2022):

- Anna Vasilenko – Chair of the Nomination and Remuneration Committee
- Sayyora Ayupova
- Vladislav Pogulyayev

In 2022, the Nomination and Remuneration Committee held six meetings, of which five were held in person and one by absentee balloting. The Committee members discussed the payment of annual bonuses to employees and top management based on the Company’s performance in 2021, evaluated the independence of the Board members, considered the approval of a stock option scheme, developed succession plans for the Company’s top management, and established the KPIs of the management for 2023 during the meetings. The relevant recommendations and assignments of the Committee were forwarded to the Board of Directors and the management of the Company.

Recommendations of the Nomination and Remuneration Committee to the Board of Directors of the Company

- To approve the third phase of the stock option scheme.
- To confirm that the members of the Board of Directors of Russkaya Akvakultura PJSC – S. Ayupova, A. Vasilenko, D. Vasilkov, R. Kascheyev, A. Marchenko – comply with the independence criteria set out in the Listing Rules of the Moscow Exchange and the Corporate Governance Code of the Bank of Russia.
- To recognise V. Pogulyayev as an independent member of the Board of Directors of Russian Aquaculture PJSC despite the existence of the affiliation therewith – subpara. 6 and 7, para. 4, Annex No. 4 to the Listing Rules of the Moscow Exchange.

Number of meetings and items reviewed by the Nomination and Remuneration Committee in the last three years



Sustainable Development Committee of the Board of Directors



Report of the Chair of the Sustainable Development Committee on the work performed by the Committee in 2022

Ekaterina Chernova

“ The Sustainable Development Committee convened four times in 2022 to discuss meeting agendas.

Sustainable development is an extremely pressing topic. ESG factors and actions in these areas are given strong consideration in Russia and throughout the world.

With the help of the Sustainable Development Committee, management created a roadmap in 2021 that outlined the initiatives for 2022. The Committee’s job was to assist, direct and support management while it carried out the actions that were planned. For instance, we’ve included a section on sustainability in the 2021 Annual Report and scheduled a separate ESG report for 2022. The Company has a lot to say on the matter since in 2022 management undertook several safety, social security, and staff development projects. We also drafted and put into effect more than a dozen policies and carried out a number of environmental efforts.

Additionally, I want to draw attention to the rising interest in sustainable development among both senior executives and regular employees.

The Sustainable Development Committee members appreciated the management’s ESG efforts in 2022.

Getting an ESG rating is a key objective of the Sustainable Development Committee and the management when it comes to environmental, social and governance (ESG) issues. We anticipate that the rating will improve the Company’s capitalisation and provide access to more affordable finance. Our primary objective is to receive a rating in 2024, and the Sustainable Development Committee still has a lot of tasks to complete in 2023. ”

The Sustainable Development Committee exists to make sure that the Board of Directors properly addresses matters pertaining to the Company’s sustainable development. The Company’s sustainable development encompasses a broad spectrum of initiatives, including (but not limited to) environmental protection, natural resources, waste management, social issues, employee working conditions, gender diversity and other types of diversity among the Company employees, workplace safety, and corporate governance issues.

Primary competencies of the Committee

- Assessing compliance with the sustainable development goals
- Identifying the Company’s priorities in the area of sustainable development
- Contributing to the development of the Company’s sustainability, environmental and social responsibility strategy, and reviewing the results of its implementation
- Previewing the Company’s internal documents regulating corporate governance in the Company submitted to the Company’s Board of Directors for approval, as well as other aspects of the Company’s sustainable development activities
- Examining significant sustainability risks and plans to minimise the adverse effects of those risks
- Supervising the implementation of decisions of the Board of Directors on matters related to the tasks and functions of the Committee
- Facilitating the prevention and resolution of corporate conflicts in the Company
- Supervising the preparation and publication of the ESG Report and the Company’s Annual Report with respect to sustainable development, providing recommendations for the approval of the ESG Report

The following three people make up the incumbent Sustainable Development Committee of the Board of Directors, which was elected on 30 June 2022 (Board meeting minutes No. 378 dated 30 June 2022):

- Ekaterina Chernova – Chair of the Sustainable Development Committee
- Anna Vasilenko
- Andrey Marchenko

In 2022, there were four meetings of the Sustainable Development Committee in the form of joint attendance of Committee members, including by videoconference. The meetings were attended by all Committee members.

The meeting discussions covered the treatment of effluents from the recycling plant, approval of the sustainability roadmap for the year, review of the respective section of the Company’s Annual Report, continuous tracking of the sustainability roadmap progress, and the likelihood of the Company receiving an ESG rating.

Following the meetings, Committee members provided the management of the Company with the necessary assignments and instruction on how to approach the roadmap.

Number of meetings and items reviewed by the Nomination and Remuneration Committee in the last two years



Company's Corporate Governance Actions Planned for 2023

The following matters pertaining to the Company's business should be taken into consideration and decided by the Board of Directors, in accordance with its action plan for the first half of 2023:

- To examine proposals for the agenda of the annual General Meeting of Shareholders of the Company for 2022 and discuss nominations to the Board of Directors of the Company
- To review of the Company's IFRS financial statements for 2022
- To examine the year-end 2022 report on the senior management's performance and drive
- To assess whether the Company's management completed the tasks assigned to it by the Board and how well they did it
- To give preliminary approval to the Company's Annual Report for 2022
- To give preliminary approval of the annual accounts/financial statements for the Company's performance in 2022

- To convene the annual general meeting of the Company's shareholders
- To make recommendations to the annual General Meeting of Shareholders on the distribution of profits (including the payment (declaration) of dividends) and losses of the Company for 2022
- To approve the Company's ESG Report 2022

A total of four meetings of the Company's Board of Directors are scheduled for the first half of 2023 to cover 15 issues.

Four General Meetings of Shareholders will be called and held according to the Corporate Action Plan for 2023 in order to approve internal documents of the Company, dividend payouts, transactions, the Annual Report, annual accounts/financial statements, auditor, compensation for service on the Company's Board of Directors, as well as to elect Board members.

Corporate Secretary

The Company Secretary is in charge of ensuring effective communication with and among the Board of Directors, management, and shareholders of the Company.

In order to safeguard the rights and interests of the Company's shareholders, the primary responsibility of the Corporate Secretary is to make sure the Company conforms with Russian law, the Charter, and other internal corporate governance instruments.



The Company's Corporate Secretary is guided in his/her duties by the applicable laws of the Russian Federation, the Company's Charter and internal documents, decisions of general meetings of shareholders and the Board of Directors of the Company, and [the Regulations on the Corporate Secretary](#).



Grigory Mironenko

Corporate Secretary of the Company since 2017

Year of birth: 1980
Citizenship: Russian citizen

Education: In 2002, Mr Mironenko graduated from Lomonosov Moscow State University (MSU) with a Graduate Diploma in Law.

Professional background: Since 2015, he has also worked as Legal Department Director at INARCTICA NW LLC.

As at 31 December 2022, he owned 44,997 shares, representing 0.0544% of the Company's share capital. No shareholdings in the Company's subsidiaries and associates.

No criminal record, and no administrative and/or criminal records for crimes involving money, taxes, levies, or the securities market.

There was no conflict of interest, even with regard to membership in the governing bodies of rival companies.

The Corporate Secretary participates in organising and holding meetings of the Board of Directors, Board committees and general meetings of the Company's shareholders.

The Corporate Secretary reports functionally to the Board of Directors and administratively to the General Director of the Company. The Corporate Secretary is appointed by the Chief Executive Officer (CEO) on the basis of a decision of the Company's Board of Directors.

The functions of the Corporate Secretary are listed in para. 3.1 of the Regulations of the Corporate Secretary. Key functions of the Corporate Secretary:

- Connecting the Company with regulatory bodies, market operators, registrar, and other professional securities market participants
- Supporting the work of the Board of Directors and its committees
- Maintaining communication between the Company and its shareholders and helping to avoid corporate conflicts
- Ensuring the application of and oversight of the processes set forth by the law and the Company's internal documentation to enforce the rights and legitimate interests of shareholders
- Facilitating in the planning and holding of the Company's general meetings of shareholders



Chief Executive Officer

The Chief Executive Officer (CEO) is a sole executive body of the Company. The Chief Executive Officer's key responsibilities include overseeing the Company's daily operations and successfully implementing its development goals and strategy.

The Chief Executive Officer's purview encompasses day-to-day management, planning, human resources, business strategy, legal, corporate and other matters outside the remit of the Board of Directors and the General Meeting of Shareholders.

The CEO is accountable to the General Meeting of Shareholders and the Board of Directors. The CEO makes regular reports on the implementation of the Company's KPIs, programmes and policies. The Chief Executive Officer is guided in his/her activities by the laws of the Russian Federation, the Company's Charter, and the Company's regulations and policies.



Ilya Sosnov

Chief Executive Officer of INARCTICA PJSC since 2015

Year of birth: 1978
Citizenship: citizen of Russia

Education: Ilya Sosnov graduated from the Faculty of Economics of Lomonosov Moscow State University (MSU) with a degree in economics.

Professional background: Mr Sosnov came to INARCTICA Group from SIBUR – Russian Tyres OJSC.

From 2011 to 2015, he served as Deputy CEO for Operations and CFO of Russian Fishery Company JSC.

Since 2015, Ilya Sosnov has been CEO at INARCTICA PJSC

Since 2015 – CEO at INARCTICA NW LLC.

Since 2021 – CEO at Golfstrim-Invest LLC.

Since 2021 – CEO at Tri Ruchya LLC.

Since 2022 – CEO at Aquaculture Centre LLC.

Since 2022 – CEO at Aquaculture Breeding Centre LLC.

On 30 December 2022, Mr Sosnov acquired 20,136 thousand shares of INARCTICA PJSC from the Company's majority shareholder Maksim Vorobyov, representing 22.91% of the Company's share capital.

As of 31 December 2022, Mr Sosnov owned 21,968,674 shares of INARCTICA PJSC, which is 24.99% of the Company's share capital.

No shareholdings in the Company's subsidiaries and associates.

Ilya Sosnov was an interested party to certain transactions during the reporting period, the list of which is attached as Appendix No. 2 to this Annual Report. Mr Sosnov's interest was taken into account when such transactions were approved by the Company's governing bodies.

There is no other information on the existence of any conflicts of interest (even with regard to membership in the governing bodies of rival companies).



Committees under the Chief Executive Officer (CEO)

The Company has four committees that report to the Chief Executive Officer and serve as collegial advisory bodies to help him/her in decision-making:



Steering Committee



Personnel Committee



Investment Committee



Fish-Farming Committee

The committees are made up of important senior management from the Company who possess the skills needed to run each committee efficiently.

Functions of the Steering Committee

- To maintain regular communication with the CEO of the Company regarding the key processes in the Group's operations, the financial standing of INARCTICA PJSC and Group companies, the execution of priority programmes, and actions and decisions that could materially affect the Group's operations.
- To analyse and sum up the performance results of individual divisions of INARCTICA PJSC and Group companies, and to develop recommendations on how to improve the performance of the Company and individual Group companies.
- To exercise operational management and monitor how the corporate risk management system is working, and to make risk management decisions.
- To make recommendations to the Board of Directors and the Chief Executive Officer of the Company on matters within their remit.
- To make decisions on further issues the CEO raised regarding the financial and commercial operations of INARCTICA PJSC and Group companies.

Functions of the Personnel Committee

- To review and approve the organisational structure of INARCTICA PJSC and Group companies.
- To examine and decide on the revision of staffing levels, salaries, incentives, bonuses and compensation.
- To review and approve personnel appointments to senior or key positions.
- To examine administrative issues, personnel management decisions.
- To review and approve the policies of INARCTICA PJSC and Group companies on travel arrangements, employee training and bonuses.

Functions of the Investment Committee

- To discuss and make decisions related to the feasibility of investment projects as well as their cost-effectiveness.
- To appoint investment project managers.
- To supervise the implementation of investment projects.

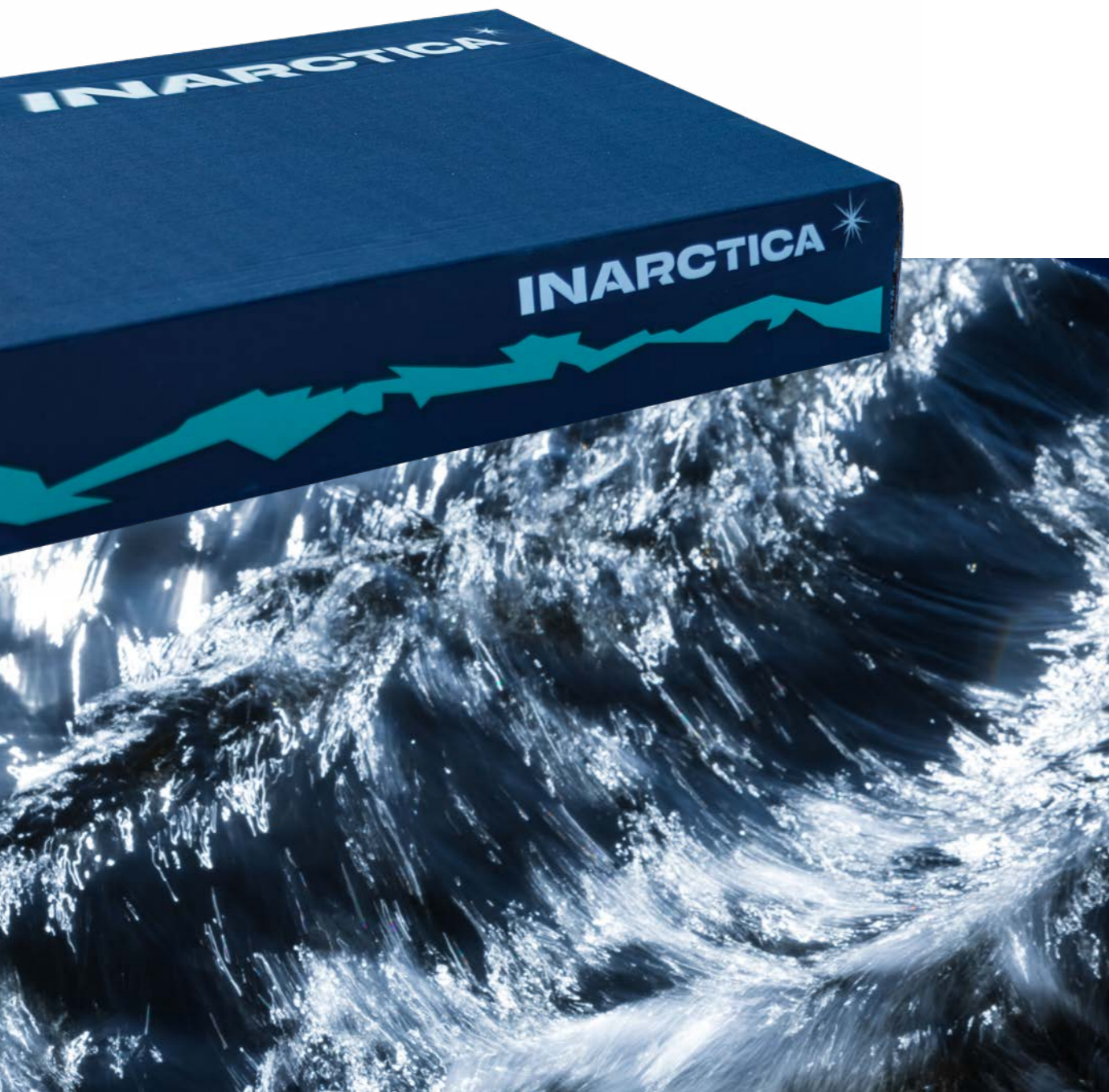
Functions of the Fish-Farming Committee

- To plan activities related to commercial fish-farming activities (Atlantic salmon, rainbow trout) in offshore cage complexes, requiring the cooperation across the Company's services and departments.

Approaches to CEO and management remuneration

The conditions of the Chief Executive Officer's employment contract, as endorsed by the Board of Directors, govern his/her compensation. Remuneration consists of a fixed and a variable part, the latter depending on the achievement of the CEO's KPIs. KPIs are a collection of financial and non-financial metrics that are used to measure how well a company is performing in respect to its strategic objectives.

The CEO's KPIs are approved annually by the Board of Directors on the recommendation of the Nomination and Remuneration Committee of the Board of Directors. In 2022, the CEO and senior management focused mostly with developing the Company during a time of significant uncertainty, maintaining business sustainability, and hitting the target for net profit.



Control and Audit

Risk management and internal control system

The risk management and internal control system in the Company is a set of internal documents and activities to identify, assess risks, develop and implement risk management measures, as well as monitor and control their level.

The goal of risk management is to guarantee that the Company's business objectives, as outlined in its strategy, are achieved by creating and maintaining an organisational structure, processes, and resources to detect, assess, manage, and monitor risks.

Risk management in the Company is based on the following principles:

- **comprehensiveness** – risk management is an integral part of all business processes of the Company and passes under control of the pertinent employees of the Company
- **continuity and consistency** – risk management is ongoing and systematic
- **preventiveness** – instead of trying to eliminate the effects of a risk realisation, risk management measures strive to lessen its possibility and/or damage
- **efficiency** – risk management is a component of day-to-day management, and it mandates that each employee must recognise and evaluate risks in order for management to make the best decisions possible for the Company

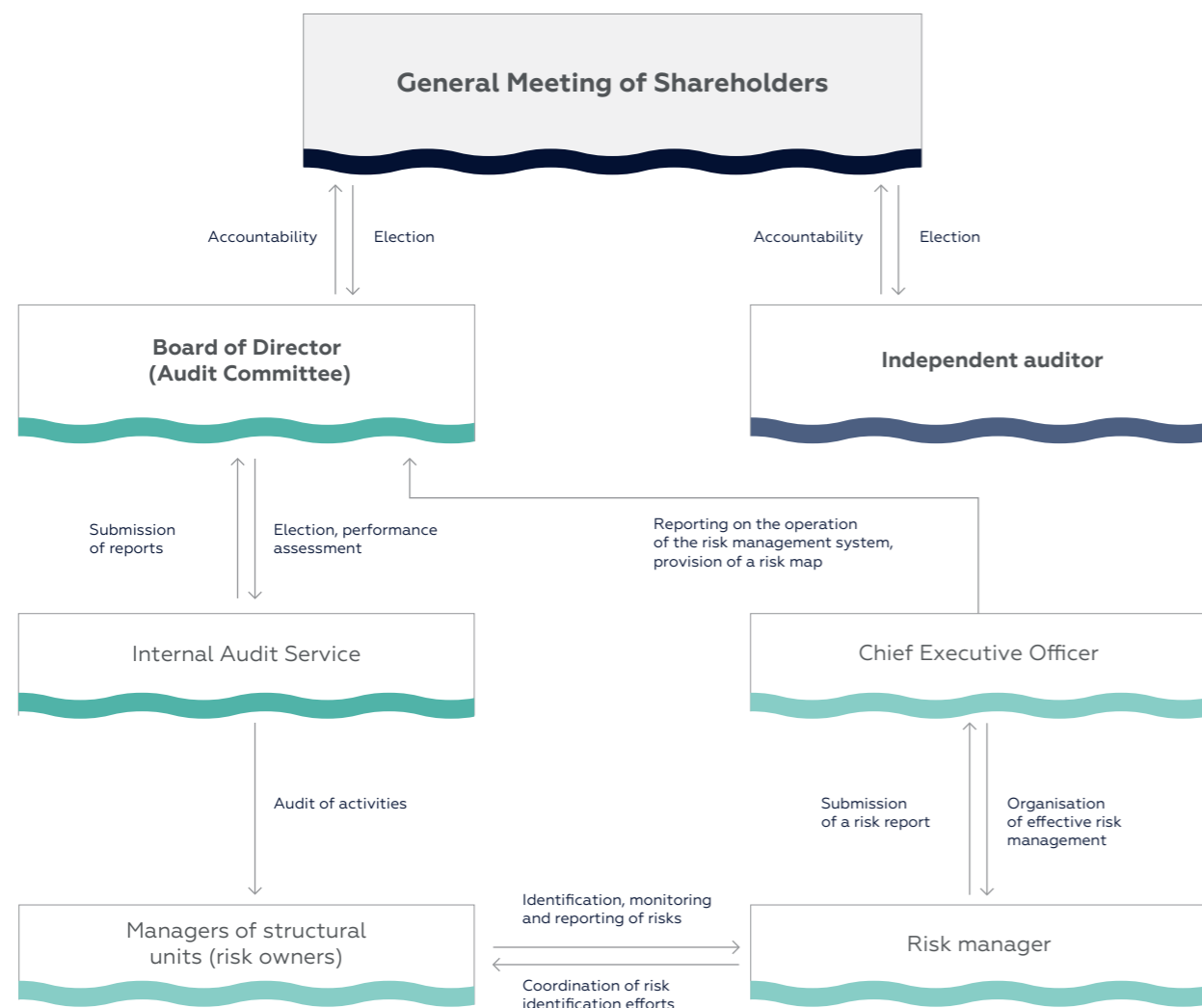
- **rationality** – management weighs the expenses of risk management against the potential consequences if the risk materialises. If the expenses of responding to a risk, the Company may choose not to take any action
- **accuracy, completeness and reliability of information** – the Company employs the most accurate, complete and reliable data, such as historical data, analytical materials, predictions, etc., for risk management

The risk management and internal control system in the Company is governed by the following documents:

- Risk Management Policy (approved on 4 May 2022)
- Regulations on internal control (approved on 14 August 2013)
- Foreign Exchange Risk Hedging Policy (adopted on 3 November 2015)

In 2023, management intends to update and review internal policies regulating the risk management and internal control bodies.

[GRI 2-12]
Internal Control and Audit System Framework



Participants in the risk management and internal control system and their role

Participant	Functions
Board of Directors	<ul style="list-style-type: none"> Oversees risk management, including making decisions and suggestions based on an assessment of the risk manager's risk reporting
Audit Committee of the Board of Directors	<ul style="list-style-type: none"> Studies the structure and list of the Company's risks, as well as the application of its internal control and risk management policies Checks the reliability and effectiveness of the risk management and internal control system and the corporate governance system, including the assessment of the effectiveness of the Company's risk management and internal control procedures and corporate governance practices, preparation of proposals for their improvement, organisation and conduct of meetings with the Company's executive bodies on risk management and internal control issues
Chief Executive Officer	<ul style="list-style-type: none"> Responsible for organising a strong risk management framework to identify, assess and manage the Company's risks Approves the Company's risk map and register Approves a list of measures to manage existing risks Approves the list of risk owners Identifies a structural unit's head, who provides information on risks and their management strategies Uses the risk information reported by the risk manager
Heads of structural units	<ul style="list-style-type: none"> Ensure that workers in their structural units follow the rules of the risk management policy Provide information on the risks in the area of their expertise to the risk manager to update the risk map and register Ensure that risk management measures are put in place in a timely manner Allocate resources when prompt action is needed to manage risks or to mitigate the negative impact of risks that have already materialised Optimise business processes to mitigate the level and consequences of risks Consider risk information when establishing the structural unit's objectives and budget
Risk manager	<ul style="list-style-type: none"> Coordinates the work of the structural units in identifying and assessing risks and in developing risk management measures Ensures that the Risk Management Policy is up to date Aggregates risk information and prepares reports on the Company's risks Devises and implements measures to promote the company's risk management culture (if necessary)
Other workers	<ul style="list-style-type: none"> Identify the risks in their area of expertise Implement the approved risk management measures Monitor the level of risks in their area of expertise

Risk categories

Possible risk factors	Mitigation methods
BIOLOGICAL RISKS – RISKS RELATED TO THE SPECIAL FEATURES OF FISH REARING AND HEALTH	
<ul style="list-style-type: none"> Risk of introduction of foreign pathogens Transmission of disease from wild fish Risk of genetic variation in fish stocks 	<ul style="list-style-type: none"> Continuous production control Analysis of reference indicators for water quality and natural waste generation Installation of an advanced cleaning system Use of special protective nets and anti-seal ultrasonic deterrents
PATHOGEN RISKS – RISKS ASSOCIATED WITH EPIZOOTIC OUTBREAKS	
Epizootic outbreaks	<ul style="list-style-type: none"> Adherence to the general recommended rearing volumes, sufficiently spaced plots, and concentration of the largest biomass in areas of greater depth Regular internal and external veterinary inspections of farms Volume and density of fish stocking is justified by scientific institutions Neighbouring farms have fish from the same generation Resting of farms after the slaughter of the latest generation of fish Insurance for fish
NATURAL AND CLIMATIC RISKS – RISKS OF ABNORMAL WEATHER EVENTS	
<ul style="list-style-type: none"> Abnormal weather phenomena in winter or summer Change in oceanic currents 	<ul style="list-style-type: none"> Risk occurrence is very low. The existing changes in climatic conditions and oceanic currents present no threat. In case of significant changes in water temperature and routes of undercurrents, the existence of not only the Company's farm but of the whole fishery industry of the region will be unlikely
REGULATORY AND GR¹ RISKS – RISKS ASSOCIATED WITH THE LEGAL PECULIARITIES AND LEGAL ENVIRONMENT OF THE COMPANY	
Changes in legislation (including changes in tax rates, increases in various fees and charges)	<ul style="list-style-type: none"> Monitoring and active participation in discussions on legislative initiatives Increased financial safety margin



¹ Government Relations.

Possible risk factors	Mitigation methods
HR RISKS – HR-RELATED RISKS	
<ul style="list-style-type: none"> Lack of skilled employees Poaching of key workers by competitors Work-related injuries Risk of product theft, illegal fishing, deliberate damage to cages 	<ul style="list-style-type: none"> Performance incentives for the most responsible and distinguished employees Extension of agreement terms and wages for proven employees Safety training for staff and monitoring of safety compliance Strict controls to ensure that only well-trained and technologically competent workers are authorised to work on the production sites Design of production facilities with consideration for personnel safety Establishment of a security service Round-the-clock monitoring of all sites Installation of CCTV equipment
OPERATIONAL RISKS – RISKS RELATED TO THE SPECIFICS OF FARMING AND PRODUCTION TECHNOLOGY	
<ul style="list-style-type: none"> Poor planning Inadequate engineering Risk of failure to reach planned capacity and low production efficiency Risk of predation Risk of inadvertent damage or breakdown of key equipment, which can significantly affect the production process 	<ul style="list-style-type: none"> Reflection and incorporation of past experience into planning Exploration of alternatives in planning Careful consideration of all possible project options, identification of their strengths and weaknesses Admission of the possibility of making adjustments to the project Training for staff at cage farms in Norway Focus on streamlining the work process according to best practices Rules and regulations for the main production processes Tendering procedures for all major procurements Planning of production volumes, accounting for all variables influencing the outcome, prompt revision of plans, and communication of production volume changes to customers Installation of anti-seal equipment Permit to work to trained personnel only Equipment insurance, purchase of equipment only with a long warranty period Compulsory availability of a spare parts kit at the site, in particular for load-bearing structure parts and fasteners
FINANCIAL AND MARKET RISKS – RISKS RELATED TO THE FINANCIAL POSITION, LIQUIDITY AND SOLVENCY OF THE COMPANY	
<ul style="list-style-type: none"> Changes in market conditions Sharp decrease in the selling price of products due to the prevailing position of foreign suppliers of salmon species on the Russian market Insufficient funding Fluctuation in exchange rates 	<ul style="list-style-type: none"> Reduced dependence on foreign suppliers Consideration of alternatives to domestic feed producers Budget planning, taking into account possible increases in the cost of basic materials as well as exchange rate forecasts
COMMERCIAL RISKS – RISKS ASSOCIATED WITH THE FAILURE OF SUPPLIERS OF RAW MATERIALS AND SUPPLIES TO FULFIL THEIR OBLIGATIONS	
<ul style="list-style-type: none"> Breach of or default obligations by suppliers of raw materials and supplies 	<ul style="list-style-type: none"> Penalty clauses in contracts with suppliers Pre-defined alternative list of suppliers

Risk map

The Company's Risk Map is put together by conducting polling surveys and/or one-on-one interviews with each risk owner. It includes a description of all potential risks, an evaluation of their severity and likelihood of occurrence, management strategies, and identification of who is in charge of mitigating the risk and/or its consequences. The risk map is updated regularly to reflect changing operations and external factors.

The Audit Committee of the Board regularly reviews the Company's existing risk map and conducts interviews with key risk owners.

The members of the Audit Committee of the Board of Directors were quite complimentary of the risk governance work done by the Company's management at their most recent meeting in 2022.

Plans to improve the risk management and internal control system

- To analyse the Company's current internal documents regulating the financial and economic activities of the Company in accordance with the Internal Control Regulations.

- To draft proposals for improving and updating these documents.
- To monitor the implementation of internal control procedures.

Promotion of risk management culture within the Company

The Company is taking steps to improve workers' risk management capabilities in order to promote the internal risk management culture, including:

- Workshops and information sessions for employees, covering information on the status and results of risk management in the Company, the main elements and tools of risk management, and the responsibilities of employees
- Provision of information materials (memos) on risk management to newly hired employees of the Company

Independent auditors

The General Meeting of Shareholders approves independent auditing companies with no property interests in the Company or its shareholders in order to carry out an annual audit of the Company's RAS accounting (financial) statements and INARCTICA Group's IFRS consolidated financial statements.

BST JSC (OGRN 1027700425444) was approved as the auditor of the Company's 2022 consolidated financial statements.

BST JSC has been the independent auditor of the INARCTICA Group since 2011.

By decision of the annual General Meeting of Shareholders dated 23 June 2022 (Minutes No. 69 dated 23 June 2022), Atlas Audit LLC (OGRN 5147746074251) was approved as the auditor of the Russian accounting records of the Company for 2022.

How independent auditors are selected

The Company makes sure that an independent auditor is a company with impeccable professional reputation, experienced and qualified staff and high-quality services.

Steps in the selection process for candidates among auditing organisations:

- Collection of commercial proposals from auditing organisations
- Preliminary review of the received proposals by the Audit Committee of the Board of Directors
- Audit Committee's proposal to the Board of Directors to recommend to the General Meeting of Shareholders the selected audit companies to serve as the Company's auditors and the fees payable for their services
- Decision of the Board of Directors to nominate the Company's auditor (auditing organisation) for approval by the General Meeting of Shareholders
- Approval of auditor nominees by the General Meeting of Shareholders of the Company

During regular in-person meetings, the Audit Committee of the Board of Directors reviews reports from the audit organisation on the results of its audits of the Company's IFRS financial statements.

This procedure helps the Audit Committee of the Board of Directors to form an opinion on the quality of the auditors' work.

Remuneration of independent auditors for 2022

Company	Amount of remuneration (excluding VAT), RUB
BST JSC	12,300,000
Atlas Audit LLC	240,000



Internal audit

The Internal Audit Service is a structural subdivision of the Executive Office of INARCTICA PJSC.

Its activity is regulated by the legislation of the Russian Federation, the Company's Charter, decisions of the General Meeting of Shareholders, the Board of Directors, the Audit Committee of the Board of Directors, the Regulations on the Internal Audit Service, as well as orders, instructions and other local regulations of INARCTICA PJSC.

The Internal Audit Service reports functionally to the Board of Directors of the Company and administratively to the Chief Executive Officer of the Company. The Internal Audit Service's operations are overseen by the Head of the Internal Audit Service.

The purpose of internal audit is to provide independent and objective assurance to the Board of Directors / Audit Committee of the Board of Directors and the executive bodies of the Company that the Company has adequate internal control, risk management and corporate governance systems in place to ensure that:

- Operations are efficient, cost-effective and productive
- Requirements of the legislation of the Russian Federation, as well as the decisions of the governing bodies and organisational and administrative documents of the Company are complied with
- Misconduct by Company employees and third parties in relation to Company assets can be prevented
- Statements of any kind are accurate, complete and timely prepared

Functions of the Internal Audit Service

Within the parameters of its responsibilities, the Internal Audit Service performs the following primary duties:

- Planning, organising and conducting internal audits of business processes (lines of business), business functions, projects, plans, programmes, structural and separate units and other security-related audits of the Company

- Checking compliance with legislation, industry regulations, internal guidelines, standards and other internal documents, and contractual obligations
- Reviewing the efficiency, cost-effectiveness and productivity of the Company's operations
- Checking the accuracy and reliability of the accounting (financial) and management accounts
- Monitoring safety of the Company's assets
- Conducting audits, completing other assignments as instructed by the Board of Directors (Audit Committee) and/or the executive bodies of the Company on matters within the purview of internal audit
- Communicating the results of audits to the Board of Directors (Audit Committee) and the Company's executive bodies, giving recommendations to eliminate violations and shortcomings identified during audits and proposals to upgrade the efficiency and effectiveness of internal control, risk management and corporate governance systems, as well as to improve the Company's operations
- Monitoring the progress of corrective action plans to remedy breaches and deficiencies identified during audits and the application of recommendations and proposals to improve the Company's operations
- Assessing whether the risk management and internal control system is effective
- Assessing the quality of corporate governance in the Company

The Internal Audit Service follows the following guidelines while conducting internal audits in compliance with INARCTICA's internal audit policy:

- Integrity
- Fairness of presentation
- Confidentiality
- Professional competence
- Independence

Auditing Commission

The Company had an Auditing Commission until June 2022, which consisted of three members: Mariya Galkova, Natalya Grigoryeva and Mariya Klimova.

By decision of the annual General Meeting of Shareholders dated 23 June 2022 (Minutes No. 69 dated 23 June 2022), amendments No.4 to the Company's Charter were adopted, which removed the provisions on the Auditing Commission of the Company from the Charter.

Insider information

The Company places a high priority on preventing the wrongful use of insider information.



Since 2020, the Company has had [the Regulations on Insider Information](#) in place approved by the Company's Board of Directors (Minutes No. 313 dated 14 August 2020).

These Regulations stipulate that insider information includes information that the Company determines independently as such based on the provisions of Federal Law No. 224-FZ on Combating Insider Information Misuse and Market Manipulation and on Amending Certain Legislative Acts of the Russian Federation dated 27 July 2010 and regulatory acts of the Bank of Russia with due regard for the specifics of the Company's operations, as well as regulate the rules for compiling lists of insiders, control measures for compliance with the insider information legislation, rules for handling insider information, insiders' transactions with the Company's financial instruments, and liability for the misuse of insider information.



[The list of materials](#) related to insider information is approved by order of the General Director of the Company.

The Company's Legal Department is the unit responsible for control over compliance with the requirements of Russian Federation legislation on combating misuse of insider information and market manipulation.

The responsibility of the Company's Legal Department in dealing with insider information covers:

- Maintaining the list of insiders, amending it, submitting it to trade organisers, the Bank of Russia and other entities at their request
- Recording and storing notices of an entity's inclusion/exclusion from the insider list
- Conducting internal control over compliance with the requirements of Federal Law No. 224-FZ and other by-laws in relation to the handling of insider information
- Setting up processes aimed at identifying, analysing, assessing and monitoring regulatory risk and the risk of the Company incurring costs (losses) and/or other adverse consequences as a result of breaching the requirements of Federal Law No. 224-FZ
- Keeping records of regulatory risk events
- Supervising compliance with the procedure of access to insider information, the procedure and terms of disclosure of insider information, the rules for protecting its confidentiality
- Making proposals to update the Company's list of insider information

In accordance with the requests received from the trade organiser (Moscow Exchange), the Company sends it a list of its insiders on a monthly basis. In order to provide the trade organiser with the most up-to-date information on insiders, the Company regularly monitors changes that have occurred to persons/entities who have access to the Company's insider information.

Anti-Corruption Management

The Company is committed to the principle of zero tolerance of corruption in all its forms and manifestations (including bribery, influence peddling and any other form of fraud).

This principle means that all associates of Group companies are fully and unconditionally prohibited from engaging in corrupt activities, including intermediation, directly or through third parties, regardless of prevailing business practices in any given country.

On 23 December 2022, the Board of Directors approved the Anti-Corruption Policy (Minutes No. 391 dated 26 December 2022) which aims to ensure that the Company operates in line with the requirements of anti-corruption legislation and high business standards, to build a uniform rejection of corruption

in all forms and manifestations, to minimise the risks of involving Company employees in corruption activities and to identify and prevent cases of involvement of Company employees in such activities.

For anti-corruption purposes, the Company periodically does due diligence on its employees and counterparties as well as on individual projects, work, services, transactions and relationships.

A series of procedures are also put in place by the Company to avoid conflicts of interest. When a conflict of interest comes to light, management should decide on a precise course of action as soon as possible.

For more information on the anti-corruption efforts, see the Company's ESG Report 2022.

Hotline

During the reporting period, the Company set up an anti-corruption hotline. Any interested party may, in good faith, report any information or reasonable suspicion of an associate's involvement or attempted involvement in corrupt activities to the anti-corruption hotline. All calls to the anti-corruption hotline are guaranteed to be completely anonymous and confidential.

Within three working days of receipt, all incoming calls are investigated and confirmed by the Company's Security Service.

The following channels can be used to access the anti-corruption hotline:

- by e-mail: stopcorruption@inarctica.com
- by phone: +7 (495) 258-99-28



Share Capital

The share capital of INARCTICA PJSC is

RUB 88,787,664,900

and is divided into 87,876,649 ordinary shares with a par value of RUB 100 each.

The Company's shares are listed on the Moscow Exchange (MOEX).

The Company did not issue any new shares in 2022. The Company has no preference shares.

Information on securities

- Stock code (ticker) of the Company: AQUA
- State registration number: 1-01-04461-D
- Listing date: 16.04.2010
- Quotation list: second
- Lot: 1 share

The Company's capitalisation as at 30 December 2022, according to Moscow Exchange PJSC, was

RUB 52,286,606,155

INARCTICA's share performance

Indicator	2021	2022	Δ, %
At the beginning of the year, RUB	261.5	593.5	126.95
At the end of the year, RUB	600.5	595.0	-0.92
Maximum price, RUB	685.0	725.0	5.84
Minimum price, RUB	240.5	291.0	21


INARCTICA stock quotations and IMOEX quotations




Indices that incorporate INARCTICA shares

Index	Ticker
MOEX SMID index	MCXSM
RTS consumer sector index	RTScr
RTS SMID index	RTSSM
RTS broad market index	RUBMI
Broad market index	MOEXBMI
Consumer sector index	MOEXCN

As at 31 December 2022, there are 39,764 physical and legal entities with non-zero balances in the Company's shareholder register, as follows:

 **65**
legal entities

 **39,699**
individuals



In 2022, the number of shareholders in the Company increased 2.8 times to 40,000.

The share of shares held by subsidiaries was 1.7% of ordinary shares at the end of 2022.

The Company has no treasury shares on its balance sheet.

Share capital structure

Shareholder	Number of shares	% of shares issued
Ilya Sosnov	21,968,674	24.9
Svinin & Partners Asset Management LLC Combined Trust CEIF Realty Capital	21,957,156	24.9
Maksim Vorobyov	19,335,680	22.0
CFC Direct Investments LLC Combined Trust CEIF Razvitiye	7,197,221	8.4
Sergey Darkin	4,478,171	5.1
Shares held by subsidiaries	1,514,694	1.7
Other shareholders	11,425,053	13.0

There is no information in the Company that certain shareholders may acquire a degree of control disproportionate to their shareholding in the Company, whether as a result of shareholder agreements or otherwise.

Bonds

The only issue of the Company's Series 001P-01 bonds is in circulation.

Type of security: exchange-traded interest-bearing non-convertible uncertificated bonds held in collective safe custody

State registration number: 4B02-01-04461-D-001P dated 2 March 2021

Issue amount: RUB 3 billion
Par value: RUB 1,000
Duration: Three years
Coupon rate: 9.5% p.a.
Date of placement: 10 March 2021
Maturity date: 10 March 2024
Offer: INARCTICA NW LLC

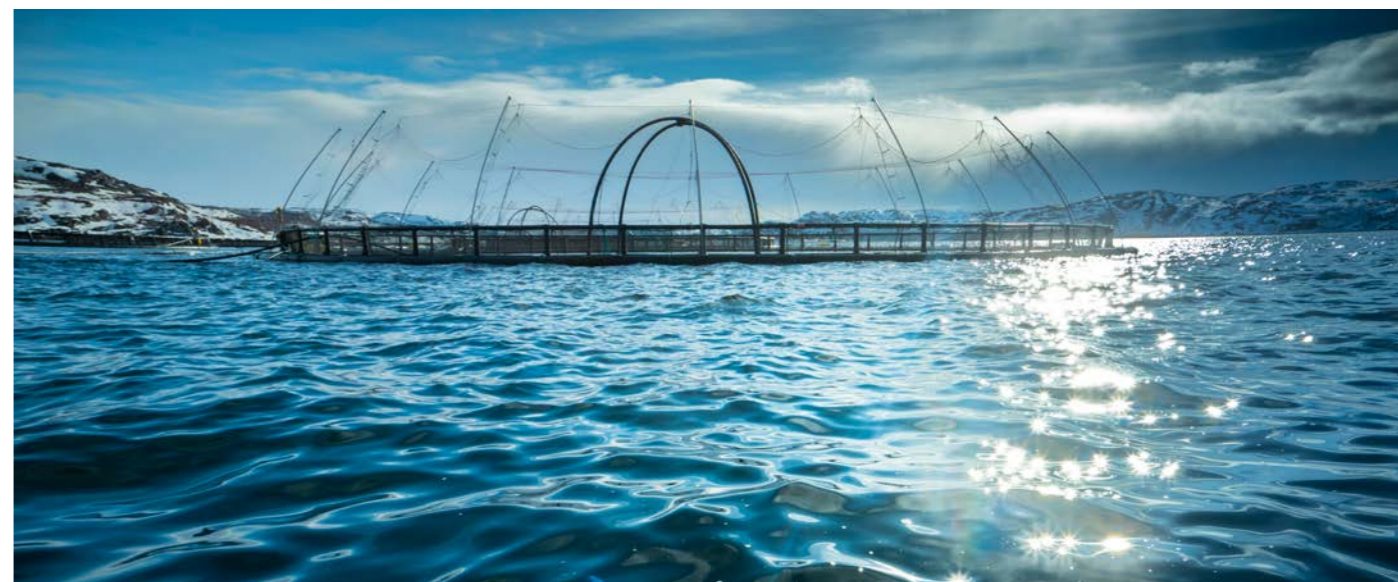
Shareholder Engagement

INARCTICA PJSC is a public company compliant with the requirements of Bank of Russia Regulations No. 714-P dated 27 March 2020 on Disclosure of Information by Issuers of Equity Securities and strives for the highest degree of information transparency.

In November 2022, the Company launched a new corporate website <https://inartica.com>, which contains information for shareholders, investors and other interested parties on the Company's activities, its internal documents, financial statements and presentations, issuer's reports, materials for general meetings of shareholders and reports on voting results at general meetings, link to the corporate information disclosure centre, dividend policy and dividend payment history, biographical details of the Company's governing bodies and shareholder structure.

The Company's website also provides contact details for the Moscow and Murmansk offices: <https://inartica.com/contacts/>, and the Corporate Secretary's contact details <https://inartica.com/investors/contacts-shareholders/>.

During 2022, the Company received numerous requests from shareholders for documents and information about the Company's operations and did not refuse its shareholders the opportunity to review this information at the Company's office. Throughout the year, the Company answered investor questions on its ongoing operations.



On compliance with the INARCTICA Information Policy

The Company’s management seeks to continuously improve the quality, completeness and regularity of the disclosures on the activities of the Company and its subsidiaries.

In 2022, following the start of a special military operation and the imposition of sanctions by the European Union and the United States of America on Russian individuals and legal entities, the Government of the Russian Federation adopted Resolution No. 351 dated 12 March 2022 on 2022 Peculiarities of Disclosure and Provision of Information to be Disclosed and Provided in accordance with the requirements of the Federal Law on Joint Stock Companies and the Federal Law on Securities Market and peculiarities of insider information disclosure in accordance with the requirements of the Federal Law on Combating Insider Information Misuse and Market Manipulation and on Amending Certain Legislative Acts of the Russian Federation. Pursuant to the above, the Company’s management decided to temporarily significantly restrict the public disclosure of information.

Despite the restriction on information disclosure, the Company did not refuse to provide shareholders with documents and information upon receipt of their written requests, a statement of DEPOT account of the ownership of shares in INARCTICA, and the signing of a confidentiality agreement. The Company also made available certain material facts regarding the Company and its governing bodies, as well as published quarterly RAS financial statements.

In the future, the Company expects to return to full disclosure.

The following are the primary information sources where the Company continues to make disclosures:



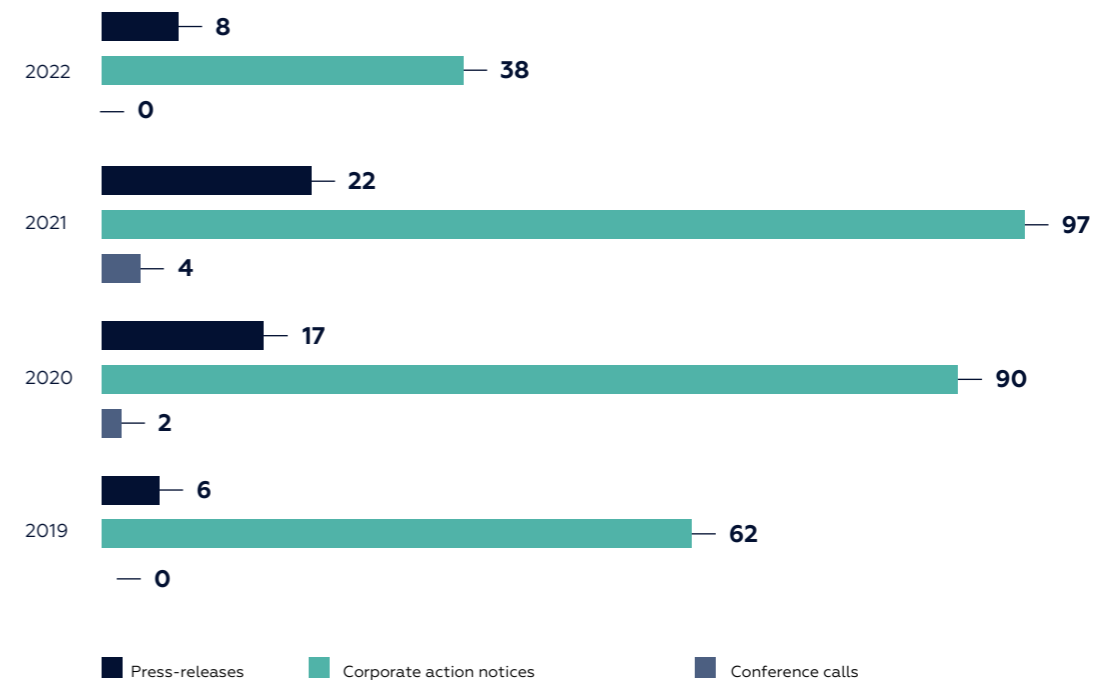
[Official website](#) of INARCTICA PJSC



[INARCTICA PJSC’s page on the website of the agency authorised to disclose information on the Russian securities market – Interfax – Corporate Information Disclosure Centre LLC](#)

When disclosing information, management tries to find a fair balance between the interests of the Company and those of the shareholders, as the former has an interest in maintaining the secrecy of important, commercially sensitive information that might affect its ability to compete.

Amount of disclosures made in 2022 compared to 2019–2021



In 2022:

- The Company reduced the number of press releases to be issued (eight press-releases on the official website in 2022 compared to 22 – in 2021).
- In accordance with best practises in corporate governance, information disclosure, and the Corporate Governance Code, the Company posted notices to shareholders about general meetings on INARCTICA’s official website and the corporate information disclosure centre page 30 days before the date of the meetings.
- To maintain the securities in the Moscow Exchange’s quotation lists, the Company updated the issuer questionnaire on a quarterly basis and provided reports on compliance with corporate governance standards, as well as other information and documents in accordance with the Listing Rules of the Moscow Exchange and requirements of Russian law and the Bank of Russia (for example, monthly submission of insider lists at the request of the Moscow Exchange).
- The Company endeavours to respond as quickly as possible to requests and letters received from public authorities and administrations
- The Company approved a Shareholder Relations Policy and translated the Company’s key corporate documents into English.
- The Company set up a hotline for employees and plans to launch a general hotline for counterparties, shareholders and other stakeholders in 2023.

The Company duly and promptly complies with the shareholders’ requirements to provide the Company’s documents in accordance with the laws of the Russian Federation.

The business avoids taking a formalistic approach to information disclosure, but it also does not refrain from disclosing unfavourable facts about itself if this is relevant to shareholders, investors and other stakeholders.



Ratings and rankings

In 2022, the Analytical Credit Rating Agency (ACRA) affirmed the Company's rating at 'A-(RU)', with a positive outlook.

The rating upgrade was driven an average grade of the operating risk profile, which in turn is derived from high vertical integration with low rating of product diversification and the share of value-added products.

National Credit Ratings Limited Liability Company (NCR LLC) also affirmed the Company's rating at 'A-(RU)' in 2022, changing the outlook from stable to positive.

Dividend Policy

The Regulations on Dividend Policy of the Company outline the key principles for ensuring the transparency of the mechanism for determining the amount of dividends and their payouts, informing shareholders and other interested parties about the Company's dividend policy, determining the procedure for adopting decisions on the payment (declaration) of dividends, the conditions for their payment, the calculation procedure, and the Company's liability for non-payment of dividends.

The Company's dividend policy aims to increase the Company's investment appeal and market capitalisation.

Main principles enshrined in the Company's Dividend Policy

- Respecting shareholders' rights and interests and balancing them with the interests of the Company
- Enhancing the investment appeal of the Company
- Seeking to make economically sound decisions on dividend payments in order to balance the short- and long-term interests of shareholders and the investment needs of the Company
- Ensuring that the growth of the Company's net profit contributes to the positive dynamics of dividend payouts
- Making the information on the Company's Dividend Policy more available and accessible

Dividend payout conditions

The Company pays dividends when net profit, as determined from RAS accounting (financial) statements, and provided that the Net Debt/EBITDA ratio does not exceed 3.5x.

The Company has the right to decide to pay an interim dividend on shares, provided that the payment does not require debt financing and/or the payment will not result in decline in credit standing of the Company and/or a failure to implement the Company's investment programme.

The recommended amount of dividend payout is determined by the Company's Board of Directors based on financial performance. The final decision on the amount of the dividend is taken by the General Meeting of Shareholders of the Company.

Dividend payouts in 2022

In 2022, the Company paid dividends three times: for the three months of 2022 (decision by the extraordinary General Meeting of Shareholders on 30 June 2022), for the six months of 2022 (decision by the extraordinary General Meeting of Shareholders on 31 August 2022) and for the nine months of 2022 (decision by the extraordinary General Meeting of Shareholders on 7 December 2022). The total amount of dividends paid during 2022 was RUB 3,339,312,662.

Dividend payout history over the past five years¹

Dividend period	Amount of dividend per ordinary share, RUB	Form of payment	Record date	Total amount of dividends paid, RUB
2018	No dividends accrued or paid			
2019	No dividends accrued or paid			
Six months of 2020	5	Monetary	11.09.2020	439,383,245
2020	5	Monetary	11.07.2021	439,383,245
Three months of 2021	4	Monetary	11.07.2021	351,506,596
Six months of 2021	4	Monetary	21.09.2021	351,506,596
Nine months of 2021	4	Monetary	20.12.2021	351,506,596
2021	No dividends accrued or paid			
Three months of 2022	8	Monetary	11.07.2022	703,013,192
Six months of 2022	15	Monetary	11.09.2022	1,318,149,735
Nine months of 2022	15	Monetary	18.12.2022	1,318,149,735

Dividend payouts to shareholders whose rights to shares are accounted for by a nominee holder are made through this nominee holder. On instructions from the Company, dividends to shareholders whose rights to shares are recorded in the stock register are sent through postal order via Russian Post JSC.

According to para. 9, Article 42 of Federal Law No. 208-FZ dated 26 December 1995 on Joint Stock Companies, a person who has not received the declared dividends because the Company or the registrar does not have accurate and necessary address data or bank details or is otherwise overdue by the lender, has the right to demand payment of unclaimed dividends within three years of the date on which the decision to pay them was made.

Taxation of dividends

Dividends paid out are taxed in accordance with the procedure stipulated by the current legislation of the Russian Federation (Chapter 23 "Personal Income Tax" and Chapter 25 "Corporate Profit Tax" of the Tax Code of the Russian Federation).

Dividends paid to Russian taxpayers are liable to profit tax at the rate of 0% or 13%², while dividends paid to foreign entities are liable to 15%³, subject to the provisions of international tax treaties of the Russian Federation.

For resident individuals, the dividend tax rate is 13% for income up to RUB 5 million and 15% for income exceeding RUB 5 million in a calendar year⁴; for non-residents, the dividend tax rate is 15%⁵.

The total amount of dividends paid during 2022 was

RUB 3,339,312,662

¹ <https://inarctica.com/investors/shares/dividends/>.

² Subpara. 1-2, para. 3, Art. 284 of the Tax Code of the Russian Federation.

³ Subpara. 3, para. 3, Art. 284 of the Tax Code of the Russian Federation.

⁴ Para. 1, Art. 224 of the Tax Code of the Russian Federation, para. 3, Art. 2 of Federal Law No. 372-FZ dated 23 November 2020 on Amendments to Part Two of the Tax Code of the Russian Federation as regards taxation of personal income exceeding RUB 5 million in a tax period).

⁵ Subpara. 2, para. 3, Art. 224 of the Tax Code of the Russian Federation.

Share Buyback

The Company's buyback programme, which initially came into effect in 2019, was once more extended in 2022 until the 31 December 2024 or the maximum amount of funds allotted to the programme is reached, whichever comes first.

The shares are bought back from the stock exchange by INARCTICA's subsidiary, INARCTICA NW LLC.

The shares bought back are planned to be used by the INARCTICA Group for general corporate purposes, including the long-term employee incentive programme.



Contact details for investors and shareholders

Deputy CEO for Economics and Finance

Andrey Baranov

Address: 4 Belovezhskaya str., 121353, Moscow, Russia

Tel. +7 (495) 258-99-28

email: invest@inarctica.com

Corporate Secretary

Grigory Mironenko

Address: 4 Belovezhskaya str., 121353, Moscow, Russia

Tel. +7 (495) 258-99-28

email: corporate@inarctica.com

Registrar

The registrar of INARCTICA PJSC is Independent Registrar Company – R.O.S.T. (IRC-R.O.S.T. JSC).

Address: 18 Stromynka str., Bldg. 5B, 107076, Moscow

Tel. +7 (495) 780-73-63; +7 (495) 989-76-50

email: info@rrost.ru

Official website: <https://rrost.ru>

IRC-R.O.S.T. JSC provides the Company's shareholders with the opportunity to connect to the Shareholder's Personal Account service using a confirmed account on the State Services portal (Gosuslugi). The shareholder's personal account gives them the fastest way to get a copy of the shareholder register and to trade shares. Starting in 2022, shareholders will also have the option to fill out an electronic ballot form to cast their votes at general meetings of shareholders.

Depository

Name: Non-banking credit organisation Joint Stock Company National Settlement Depository (NCO JSC NSD)

Address: 12 Spartakovskaya str., Moscow, 105066

Tel. +7 (495) 234-48-27

email: info@nsd.ru

Official website: <https://www.nsd.ru>



APPENDICES

Appendix 1. Report on Compliance with the Principles and Recommendations of the Corporate Governance Code

This Report on Compliance with the Principles and Recommendations of the Corporate Governance Code was reviewed by the Board of Directors of INARCTICA PJSC at the meeting held on 5 June 2023 (Minutes No. 403 dated 06.06.2023). Following the results of the review, the Board of Directors confirms that the data contained in this Report represent complete and reliable information on the Company's compliance with the principles and recommendations of the Corporate Governance Code in 2022.

Assessment methodology: compliance with the corporate governance principles recognised in the Corporate Governance Code was assessed in accordance with the template proposed in the recommendations on the preparation of a report on compliance with the principles and recommendations of the Corporate Governance Code (Letter of the Bank of Russia No. IN-06–28/102 dated 27 December 2021).

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
1.1	THE COMPANY HAS TO ENSURE EQUAL AND FAIR TREATMENT OF ALL SHAREHOLDERS IN EXERCISING THEIR RIGHT TO TAKE PART IN THE COMPANY MANAGEMENT			
1.1.1	The company creates the most favourable conditions for shareholders to participate in the general meeting, develop a justified position on the agenda items of a general meeting, coordinate their actions, as well as an opportunity to express their views on the items considered	1. The company ensures easy communication, such as via a hotline, email or an internet forum, allowing shareholders to express their opinion and submit agenda items in the course of the preparation for a general meeting. These ways of communication were prepared by the company and made available to shareholders at each general meeting during the reporting period	Full compliance	
1.1.2	The procedure for informing about holding of a general meeting and providing files to a general meeting gives shareholders an opportunity to prepare properly for the participation therein	1. In the reporting period, a message on holding of a general meeting of shareholders is posted (published) on the company's website at least 30 days before the date of the general meeting, unless a longer period is stipulated by law. 2. The message on the meeting indicates the place of the meeting and the documents necessary for admission to the premises. 3. Shareholders were provided with access to the information about the person proposing the agenda items and nominating candidates to the board of directors and the auditing commission (in case the commission shall be formed as per the company's charter)	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
1.1.3	During the preparation and holding of a general meeting, shareholders had an opportunity to receive information about the meeting and files of the meeting in a free and timely manner, ask questions to the executive bodies and members of the board of directors of the company, communicate with each other	1. In the reporting period, shareholders were given an opportunity to ask questions to members of the executive bodies and the board of directors of the company when preparing and in the course of the general meeting. 2. The position of the board of directors (including dissenting opinions incorporated in the minutes, if any) on each agenda item of the general meetings held in the reporting period was included in the files of the general meeting of shareholders. 3. The company granted eligible shareholders access to the list of persons entitled to participate in the general meeting from the date of its receipt by the company, in all cases of holding of general meetings in the reporting period	Full compliance	
1.1.4	Shareholders came across no unjustified difficulties in exercising of their right to demand convenion of a general meeting, nominate candidates to the management bodies and propose agenda items of a general meeting	1. The company's charter provides for a period for shareholders to propose agenda items of the annual general meeting within at least 60 days from the end of the relevant calendar year. 2. In the reporting period, the company did not refuse to accept proposals related to the agenda items or candidates to the company bodies due to misprints and other insignificant shortcomings in the shareholder's proposal	Full compliance	
1.1.5	Each shareholder had an opportunity to exercise the right to vote in the easiest and most convenient way without any obstacles	1. The company's charter provides for an electronic ballot to be filled in on the website given in the notice on the general meeting of shareholders	Full compliance	
1.1.6	The procedure established by the company for holding of a general meeting gives all persons present at a meeting an equal opportunity to express their opinion and ask questions	1. Sufficient time was provided for reports on the agenda items and discussion of those items at general meetings of shareholders held in the format of face-to-face meetings (joint attendance of shareholders) in the reporting period. Shareholders were given the opportunity to express their opinion and ask questions on the agenda. 2. The company invited nominees to the management and control bodies and has taken all necessary steps to ensure their participation in the general meeting of shareholders, at which their nominations were put to a vote. The nominees to the management and control bodies of the company present at the general meeting were available to answer questions from shareholders. 3. The sole executive body, the accounting officer, the chairperson or other members of the board's audit committee were available to answer questions from shareholders at general meetings of shareholders held during the reporting period. 4. In the reporting period, the company used telecommunication means for remote access of shareholders to participate in general meetings or the board of directors took a reasoned decision that it was not necessary (possible) to use such means in the reporting period	Partial compliance	Criteria 2 and 4 are not complied with. The Company did not comply with Criterion 2 because the annual General Meeting of Shareholders, which elected the Board of Directors, was held in the form of absentee voting. The Company's notification of the General Meeting of Shareholders lists the phone number for shareholders to call and the email address where they can send questions to the Company's management and Board of Directors through the Corporate Secretary. The Corporate Secretary is responsible to forward any shareholder questions to the appropriate parties and to make sure that as much feedback is obtained as possible. In the materials for the General Meeting of Shareholders, the Company also provides shareholders with comprehensive information on the candidates for the Company's Board of Directors, including information on their professional experience, place of employment at the time of nomination, the people who nominated them, and whether or not they agree to be elected to the Board, and whether or not they meet the independence criteria. The Company is committed to adhering to all of the Code's recommendations and, in the event that a General Meeting of Shareholders is called at which the election of the Board of Directors is to be decided, will take all reasonable steps to ensure that candidates for the Board of Directors are present at the General Meeting of Shareholders in the form of joint attendance.

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
				<p>The Company intends to return to holding annual general meetings of shareholders in the form of joint attendance in 2023.</p> <p>Criteria 4 is not complied with, since the Company did not use telecommunications to provide remote access for shareholders to participate in general meetings of shareholders during the reporting period. This is because the Company has not established technical requirements for setting up such access and has not approved the necessary paperwork.</p> <p>The Company's Board of Directors will consider using telecommunications to enable shareholders to participate in general meetings remotely when making decisions in 2023 regarding the planning and holding of shareholder general meetings, and together with the Company's management, will make a reasoned decision on the use or non-use of such means.</p>
1.2	SHAREHOLDERS ARE GIVEN AN EQUAL AND FAIR OPPORTUNITY TO SHARE PROFITS OF THE COMPANY THROUGH THE RECEIPT OF DIVIDENDS			
1.2.1	The company developed and implemented a transparent and easily understandable mechanism for the determination of the amount of dividends and the dividend payment procedure	<ol style="list-style-type: none"> The dividend policy of the company was approved by the board of directors and disclosed on the company's website. If the dividend policy of the company, making up the consolidated financial statements, uses the company's reporting indicators to determine the amount of dividends, the relevant provisions of the dividend policy take into account consolidated financial reporting indicators. Justification of the proposed distribution of net profit, including payment of dividends and the company's own needs, and assessment of its compliance with the dividend policy, explanations and economic justification of the need to direct a certain part of net profit to its own needs in the reporting period were included in the materials for the general meeting of shareholders, the agenda of which includes the item of profit distribution (including the payment (declaration) of dividends) 	Partial compliance	<p>Criterion 3 is not complied with.</p> <p>A justification for the proposed distribution of net profit, including for the payout of dividends and the Company's own needs, and an evaluation of its compliance with the Company's dividend policy were not included in the materials for the General Meeting of Shareholders during the reporting period.</p> <p>The Board of Directors received this justification from the management of the Company, which took the Company's quarterly performance into consideration.</p> <p>Due to the high level of geopolitical and economic uncertainty in 2022, management and the Board of Directors of the Company decided not to disclose the financial results of the Company and, as a result, did not give shareholders any information on how to calculate and determine whether distributing net profits is economically feasible.</p> <p>The Company is committed to complying with the recommendations of the Code and, as the full disclosure regime is resumed, plans to include this information in materials for general meetings of shareholders.</p>
1.2.2	The company makes no dividend payment decision if such decision, although it formally violates no legal restrictions, is unreasonable from the financial standpoint and may lead to the forming of false perceptions about the company's operations	1. The company's provisions on the dividend policy, in addition to the restrictions imposed by law, define the financial/ economic circumstances where the company should not decide to pay dividends	Full compliance	
1.2.3	The company prevents any adverse impact on the dividend rights of existing shareholders	1. In the reporting period, the company took no actions resulting in an adverse impact on the dividend rights of existing shareholders	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
1.2.4	The company is committed to excluding any other ways of obtaining profit (income) by shareholders at the expense of the company except for dividends and the liquidation value	1. In the reporting period, there were no other ways for the persons controlling the company to receive profit (income) at the company's expense other than dividends (e.g., through transfer pricing, unjustified provision of services by the controlling person at inflated prices, through internal loans substituting dividends to the controlling person and (or) its controlled persons)	Full compliance	
1.3	THE SYSTEM AND PRACTICE OF CORPORATE GOVERNANCE ENSURE EQUAL CONDITIONS FOR ALL SHAREHOLDERS THAT OWN SHARES OF THE SAME CATEGORY (TYPE) INCLUDING MINORITY (SMALL) SHAREHOLDERS AND FOREIGN SHAREHOLDERS, AS WELL AS EQUAL TREATMENT OF SUCH SHAREHOLDERS BY THE COMPANY			
1.3.1	The company created conditions for fair treatment of each shareholder by the management bodies and controlling persons of the company, including conditions that ensure inadmissibility of application of any abusive practices by large shareholders in respect of minority shareholders	1. In the reporting period, the company's controlling persons have not abused their rights in relation to the company's shareholders, there were no conflicts between the company's controlling persons and the company's shareholders and, if any, the board of directors gave them due consideration	Full compliance	
1.3.2	The company does not take actions that result or may result in the artificial redistribution of corporate control	1. Quasi-treasury shares were absent or did not participate in voting in the reporting period	Full compliance	
1.4	SHAREHOLDERS ARE PROVIDED WITH RELIABLE AND EFFECTIVE MEANS OF KEEPING RECORD OF THE RIGHTS TO SHARES AND AN OPPORTUNITY TO DISPOSE OF HELD SHARES IN A FREE AND EASY MANNER			
1.4	Shareholders are provided with reliable and effective means of keeping record of the rights to shares and an opportunity to dispose of held shares in a free and easy manner	1. The technology and terms of service used by the company's registrar meet the needs of the company and its shareholders and ensure that shareholder rights are recorded and exercised in the most efficient way	Full compliance	
2.1	THE BOARD OF DIRECTORS CARRIES OUT STRATEGIC MANAGEMENT OF THE COMPANY, DEFINES THE BASIC PRINCIPLES OF AND APPROACHES TO SETTING UP THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM IN THE COMPANY, CONTROLS THE ACTIVITIES OF THE EXECUTIVE BODIES OF THE COMPANY AND PERFORMS OTHER KEY FUNCTIONS			
2.1.1	The board of directors is responsible for making decisions related to the appointment to and dismissal from positions in the executive bodies, including in connection with improper performance of duties. The board of directors also controls that the executive bodies of the company act in accordance with the approved development strategy and the main directions of the company's operations	<ol style="list-style-type: none"> The board of directors has determined in the charter the powers of appointment, removal, dismissal and determining the terms and conditions of contracts in relation to members of the executive bodies. In the reporting period, the nominations (appointments, human resources) committee considered the suitability of professional qualifications, skills and experience of the members of the executive bodies to the current and anticipated needs of the company as dictated by the approved strategy of the company. In the reporting period, the board of directors reviewed the report(s) of the sole executive body and the collegial executive body (if any) on the implementation of the company's strategy 	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
2.1.2	The board of directors establishes the main benchmarks of the company's operations over a long-term horizon, evaluates and approves the key performance indicators and the key business objectives of the company, evaluates and approves the strategy and business plans related to the main operations of the company	1. In the reporting period, the issues related to the implementation and updating of the strategy, the approval of the financial and economic plan (budget design) of the company, as well as the criteria and indicators (including intermediate ones) of the implementation of the company's strategy and business plans were reviewed at meetings of the board of directors	Full compliance	
2.1.3	The board of directors determines the principles of and the approaches to setting up the risk management and internal control system in the company	1. The principles and approaches to the organisation of the risk management and internal control system in the company are defined by the board of directors and included in the company's internal documents defining the risk management and internal control policy. 2. In the reporting period, the board of directors approved (revised) an acceptable amount of risks (risk appetite) of the company or the audit committee and (or) risk committee (if any) considered the viability of submitting the issue of revising the risk appetite of the company for the consideration of the board of directors	Partial compliance	Criterion 2 is not complied with. The Company's Board of Directors has not set an acceptable amount of risk (risk appetite) for the Company. It is currently challenging for the Company to develop and maintain an adequate risk appetite due to the numerous uncertainties, many new projects, and considerable investment project costs. Even yet, management continually keeps an eye on the budget and sporadically updates the Board of Directors and the Audit Committee of the Board of Directors on the progress of investment projects and budget execution. The Company is committed to implementing the recommendations of the Code and will consider discussing with members of the Audit Committee and the Board the need to determine the Company's risk appetite in the new reporting period.
2.1.4	The board of directors determines the company's policy on remuneration and (or) reimbursement of expenses (compensation) to members of the board of directors, the executive bodies and other key employees of the company	1. The company developed, approved and implemented a policy(ies) on remuneration and (or) reimbursement of expenses (compensation) to members of the board of directors, the executive bodies and other key employees of the company, approved by the board of directors. 2. In the reporting period, the issues related to the mentioned policy(ies) were reviewed by the board of directors	Full compliance	
2.1.5	The board of directors plays the key role in preventing, identifying and resolving internal conflicts between bodies of the company, shareholders of the company and employees of the company	1. The board of directors plays the key role in preventing, identifying and resolving internal conflicts. 2. The company developed a system of identification of transactions involving conflicts of interest and a system of measures aimed at solution of such conflicts	Full compliance	
2.1.6	The board of directors plays the key role in ensuring transparency of the company, timeliness and completeness of disclosure of information by the company and easy access of shareholders to documents of the company	1. The company's internal documents define the persons responsible for implementing the information policy	Full compliance	
2.1.7	The board of directors exercises control over the corporate governance practice in the company and plays the key role in significant corporate events of the company	1. In the reporting period, the board of directors reviewed the results of a self-assessment and/or an external evaluation of the company's corporate governance practices	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
2.2 THE BOARD OF DIRECTORS IS ACCOUNTABLE TO THE COMPANY'S SHAREHOLDERS				
2.2.1	The information about the work of the board of directors is disclosed and provided to shareholders	1. The annual report of the company for the reporting period includes information on the attendance of board and committee meetings by each board member. 2. The annual report contains the information on the main results of the performance assessment (self-assessment) of the board of directors carried out in the reporting period	Full compliance	
2.2.2	The chairperson of the board of directors is available for communication with the company's shareholders	1. The company has a transparent procedure in place to ensure that shareholders are able to present inquiries to the chairperson and receive feedback (and, where applicable, to and from the senior independent director)	Partial compliance	There is no formalised procedure for shareholders to approach the Chair of the Board of Directors. In practice, this procedure is performed by the Corporate Secretary or the person responsible for shareholder and investor relations. Shareholders should send their request to the Corporate Secretary by email to the Company's official website. The Corporate Secretary is then to be required to convey the message to the Chair of the Board of Directors' office and make sure the reply to the message is received. The Company will seek to formalise its shareholder relations process in the following reporting period to guarantee a clear process for submitting messages to the Chair of the Board of Directors and communicating this process to shareholders.
2.3 THE BOARD OF DIRECTORS IS AN EFFECTIVE AND PROFESSIONAL MANAGEMENT BODY OF THE COMPANY CAPABLE OF MAKING OBJECTIVE INDEPENDENT JUDGEMENTS AND TAKING DECISIONS IN THE INTERESTS OF THE COMPANY AND ITS SHAREHOLDERS				
2.3.1	Only persons having an impeccable business and personal reputation along with the knowledge, skills and experience necessary to make decisions falling within the jurisdiction of the board of directors and required for the effective performance of its functions, are elected to the board of directors	1. In the reporting period, the board of directors (or its nomination committee) assessed candidates for the board of directors from the standpoint of the necessary experience, knowledge, business reputation, absence of conflict of interest, etc.	Full compliance	
2.3.2	Members of the board of directors of the company are elected through a transparent procedure, allowing shareholders to obtain information about the candidates sufficient to form an idea about their personal and professional qualities	1. In all cases when a general meeting of shareholders was held in the reporting period and its agenda included items concerning the election of the board of directors, the company presented shareholders with biographical data of all candidates for members of the board of directors, the results of assessment of the candidates on their professional expertise, experience and skills regarding current and expected needs of the company by the board of directors (or its nomination committee), as well as the information on the compliance of the candidate with the independence criteria in accordance with recommendations 102–107 of the Code and the acquired written consent of candidates for election to the board of directors	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
2.3.3	The composition of the board of directors is balanced, including in terms of the qualification of its members, their experience, knowledge and business qualities, and enjoys the trust of shareholders	1. In the reporting period, the board of directors analysed its own needs in terms of professional qualifications, experience and skills and identified the competencies required by the board of directors in the short and long term	No compliance	<p>In the reporting period, the board of directors did not analyse its own needs in terms of professional qualifications, experience and skills and did not identify the competencies required by the board of directors in the short and long term</p> <p>In 2021, more than half of the Board of Directors were renewed. The selection of new candidates for the Board of Directors was based on the Company's need for certain qualifications, experience, skills and competencies.</p> <p>For the time being, the shareholders, the Board of Directors and the management of the Company believe that the Board of Directors works effectively for the benefit of the Company, given the shareholders' interest in the economic stability and development of the Company, and does not seek to fundamentally renew the Board of Directors again.</p> <p>The effectiveness of the Board of Directors is confirmed, among other things, by the results of the self-assessment of the Board of Directors, its Committees and members of the Board of Directors in 2021 and 2022.</p> <p>The Company is committed to implementing the recommendations of the Code and will encourage Board members in future reporting periods to review their needs in terms of professional qualifications, experience and skills and identify the competencies required by the Board in the short and medium term.</p>
2.3.4	The quantitative composition of the board of directors of the company makes it possible to organise the activities of the board of directors in the most effective way including the possibility of creating committees of the board of directors, and gives substantial minority shareholders of the company an opportunity to get the candidate they vote for to be elected to the board of directors	1. In the reporting period, the board of directors considered whether the number of members of the board of directors meets the needs of the company and the interests of the shareholders	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
2.4 THE BOARD OF DIRECTORS INCLUDES A SUFFICIENT NUMBER OF INDEPENDENT DIRECTORS				
2.4.1	An independent director is a person who has sufficient professionalism, experience and autonomy to form his or her own position and who is able to judge objectively and good faith judgement, independent of the influence of the company's executive bodies, individual shareholder groups or other stakeholders. It should be borne in mind that in normal conditions, a candidate (an elected member of the board of directors) related to the society, a substantial shareholder, substantial contractor or competitor of the company or related to the state cannot be considered independent	1. In the reporting period, all independent members of the board of directors met all independence criteria specified in recommendations 102–107 of the Code or were acknowledged independent by resolution of the board of directors	Full compliance	
2.4.2	The company assesses whether candidates to members of the board of directors comply with the independence criteria, and regularly analyses whether independent members of the board of directors comply with the independence criteria. In such an assessment, content should prevail over form	<ol style="list-style-type: none"> In the reporting period, the board of directors (or the nomination committee of the board of directors) drew up an opinion on the independence of each candidate to the board of directors and presented a relevant conclusion to shareholders. During the reporting period, the board of directors (or the nomination committee of the board of directors) reviewed the independence of the current board members at least once (following their election). The company developed procedures to determine the necessary actions of a member of the board of directors in the event that he or she ceases to be independent, including the obligations to inform the board of directors thereof in a timely manner 	Full compliance	
2.4.3	Independent directors make up at least one third of the elected composition of the board of directors	1. Independent directors make up at least one third of the composition of the board of directors	Full compliance	
2.4.4	Independent directors play the key role in preventing of internal conflicts in the company and making of significant corporate actions by the company	1. In the reporting period, independent directors (who had no conflict of interest) performed a preliminary assessment of significant corporate actions related to a possible conflict of interest and presented the results of such assessment to the board of directors	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
2.5	THE CHAIRPERSON OF THE BOARD OF DIRECTORS PROMOTES THE MOST EFFECTIVE PERFORMANCE OF FUNCTIONS ASSIGNED TO THE BOARD OF DIRECTORS			
2.5.1	An independent director is elected as chairperson of the board of directors, or a senior independent director is appointed from the number of the elected independent directors to coordinate the work of independent directors and interact with the chairperson of the board of directors	<ol style="list-style-type: none"> The chairperson of the board of directors is an independent director or a senior independent director is appointed from the number of independent directors. The role, rights and obligations of the chairperson of the board of directors (and a senior independent director where applicable) are duly defined in the company's internal documents 	Partial compliance	<p>Criterion 1 is not complied with.</p> <p>As at the reporting date, the Board of Directors of the Company had not found it possible to elect an independent non-executive director as Chair or to appoint a Senior independent non-executive director.</p> <p>The Chair of the Board of Directors may not always be an independent member of the Board of Directors.</p> <p>In accordance with the Company's internal documents and established practice, the Chair of the Board of Directors is elected by the Board members of the Company from among their number by a majority vote of the total number of votes of the Board of Directors, the Board of Directors may at any time re-elect the Chair of the Board of Directors by a majority vote of the total number of votes of the Board of Directors of the Company.</p> <p>Ekaterina Chernova was unanimously chosen as the Board Chair in 2022 by the Board members. Ekaterina has been on the Company's Board of Directors for more than six years, and she makes a valuable contribution to the Board's productive work and the use of best practises in corporate governance. Ekaterina Chernova encourages open debate and the active participation of the Board members during meetings. Additionally, the Board members were quite pleased with the work Ms Chernova did as Chair in 2022.</p> <p>Nevertheless, the Company is committed to complying with the recommendations of the Code, and the Corporate Secretary of the Company periodically informs the independent members of the Board of Directors at Board meetings about the possibility of electing a Senior Independent Director. At this time, however, the Board of Directors have not elected a Senior Independent Director from among its members.</p> <p>Throughout the reporting period, the Company's Corporate Secretary will keep suggesting to the independent members of the Board of Directors that they elect the Senior Independent Director from among themselves.</p>
2.5.2	The chairperson of the board of directors creates a constructive atmosphere during meetings, ensures free discussion of the meeting agenda issues, control over the execution of decisions made by the board of directors	<ol style="list-style-type: none"> Performance of the chairperson of the board of directors was assessed within the framework of the assessment of performance of the board of directors in the reporting period 	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
2.5.3	The chairperson of the board of directors takes the required measures for the timely provision of members of the board of directors with the information necessary to make decisions on the agenda issues	<ol style="list-style-type: none"> The responsibility of the chairperson of the board of directors to take measures for the timely provision of members of the board of directors with files on the issues on the agenda of a meeting of the board of directors is recognised in the internal documents of the company 	Full compliance	
2.6	MEMBERS OF THE BOARD OF DIRECTORS ACT IN GOOD FAITH AND REASONABLY IN THE INTERESTS OF THE COMPANY AND ITS SHAREHOLDERS, BEING DULY INFORMED, WITH DUE CARE AND DILIGENCE			
2.6.1	Members of the board of directors make decisions taking into account all available information, in the absence of a conflict of interest, based on the principles of equal treatment of shareholders of the company, within the limits of usual business risk	<ol style="list-style-type: none"> The internal documents of the company stipulate that a member of the board of directors is obliged to notify the board of directors if they have a conflict of interest in relation to any issue on the agenda of a meeting of the board of directors or a committee of the board of directors before the start of the discussion of the relevant agenda item. The internal documents of the company state that a member of the board of directors shall refrain from voting on any issue in respect of which they have a conflict of interest. The company has a procedure that enables the board of directors to receive professional advice on matters within its jurisdiction at the expense of the company 	Full compliance	
2.6.2	Rights and obligations of members of the board of directors are clearly formulated and enshrined in the internal documents of the company	<ol style="list-style-type: none"> The company adopted and published an internal document clearly defining rights and obligations of members of the board of directors 	Full compliance	
2.6.3	Members of the board of directors have sufficient time to carry out their duties	<ol style="list-style-type: none"> Individual attendance of the board and committee meetings, as well as sufficient time for work on the board of directors, including its committees, is analysed as part of the board of directors' performance assessment (self-assessment) procedure in the reporting period. In accordance with the internal documents of the company, members of the board of directors are required to notify the board of directors of their intention to enter management bodies of other companies (apart from companies controlled by the company) as well as of the fact of such appointment 	Full compliance	
2.6.4	All members of the board of directors have equal access to the documents and information of the company. Newly elected members of the board of directors are provided with sufficient information about the company and operations of the board of directors as soon as possible	<ol style="list-style-type: none"> In accordance with the company's internal documents, members of the board of directors have the right to obtain information and documents necessary for the members of the company's board of directors to perform their duties in relation to the company and its controlled entities, and the company's executive bodies are obliged to ensure that the relevant information and documents are provided. The company implemented a formalised familiarisation programme for newly elected members of the board of directors 	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
2.7	MEETINGS OF THE BOARD OF DIRECTORS, PREPARATION FOR AND PARTICIPATION OF MEMBERS OF THE BOARD OF DIRECTORS IN SUCH MEETINGS ENSURE EFFECTIVE PERFORMANCE OF THE BOARD OF DIRECTORS			
2.7.1	Meetings of the board of directors are held as necessary, taking into account the scope of activities and objectives of the company at a particular point in time	1. The board of directors held at least six meetings in the reporting year	Full compliance	
2.7.2	The internal documents of the company enshrine a procedure for the preparation and holding of meetings of the board of directors providing members of the board of directors with an opportunity to prepare properly for such meetings	<p>1. The company approved an internal document defining the procedure for the preparation and holding of meetings of the board of directors, which, among other things, established that a notification of a meeting should be normally made at least five days before the meeting.</p> <p>2. In the reporting period, members of the board of directors who were absent from the venue of the meeting were given the opportunity to participate in the discussion of agenda items and vote remotely: via conference and video conferencing</p>	Partial compliance	<p>Criterion 1 is not complied with.</p> <p>The Company has adopted Regulations on the Board of Directors, which set out the procedure for preparing and holding Board meetings. This regulation stipulates that members of the Board of Directors must be notified at least three days in advance of the meeting.</p> <p>The company is often required to make decisions on matters within the Board's purview as quickly as possible. This was particularly often required in a period of high uncertainty and sanctions risks in the reporting period. Accordingly, voting materials for the Board of Directors were sent to the members three days before the meeting.</p> <p>Previously, the Company has always endeavoured to give five or more calendar days' notice of meetings to Board members.</p> <p>At the end of 2022 the Company drafted a new version of the Board of Directors' Regulations, which included a condition that the members of the Board of Directors should be given at least five days' notice of the meeting, and submitted it for approval at the General Meeting of Shareholders on 2 March 2023.</p>
2.7.3	The form of a meeting of the board of directors is determined depending on the importance of the issues on the agenda. The most important issues are resolved at the meetings held in praesentia	1. The company's charter or internal documents stipulate that the most important matters (including those listed in Recommendation 168 of the Code) should be considered at meetings of the board of directors held in person	Full compliance	
2.7.4	Decisions on the most important issues of the company's activities are made at a meeting of the board of directors by a qualified majority or a majority of votes of all elected members of the board of directors	1. The charter of the company stipulates that decisions on the most important issues, including those set out in recommendation 170 of the Code, must be made at a meeting of the board of directors by a qualified majority of at least 3/4 of votes or by a majority of votes of all elected members of the board of directors	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
2.8	THE BOARD OF DIRECTORS FORMS COMMITTEES FOR PRELIMINARY CONSIDERATION OF THE MOST IMPORTANT ISSUES OF THE COMPANY'S ACTIVITIES			
2.8.1	The audit committee consisting of independent directors was formed for preliminary consideration of the issues related to control over financial and economic operations of the company	<p>1. The board of directors formed the audit committee, consisting solely of independent directors.</p> <p>2. The internal documents of the company define the objectives of the audit committee, including those contained in recommendation 172 of the Code.</p> <p>3. At least one member of the audit committee, who is an independent director, has experience and knowledge in the preparation, analysis, assessment and audit of accounting (financial) statements.</p> <p>4. Meetings of the audit committee were held at least once a quarter in the reporting period</p>	Partial compliance	<p>Criterion 1 is not complied with.</p> <p>During the reporting year, the Audit Committee comprised two independent directors with experience and expertise in the preparation, analysis, evaluation and audit of accounting (financial) statements, one of whom is the Chair of the Audit Committee. One member of the Committee is not independent, but the long service on the Board of Directors, knowledge of business specifics, qualifications and competencies in audit, finance, risk management and impressive experience in management positions allow this member of the Audit Committee to effectively perform the functions stipulated by the Regulations on the Audit Committee of the Board of Directors of INARCTICA PJSC.</p> <p>The Company is committed to complying with the recommendations of the Code, and the Corporate Secretary of the Company notifies members of the Board of Directors (prior to the election of the Committee) of the recommendations of the Code and the requirements of the Listing Rules of the Moscow Exchange.</p> <p>The Audit Committee may be made up entirely of independent Board members in 2023, according to plans made by the Board of Directors.</p>
2.8.2	A remuneration committee consisting of independent directors and headed by an independent director who is not the chairperson of the board of directors is formed for the preliminary consideration of the issues related to the development of the effective and transparent remuneration practice	<p>1. The board of directors formed the remuneration committee that consists solely of independent directors.</p> <p>2. The chairperson of the remuneration committee is an independent director who is not the chairperson of the board of directors.</p> <p>3. The company's internal documents set out the tasks of the remuneration committee, including, but not limited to, the tasks contained in recommendation 180 of the Code, as well as the conditions (events), upon the occurrence of which the remuneration committee considers reviewing the company's remuneration policy for members of the board of directors, executive bodies and other key executives</p>	Partial compliance	<p>Criterion 3 is not complied with.</p> <p>The Regulations on the Nomination and Remuneration Committee of the Board of Directors set out the tasks of the Nomination and Remuneration Committee, including those contained in recommendation 180 of the Code. However, these Regulations do not define the conditions (events), upon the occurrence of which the Nomination and Remuneration Committee of the Board of Directors considers the review of the Company's remuneration policy for members of the Board of Directors, executive bodies and other key management personnel.</p> <p>Nevertheless, the Nomination and Remuneration Committee occasionally addresses issues relating to the remuneration of the Company's executive bodies and employees at its meetings. In 2022, active work was being done to create a target map and establish KPI values for not just the Company's CEO but also for all top management. Additionally, the employee incentive scheme and new stock option programme were occasionally discussed.</p> <p>The Company is committed to implementing the recommendations of the Code, and its 2023 work plan includes the revision of the Regulations on the Nomination and Remuneration Committee of the Board of Directors of the Company and the addition of conditions to review the Company's policy on remuneration of the Board of Directors, executive bodies and other key executives.</p>

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
2.8.3	The company formed the nomination (appointment, human resources) committee with the majority of members being independent directors for the preliminary consideration of issues related to human resources planning (succession planning), professional composition and efficiency of performance of the board of directors	<ol style="list-style-type: none"> The board of directors formed the nomination committee, with the majority of members being independent directors (or its objectives specified in recommendation 186 of the Code are accomplished by another committee). The internal documents of the company define the objectives of the nomination committee (or a corresponding committee with combined functions) including the ones contained in recommendation 186 of the Code. In order to form the board of directors that best meets the company's goals and objectives. The nomination committee organised shareholder relations, not limited to the major shareholders, in the context of selecting candidates to the company's board of directors in the reporting period, either independently or jointly with other committees of the board of directors or the company's authorised shareholder relations unit 	Partial compliance	<p>Criterion 3 is not complied with.</p> <p>The Nomination and Remuneration Committee has been a part of the Board of Directors for a number of years. It oversees the Company's human resources policy, improves the professionalism and effectiveness of the Board of Directors, and ensures the succession of the Company's governing bodies.</p> <p>In 2021, the more than half of the Company's Board members were replaced with new ones, and the Board of Directors was formed from candidates proposed by all shareholders entitled to nominate candidates to the Board of Directors.</p> <p>The current membership of the Company's Board of Directors fully meets shareholders' expectations in terms of competence, knowledge, experience and qualifications. For the past two years, this Board has been productively serving the interests of the Company.</p> <p>Moreover, in 2022 it became difficult to find new independent candidates with the competencies required by the Company and meeting the expectations of the Company's shareholders due to the refusal of many independent directors from foreign countries to serve on the boards of directors of Russian companies.</p> <p>Therefore, the Nomination and Remuneration Committee of the Board of Directors in 2022 did not engage with shareholders on the issue of selecting new candidates to the Company's Board of Directors.</p> <p>The Company is committed to following the Code's recommendations, and if any of the current Board members are found to be incompetent, the Nomination and Remuneration Committee will begin working with all of the Company's shareholders, not just the largest ones, to choose new candidates for the Board of Directors.</p> <p>Given the resignation of Board members with rare aquaculture capabilities in 2022, the Company does not rule out the possibility that such work may be done in 2023</p>
2.8.4	The board of directors of the company made sure that the composition of its committees fully met the purposes of the company, taking into account the scope of operations and the level of risk. Additional committees were either formed or not recognised as necessary (the strategy committee, the corporate governance committee, the ethics committee, the risk management committee, the budget committee, the health, safety and environment committee, etc.)	<ol style="list-style-type: none"> In the reporting period, the board of directors of the company considered whether the structure of the board of directors is appropriate to the scope and nature, business goals and needs, and risk profile of the company. Additional committees were either formed or not recognised as necessary 	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
2.8.5	The composition of the committees is determined in such a way as to allow for a comprehensive discussion of the preliminary considered issues, taking into account different views	<ol style="list-style-type: none"> The audit committee, the remuneration committee, and the nomination committee (or the relevant committee of a combined nature) were chaired by independent directors in the reporting period. The internal documents (policies) of the company include provisions stipulating that persons not entering the audit committee, the nomination committee (or the relevant committee of a combined nature) and the remuneration committee may attend committee meetings only at the invitation of the chairperson of the relevant committee 	Full compliance	
2.8.6	Committee chairpersons regularly inform the board of directors and its chairperson of the operations of their committees	<ol style="list-style-type: none"> During the reporting period, committee chairpersons reported regularly to the board of directors on the work of the committees 	Full compliance	
2.9	THE BOARD OF DIRECTORS ENSURES THE ASSESSMENT OF THE QUALITY OF PERFORMANCE OF THE BOARD OF DIRECTORS, COMMITTEES AND MEMBERS OF THE BOARD OF DIRECTORS			
2.9.1	Assessment of the quality of performance of the board of directors is aimed at determination of the effectiveness of performance of the board of directors, committees and members of the board of directors, the degree of compliance of their operations with the company development needs, activation of operations of the board of directors and identification of areas where their operations can be improved	<ol style="list-style-type: none"> The company's internal documents set out the procedures for assessing (self-assessing) the board of directors' performance. The assessment (self-assessment) of the performance of the Board of Directors carried out in the reporting period included an assessment of the performance of the committees, an individual assessment of each member of the board of directors and the board of directors as a whole. The results of the assessment (self-assessment) of the board of directors' performance carried out in the reporting period were reviewed at an in-person meeting of the board of directors 	Full compliance	
2.9.2	The performance of the board of directors, committees and members of the board of directors is assessed on a regular basis at least once a year. An external company (consultant) is engaged at least once every three years to conduct an independent assessment of the quality of the performance of the board of directors	<ol style="list-style-type: none"> The company engaged an external company (consultant) to conduct an independent assessment of the quality of the performance of the board of directors at least once for the three last reporting periods 	No compliance	<p>Criterion 1 is not complied with.</p> <p>In accordance with Art. 2.9.2 of the Code, the performance of the Board of Directors, Committees and members of the Board of Directors should be assessed on a regular basis at least once a year. It is recommended to engage an external company (consultant) on an occasional basis (at least once every three years) to conduct an independent assessment of the quality of the performance of the Board of Directors.</p> <p>The current Board of Directors was elected in 2021 and at the time of writing this Report has been in office for less than three years. Thus, in 2022, there was not enough information gathered to conduct an objective independent assessment of the work of the Board of Directors in its current membership.</p> <p>The Board of Directors independently assesses its performance annually in accordance with the Company's approved methodology for assessing the effectiveness of the Board of Directors and Board Committees. The results of such assessments in recent years are given in the Corporate Governance section of this Annual Report.</p> <p>The Company is committed to complying with the recommendations of the Code and plans to propose to the Board of Directors to consider engaging external organisations to conduct an independent assessment of the Board of Directors' performance in 2023.</p>

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
3.1	THE CORPORATE SECRETARY OF THE COMPANY IS EFFECTIVELY INTERACTING WITH SHAREHOLDERS, COORDINATES THE ACTIONS OF THE COMPANY TO PROTECT THE RIGHTS AND INTERESTS OF SHAREHOLDERS, SUPPORTS THE EFFECTIVE PERFORMANCE OF THE BOARD OF DIRECTORS			
3.1.1	The corporate secretary has the knowledge, experience and qualification sufficient for performing his/her duties, an impeccable reputation and enjoys the trust of shareholders	1. The company's website and the annual report contain curriculum vitae of the corporate secretary (including information on age, education, qualifications, experience) as well as information on the positions held by the corporate secretary in the management bodies of other legal entities for at least the last five years	Full compliance	
3.1.2	The corporate secretary has sufficient independence from the executive bodies of the company and has the necessary powers and resources for fulfilling the tasks assigned to him/her	1. The company adopted and disclosed an internal document – the provision on the corporate secretary. 2. The board of directors approves the candidate for the position of the corporate secretary and terminates his/ her powers, as well as considers the payment of additional remuneration. 3. The company's internal documents stipulate the corporate secretary's right to request and receive company documents and information from management bodies, structural units and officials of the company	Full compliance	
4.1	THE LEVEL OF REMUNERATION PAID BY THE COMPANY IS SUFFICIENT TO ATTRACT, MOTIVATE AND RETAIN PERSONS WHO HAVE THE COMPETENCE AND QUALIFICATION NECESSARY FOR THE COMPANY. REMUNERATION IS PAID TO MEMBERS OF THE BOARD OF DIRECTORS, THE EXECUTIVE BODIES AND OTHER KEY EXECUTIVES OF THE COMPANY IN ACCORDANCE WITH THE REMUNERATION POLICY ADOPTED IN THE COMPANY			
4.1.1	The level of remuneration provided by the company to members of the board of directors, the executive bodies and other key executives creates sufficient motivation for their effective work, enables the company to attract and retain competent and qualified professionals. At the same time, the company avoids greater than necessary levels of remuneration, as well as an unjustified big gap between the rates of remuneration of the mentioned persons and the company employees	1. The remuneration of members of the board of directors, executive bodies and other key executives of the company is determined taking into account the results of a comparative analysis of remuneration levels in peer companies	Full compliance	
4.1.2	The company's remuneration policy is developed by the remuneration committee and approved by the board of directors of the company. The board of directors together with the remuneration committee ensures control over the introduction and implementation of the remuneration policy in the company, and revises and amends it if necessary	1. In the reporting period, the remuneration committee reviewed the remuneration policy(-ies) and (or) practices of its (their) implementation, assessed their efficiency and transparency, and, if necessary, submitted respective recommendations to the board of directors on the revision of the said policy(-ies)	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
4.1.3	The company's remuneration policy contains transparent mechanisms for the determination of the amount of remuneration of members of the board of directors, the executive bodies and other key executives of the company and regulates all types of payments, benefits and privileges granted to the mentioned persons	1. The company's remuneration policy (policies) contains (contain) transparent mechanisms for determining the amount of remuneration to the members of the board of directors, the executive bodies and other key managers of the company, as well as regulates (regulate) all types of payments, benefits and privileges provided to these persons	Full compliance	
4.1.4	The company determines the policy of expense compensation (compensations) that specifies a list of expenses to be compensated for and the level of service that the members of the board of directors, of the executive bodies and other key managers of the company can count on. Such policy may be a component of the company's remuneration policy	1. The remuneration policy (policies) or in other internal documents of the company establish the rules for compensation of expenses to the members of the board of directors, the executive bodies and other key managers of the company	Full compliance	
4.2	THE SYSTEM OF REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS ENSURES CONVERGENCE OF FINANCIAL INTERESTS OF THE DIRECTORS WITH LONG-TERM FINANCIAL INTERESTS OF THE SHAREHOLDERS			
4.2.1	The company pays a fixed annual remuneration to the members of the board of directors. The company does not pay any remuneration for participation in individual meetings of the board of directors or its committees. The company does not apply any types of short-term motivation or additional financial incentives to members of the board of directors	1. In the reporting period, the company paid remuneration to the members of the board of directors in accordance with the remuneration policy adopted by the company. 2. In the reporting period, the company did not apply any forms of short-term motivation or additional financial incentives to the members of the board of directors, the payment of which depends on the results (indicators) of the company's operations. No remuneration was paid for participation in individual meetings of the board of directors or board committees	Full compliance	
4.2.2	The long-term ownership of the company's shares mostly contributes to convergence of financial interests of the members of the board of directors with long-term interests of the shareholders. In doing so, the company does not precondition the right of realisation of shares by achieving certain performance indicators and the members of the board of directors do not participate in stock option plans	1. If the internal document (documents) – the company's remuneration policy (policies) – stipulates (stipulate) the provision of the shares of the company to the members of the board of directors, clear rules of ownership of shares by the members of the board of directors aimed at encouraging long-term ownership of such shares shall be envisaged and disclosed	Full compliance	
4.2.3	The company does not provide for any additional payments or compensations in case of early termination of the powers of the members of the board of directors in connection resulting from the change of control over the company or otherwise	1. The company does not provide for any additional payments or compensations in case of early termination of the powers of the members of the board of directors resulting from the change of control over the company or otherwise	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
4.3	THE SYSTEM OF REMUNERATION TO THE MEMBERS OF THE EXECUTIVE BODIES AND OTHER KEY MANAGERS OF THE COMPANY STIPULATES THE DEPENDENCE OF REMUNERATION ON THE COMPANY'S PERFORMANCE AND THEIR CONTRIBUTION TO ACHIEVING THIS RESULT			
4.3.1	The remuneration to the members of the executive bodies and other key managers of the company is determined in such a way as to ensure reasonable and justified correlation between the fixed and variable portions of the remuneration which depends on the company's performance and personal (individual) contribution of the employee to the outcome	<ol style="list-style-type: none"> In the reporting period, the annual performance indicators approved by the board of directors were used to determine the variable remuneration of members of the executive bodies and other key executives of the company. In the course of the last assessment of the remuneration system for the members of the executive bodies and other key managers of the company performed, the board of directors (the remuneration committee) made sure that the company uses an effective ratio between the fixed and variable portions of the remuneration. In determining the remuneration payable to members of executive bodies and other key executives of the company, the company accounts for the risks borne by the company to avoid creating incentives for excessively risky management decisions 	Full compliance	
4.3.2	The company implemented the programme of long-term motivation for the members of the executive bodies and other key managers of the company using the shares of the company (stock option plans or other derivative financial instruments with company shares as the underlying asset)	<ol style="list-style-type: none"> If the company has introduced a long-term incentive scheme for members of executive bodies and other key executives of the company using company shares (financial instruments based on company shares), the scheme stipulates that the right to sell such shares and other financial instruments shall not arise earlier than three years after their provision. The right to sell them is conditional on the achievement of certain performance indicators of the company 	Full compliance	
4.3.3.	The amount of compensation (golden parachute) that the company pays in case of early termination of their powers to the members of the executive bodies or key managers, as initiated by the company, and in the absence of unfair acts on their part, shall not exceed a two-fold amount of the fixed portion of the annual remuneration	<ol style="list-style-type: none"> The amount of compensation (golden parachute) that the company pays in case of early termination of their powers to the members of the executive bodies or key managers, as initiated by the company, and in the absence of unfair acts on their part, did not exceed a twofold amount of the fixed portion of the annual remuneration during the reporting period 	Full compliance	
5.1	THE COMPANY HAS A RELIABLE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM IN PLACE TO GIVE REASONABLE CERTAINTY THAT ITS GOALS WILL BE MET			
5.1.1	The Board of Directors determined the principles of and the approaches to setting up the risk management and internal control system in the company	<ol style="list-style-type: none"> The functions of various corporate bodies and units of the company in the risk management and internal control system are clearly defined in internal documents/ respective policy of the company approved by the board of directors 	Full compliance	
5.1.2	The company's executive bodies are in charge of establishing and maintaining an efficient internal control and risk management system	<ol style="list-style-type: none"> The executive bodies of the company ensured that duties, powers, responsibilities in the area of risk management and internal control are distributed between the heads (managers) of departments and divisions reporting to them 	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
5.1.3	The risk management and internal control system of the company provides an objective, fair and clear view of the current state and prospects of the company, integrity and transparency of the company's reporting, reasonableness and acceptability of the risks taken by the company	<ol style="list-style-type: none"> The company has an approved anti-corruption policy in place. The company ensured a safe, confidential and easy-to-use way (hotline) of informing the board of directors or the audit committee under the board of directors on the facts of violation of the legislation, the internal procedures and the ethical code of the company 	Full compliance	
5.1.4	The board of directors of the company takes necessary measures to make sure that the risk management and internal control system of the company is consistent with the principles of and approaches to its organisation defined by the board of directors and is functioning effectively	<ol style="list-style-type: none"> In the reporting period, the board of directors (audit committee and/ or risk committee, if any) organised an assessment of the reliability and effectiveness of the risk management and internal control system. In the reporting period the board of directors reviewed the results of the assessment of the reliability and effectiveness of the company's risk management and internal control system, and the details of the review are included in the company's annual report 	Full compliance	
5.2	THE COMPANY ORGANISES INTERNAL AUDITS TO METHODICALLY AND IMPARTIALLY ASSESS THE ACCURACY AND EFFICIENCY OF THE RISK MANAGEMENT, INTERNAL CONTROL SYSTEM, AND CORPORATE GOVERNANCE PROCEDURES			
5.2.1	The company has a separate structural unit or engages an independent external company to conduct an internal audit. The functional and administrative accountability of the internal audit unit is differentiated. Functionally, the internal audit unit reports to the board of directors	<ol style="list-style-type: none"> To conduct an internal audit, the company established a separate structural internal audit unit functionally reporting to the board of directors or engaged an independent external company following the same accountability principle 	Full compliance	
5.2.2	The internal audit unit assesses the reliability and effectiveness of the risk management and internal control system, as well as the corporate governance, and applies generally accepted standards of internal audit	<ol style="list-style-type: none"> In the reporting period, internal audit assessed the reliability and effectiveness of the risk management and internal control system. In the reporting period, internal audit assessed corporate governance practices (individual practices), including communication procedures (including those related to internal control and risk management) at all management levels of the company, as well as stakeholders relations 	Full compliance	
6.1	THE COMPANY AND ITS ACTIVITIES ARE TRANSPARENT FOR SHAREHOLDERS, INVESTORS AND OTHER INTERESTED PERSONS			
6.1.1	The company developed and implemented an information policy that ensures effective information exchange between the company, shareholders, investors and other interested persons	<ol style="list-style-type: none"> The board of directors of the company approved the company's information policy developed with regard to the recommendations of the Code. In the reporting period, the board of directors (or one of its committees) reviewed the efficiency of communication between the company, shareholders, investors and other stakeholders and the advisability (necessity) to revise the company's information policy 	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
6.1.2	The company discloses the information on the corporate governance system and practice, including detailed information on the compliance with the principles and recommendations of the Code	<ol style="list-style-type: none"> The company discloses information on the company's corporate governance system and general principles of corporate governance applicable to the company, including on the company's website. The company discloses information on the composition of the executive bodies and the board of directors, independence of members of the board of directors and their membership in the committees of the board of directors (in accordance with the definition given in the Code). If there is a person controlling the company, the company publishes a controlling person memorandum concerning the plans of such person in respect of corporate governance in the company 	Full compliance	
6.2 THE COMPANY TIMELY DISCLOSES COMPLETE, UP-TO-DATE AND RELIABLE INFORMATION ABOUT THE COMPANY TO ENSURE OPPORTUNITIES FOR MAKING JUSTIFIED DECISIONS BY THE COMPANY'S SHAREHOLDERS AND INVESTORS				
6.2.1	The company discloses information in accordance with the principles of regularity, consistency, efficiency, accessibility, reliability, completeness and comparability of the information disclosed	<ol style="list-style-type: none"> The company has established a procedure to ensure that all structural units and employees of the company who are involved in the disclosure of information or whose activities may lead to the need to disclose information coordinate their work. If the company's securities are traded in foreign securities markets, the disclosure of substantial information in the Russian Federation and in such markets shall be performed simultaneously and equivalently during the reporting year. If foreign shareholders hold a significant number of the company's shares, the disclosure of information during the reporting year was performed not only in Russian but also in one of the most widespread foreign languages 	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
6.2.2	The company avoids a formal approach to disclosing information and discloses the substantial information on its business, even if the disclosure of such information is not stipulated by the law	<ol style="list-style-type: none"> The company's information policy defines approaches to the disclosure of information on other events (actions) that have a significant impact on the value or quotation of its securities, the disclosure of which is not required by law. The company discloses complete information on the structure of the company's capital in the annual report and on the company's website in accordance with recommendation 290 of the Code. The company discloses information on controlled entities that are material to it, including key areas of their activities, mechanisms for ensuring accountability of controlled entities, the authority of the company's board of directors to determine strategy and assess performance of controlled entities. The company discloses a non-financial report – a sustainability report, environmental report, corporate social responsibility report or any other report containing non-financial information, including factors related to the environment (including environmental and climate change-related factors), society (social factors) and corporate governance, except for the equity issuer's report and the annual report of a joint stock company 	Partial compliance	<p>Criterion 2 is complied with partially.</p> <p>In order to safeguard its shareholders and the Company itself in 2022, the Company decided not disclose information regarding its shareholding structure on the Company's website owing to heightened sanctions risks.</p> <p>However, the Company has consistently made its shareholding structure public knowledge and disclosed it in the Company's annual reports, and will do so again in the text of the Company's Annual Report 2022.</p> <p>The Company is now withholding information about the capital structure, but once public companies resume the full disclosure regime, it will provide that data on its website.</p>
6.2.3	As one of the most important tools for the exchange of information between shareholders and other stakeholders, the annual report contains information enabling assessment of the company's performance for the year	<ol style="list-style-type: none"> The company's annual report contains information on the audit committee's assessment of the effectiveness of the external and internal audit processes. The company's annual report contains information on the company's environmental and social policies 	Full compliance	
6.3 THE COMPANY PROVIDES INFORMATION AND DOCUMENTS AS REQUESTED BY THE SHAREHOLDERS IN ACCORDANCE WITH EQUAL AND UNHINDERED ACCESS PRINCIPLES				
6.3.1	There are no unreasonable difficulties for shareholders in exercising their right of access to the company's documents and information	<ol style="list-style-type: none"> The company's information policy (internal documents defining the information policy) defines a non-onerous procedure for providing access to the company's information and documents upon shareholders' request. The information policy (internal documents defining the information policy) contains provisions stipulating that if a shareholder requests information on organisations controlled by the company, the company shall make the necessary efforts to obtain such information from the relevant organisations controlled by the company 	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
6.3.2	When the company provides information to shareholders, it maintains a reasonable balance between the interests of individual shareholders and the interests of the company itself, seeking to protect the confidentiality of important commercial information, which can have a significant impact on the company's competitiveness	<ol style="list-style-type: none"> The company's information policy (internal documents defining the information policy) defines a non-onerous procedure for providing access to the company's information and documents upon shareholders' request. The information policy (internal documents defining the information policy) contains provisions stipulating that if a shareholder requests information on organisations controlled by the company, the company shall make the necessary efforts to obtain such information from the relevant organisations controlled by the company 	Full compliance	
7.1	THE ACTIONS THAT SIGNIFICANTLY INFLUENCE OR MAY INFLUENCE THE STRUCTURE OF THE SHARE CAPITAL AND FINANCIAL STANDING OF THE COMPANY AND, ACCORDINGLY, THE SHAREHOLDERS' STATE (MATERIAL CORPORATE ACTIONS), ARE PERFORMED ON EQUITABLE CONDITIONS THAT ENSURE COMPLIANCE WITH THE RIGHTS AND INTERESTS OF THE SHAREHOLDERS AS WELL AS OF OTHER STAKEHOLDERS			
7.1.1	Material corporate actions include reorganisation of the company, acquisition of 30 percent and more of the voting shares of the company (take-over), the performance of material transactions by the company, increase or decrease of the share capital of the company, listing and delisting of shares of the company and other actions that may lead to a significant change in the shareholders' rights or infringe upon their interests. The charter of the company defines a list (criteria) of transactions or other actions that are recognised as material corporate actions, and such actions refer to the competence of the company's board of directors	<ol style="list-style-type: none"> The company's charter define the list (criteria) of transactions or other actions that constitute material corporate actions. Decision-making in respect of material corporate actions refers to the competence of the board of directors as stated in the charter. When these corporate actions are directly referred by the legislation to the competence of the general meeting of shareholders, the board of directors makes recommendations to shareholders accordingly 	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
7.1.2	The board of directors plays a key role in making decisions or developing recommendations concerning material corporate actions; the board of directors relies on the position of independent directors of the company	<ol style="list-style-type: none"> The company has a procedure for independent directors to state their position on material corporate actions prior to their approval 	No compliance	<p>The Company does not have a procedure for independent members of the Board of Directors to state their position on material corporate actions.</p> <p>The concept and list of material corporate actions appeared in the Company's new Charter in 2022, and the Company has not yet regulated the procedure for independent Board members to state their position on such matters.</p> <p>Nevertheless, all members of the Board of Directors are entitled to express their dissenting opinions on items on the agenda of the meeting, including those relating to material corporate actions. Such dissenting opinion shall be appended by the Company Secretary to the minutes of the relevant meeting.</p> <p>The Company strives to implement the recommendations of the Code and in 2023 will consider amending the Company's internal documents to regulate the procedure for independent members of the Board of Directors to declare their positions on material corporate actions.</p>
7.1.3	The company ensures equal conditions for all of its shareholders if material corporate actions affect the rights and legal interests of shareholders, and implements additional measures protecting the rights and legal interests of shareholders of the company if the legal mechanisms aimed at protecting the rights and legal interests of shareholders are insufficient. The company is guided not only by formal legal requirements but also by the corporate governance principles set forth in the Code	<ol style="list-style-type: none"> Given the nature of the company's business, the board of directors is authorised by the company's charter to approve other transactions that are material to the company, in addition to those provided for by law. During the reporting period, all the material corporate actions went through the procedure of approval prior to their execution 	Full compliance	

S.No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Status of compliance with the corporate governance principle	Explanations of deviation from criteria for assessing compliance with the corporate governance principle
7.2	THE COMPANY PROVIDES A PROCEDURE FOR PERFORMING MATERIAL CORPORATE ACTIONS THAT ALLOWS THE SHAREHOLDERS TO OBTAIN IN DUE TIME COMPLETE INFORMATION ON SUCH ACTIONS AND GIVES THEM AN OPPORTUNITY TO INFLUENCE THE PERFORMANCE OF SUCH ACTIONS AND GUARANTEES COMPLIANCE WITH THE APPROPRIATE LEVEL OF PROTECTION OF THEIR RIGHTS AS SUCH ACTIONS ARE PERFORMED			
7.2.1	The information on performance of material corporate actions is disclosed with an explanation of the reasons, conditions and consequences of such actions	1. If material corporate actions have been taken by the company in the reporting period, the company disclosed such actions in a timely and detailed manner, including the reasoning behind them, the conditions under which the actions were taken and the consequences of such actions for shareholders	Full compliance	
7.2.2	The rules and procedures associated with the company's performance of material corporate actions are enshrined in the internal documents of the company	1. The internal documents of the company define the cases and the procedure for involving an appraiser to estimate the value of the property, alienated or purchased through a major transaction or an interested-party transaction. 2. The internal documents of the company stipulate the procedure for involving an appraiser to estimate the value of purchase and redemption of the company's shares. 3. If there is no formal interest of a member of the board of directors, the sole executive body, a member of the collegial executive body of the company, a person who is a controlling person of the company or a person entitled to give instructions binding to the company, in the company's transactions, but there is a conflict of interest or other actual interest, the internal documents of the company provide that such persons shall not participate in voting on the approval of such transaction	Full compliance	

Appendix 2. Report on Transactions made by INARCTICA PJSC in 2022 that are Recognised as Major Transactions and/or Interested-Party Transactions in accordance with the Federal Law on Joint Stock Companies

In 2022, INARCTICA PJSC did not approve (make) any transactions recognised as major transactions in accordance with the Federal Law On Joint Stock

Companies, as well as other transactions subject to the major transaction approval procedure in accordance with the Company's Charter.

Information on interested-party transactions:

S.No.	Transaction	Essential conditions	Interested party(ies) at the time of the transaction	Information on how the Company's governing body considered the transaction
1.	Surety contract No. 013501/22 dated 25 April 2022	<p>Parties to the transaction:</p> <p>Surety: Russian Aquaculture Public Joint Stock Company¹</p> <p>Bank (Lender): Moscow Credit Bank (Public Joint Stock Company)</p> <p>Borrower: Russian Sea – Aquaculture Limited Liability Company² (OGRN 5077746511893, INN 7722607816).</p> <p>Subject of the Surety Agreement: The Surety jointly with the Borrower agrees to be liable to the Bank in full for the Borrower performing all its obligations under Loan Agreement No. 0135/22 with establishment of total debt limit of RUB 1,500,000,000 (One billion five hundred million 00 kopecks), as well as be liable for obligations for any new borrower in case of transfer of debt under the Loan Agreement to another person, including in case of transfer of debt under the Loan Agreement to the Borrower's legal successor as a result of reorganisation of the Borrower or to any of the companies belonging to the Borrower's group of companies.</p> <p>Surety term: 60 months from the date of the Surety Agreement.</p>	Ilya Sosnov acted as the sole executive body of Russian Aquaculture PJSC and Russian Sea–Aquaculture LLC.	Conclusion of the Surety contract was approved by the extraordinary General Meeting of Shareholders of INARCTICA PJSC, Minutes No. 78 dated 31 August 2022.

¹ Business name of INARCTICA Public Joint Stock Company effective through 31 August 2022.

² Business name INARCTICA NORTH-WEST Limited Liability Company effective through 16 September 2022.

S.No.	Transaction	Essential conditions	Interested party(ies) at the time of the transaction	Information on how the Company's governing body considered the transaction
2.	Supplementary Agreement No. 2 dated 9 September 2022 to Surety Agreement No. MOS/PR/132/20 dated 3 November 2020	<p>Parties to the transaction:</p> <p>Surety: Russian Aquaculture Public Joint Stock Company</p> <p>Lender: ROSBANK Public Joint Stock Company</p> <p>Borrower (Beneficiary): Russian Sea – Aquaculture Limited Liability Company (OGRN 5077746511893, INN 7722607816).</p> <p>Subject of the Supplementary Agreement:</p> <p>Amendments made by Supplementary Agreement No. 2 to the terms and conditions of the Principal Agreement:</p> <ol style="list-style-type: none"> Final repayment date – no later than twenty-four (24) months from the date of the Supplemental Agreement is signed; Availability period – no later than twelve (12) months from the date of the Supplemental Agreement is signed; The Lender provides funds to Russian Sea – Aquaculture LLC in the form of loans, the one-time amount of indebtedness of which will not exceed RUB 1,000,000,000 (One billion Russian roubles). The maximum fixed interest rate on loans will not exceed 25% (twenty-five per cent) per annum and the maximum margin on floating rate loans will not exceed 5% (five per cent) per annum. Interest may be charged on each loan granted by the Lender as follows: <ul style="list-style-type: none"> at a fixed rate offered by the Borrower and accepted by the Lender, or at a floating rate determined as the sum of the applicable MosPrime rate and the margin, or at a floating rate determined as the sum of the Bank of Russia key rate and a margin. <p>The amount of the margin in respect of each floating-rate loan shall be proposed by the Borrower and shall be accepted by the Lender.</p> <p>The choice of rate (fixed or floating) shall be subject to agreement between the Parties and acceptance by the Lender as provided in the terms and conditions of the Principal Agreement.</p> <ol style="list-style-type: none"> If the Borrower breaches its obligations under the Loan Agreement, including but not limited to the credit turnover provisions, the Lender may at its sole discretion unilaterally increase the interest rate by only 0.50 (zero point five per cent) % per annum. 	Ilya Sosnov acted as the sole executive body of Russian Aquaculture PJSC and Russian Sea–Aquaculture LLC.	Conclusion of the Supplemental Agreement was approved by the Board of Directors of Russian Aquaculture PJSC, Minutes No. 382 dated 5 September 2022.

S.No.	Transaction	Essential conditions	Interested party(ies) at the time of the transaction	Information on how the Company's governing body considered the transaction
3.	Supplemental Agreement No.1 dated 6 December 2022 to Surety Agreement No. 04778/MR-DP2 dated 15 December 2021	<p>Parties to the transaction:</p> <p>Surety: INARCTICA Public Joint Stock Company</p> <p>Lender: VTB Bank (Public Joint Stock Company)</p> <p>Borrower (Beneficiary): INARCTICA North-west Limited Liability Company (OGRN 5077746511893, INN 7722607816).</p> <p>Subject of the Supplementary Agreement:</p> <ol style="list-style-type: none"> Amend the term "Loan Agreement" in clause 1.1., Article 1 "DEFINITIONS" of Surety Agreement No. 04778/MR-DP2 dated "15" December 2021 (hereinafter also the "Agreement") and its definition to read as follows: "Loan Agreement" – loan agreement No. 04778/MR dated 15 December 2021, including supplementary agreement No. 1 dated 6 December 2022 to loan agreement No. 04778/MR dated 15 December 2021, concluded between the Lender and the Borrower"; Amend sub-paragraph 2.1.8, Clause 2.1., Article 2. "SUBJECT OF THE AGREEMENT" of the Agreement to read as follows: "2.1.8. to pay a penalty of 0.01 (Zero point one hundredth) per cent of the Principal Debt under the Loan Agreement on the due date, but not less than RUB 30,000.00 (Thirty thousand 00/100), charged by the Lender in the event of non-performance/undue performance of any obligation specified in sub-paragraphs 17, 39–41 of Clause 9.1. of the Loan Agreement, and subject to the Bank's decision not to exercise the right to suspend/prematurely collect the debt to be paid by the Borrower within ten (10) calendar days after receipt of the Lender's demand for payment of the penalty, in accordance with Clause 11.5. of the Loan Agreement". 	Ilya Sosnov acted as the sole executive body of INARCTICA PJSC and INARCTICA NW LLC.	Conclusion of the Supplementary Agreement was approved by the Board of Directors of INARCTICA, Minutes No. 387 dated 15 November 2022.
4.	Supplementary Agreement No. 2 dated 22 November 2022 to Surety Agreement No. 0001-031/00156/0 101 dated 23 June 2021	<p>Parties to the Supplementary Agreement:</p> <p>Surety: INARCTICA Public Joint Stock Company</p> <p>Lender: URALSIB BANK Public Joint Stock Company</p> <p>Borrower (Beneficiary): INARCTICA North-west Limited Liability Company (OGRN 5077746511893, INN 7722607816).</p> <p>Subject of the Supplementary Agreement:</p> <ol style="list-style-type: none"> The Surety undertakes to be jointly and severally liable with INARCTICA North-West Limited Liability Company (OGRN 5077746511893, INN 7722607816, hereinafter the Borrower) to the Lender for the Borrower's performance of all its obligations under Credit Line Agreement No. 0001-031/00 156 on opening a credit line with a debt limit (subject to Supplemental Agreement No. 1 dated 10 November 2021), Supplementary Agreement No. 2 dated 28 March 2022 and Supplementary Agreement No. 3 thereto) concluded between the Borrower and the Lender on 23 June 2021 (hereinafter the "Principal Agreement") to the same extent as the Borrower. This clause changes the interest rate for the use of the Loan. 	Ilya Sosnov acted as the sole executive body of INARCTICA PJSC and INARCTICA NW LLC.	Conclusion of the Supplementary Agreement was approved by the Board of Directors of INARCTICA, Minutes No. 388 dated 21 November 2022.