

Appendix No. 2

Report of PJSC Rosseti on compliance with the principles and recommendations of the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on 21 March 2014 and recommended by the Bank of Russia for application by listed joint stock companies (letter of the Bank of Russia dated 10 April 2014 No. 06-52/2463)

Date of the Report: 30.03.2024.

This Report on compliance with the principles and recommendations of the Corporate Governance Code of the Bank of Russia (hereinafter referred to as the Report) was reviewed by the Board of Directors of PJSC Rosseti

(hereinafter referred to as the Company) at the meeting held on 28 May 2024 (Minutes No. 655 dated 28 May 2024) as part of the Company's Annual Report for 2023.

The Board of Directors of the Company hereby confirms that the data contained in the Report contains complete and reliable information on the Company's compliance with the principles and recommendations of the Corporate Governance Code of the Bank of Russia for the reporting period from 1 January 2023 to 31 December 2023.

The Company shall assess compliance with the principles and recommendations of the Corporate Governance Code based on the Methodology recommended by the Bank of Russia in Letter No. IN-06-28/102 dated 27 December 2021

on disclosure of a report on compliance with the principles and recommendations of the corporate governance code in the annual report of a public joint stock company.

This Report is an appendix to the Annual Report of the Company for 2023, which describes the most significant aspects of the corporate governance model and practices.

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
1.1	The company must ensure equal and fair treatment of all shareholders in the exercise of their right to participate in the management of the company.			
1.1.1	The company creates the most favourable conditions for shareholders for participation in the general meeting, conditions for developing a reasonable position on the agenda of the general meeting, coordination of their actions, and the opportunity to express their opinion on the issues under consideration.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
	1. The company provides an affordable way to communicate with the public such as a hotline, e-mail or a forum on the Internet, which allows shareholders to express their views and send questions about the agenda during preparation to the general meeting. These methods of communication were organised by the company and made available to shareholders in preparation for each general meeting held during the reporting period.			
1.1.2	The process for distributing notice of a general meeting and supplying meeting materials helps shareholders to adequately prepare for attending the meeting.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		According to Articles 2 and 3 of Federal Law No. 25-FZ dated 25 February 2022 "On Amendments to the Federal Law "On Joint Stock Companies" and on Suspension of Certain Provisions of Legislative Acts of the Russian Federation", the General Meeting of Shareholders, the agenda of which includes the issues specified in Clause 2, Article 50 of Federal Law No. 208-FZ dated 26 December 1995 "On Joint Stock Companies", by decision of the board of directors (supervisory board) of the joint stock company in 2023 could be held in the form of absentee voting. The Board of Directors of the Company decided to convene the Annual General Meeting of Shareholders following the results of 2022 in the form of absentee voting (Minutes No. 618 dated 12 May 2023). For this reason, the notice of Annual General Meeting of Shareholders did not specify the documents required for admission to the premises. The Company provides an opportunity for shareholders to properly prepare for participation in the General Meeting of Shareholders.
	1. In the reporting period, the notice of the general meeting of shareholders was posted (published) on the company's website no later than 30 days before the date of the general meeting, unless a longer period is stipulated by law. 2. The notice of the meeting lists the documents required for admission to the venue. 3. Shareholders were provided with access to information on the persons being initiators of the agenda items and nominating the candidates for the board of directors and the audit commission (if establishment of the same is stipulated by the company's articles of association).			

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
1.1.3	During the preparation and conduct of the general meeting, the shareholders had an opportunity to receive information on the meeting and materials hereto easily and in a timely manner, to ask questions to the executive bodies and members of the board of directors of the company, and communicate with each other.	<ul style="list-style-type: none"> <input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with 		The Annual General Meeting of Shareholders of the Company for 2022 was held in the form of absentee voting. In the period of preparation for and during the Annual General Meeting of Shareholders, shareholders could ask questions to members of the executive bodies and members of the Board of Directors of the Company by e-mail or via a forum organised on the Company's website.
1.1.4	A shareholder's right to demand that the general meeting of shareholders be convened, nominate candidates to the governing bodies and propose agenda items for the general meeting was exercised without unnecessary elements of complexity.	<ul style="list-style-type: none"> <input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with 		
1.1.5	Each shareholder had an opportunity to freely exercise the right to vote in the simplest and most convenient for him/her way.	<ul style="list-style-type: none"> <input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with 		
1.1.6	The procedure for holding the general meeting established in the company provides all persons present at the meeting with equal opportunities for expressing their opinions and asking questions.	<ul style="list-style-type: none"> <input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with 		<p>According to Articles 2 and 3 of Federal Law No. 25-FZ dated 25 February 2022 "On Amendments to the Federal Law "On Joint Stock Companies" and on Suspension of Certain Provisions of Legislative Acts of the Russian Federation", the General Meeting of Shareholders, the agenda of which includes the issues specified in Clause 2, Article 50 of Federal Law No. 208-FZ dated 26 December 1995 "On Joint Stock Companies", by decision of the board of directors (supervisory board) of the joint stock company in 2023 could be held in the form of absentee voting.</p> <p>The Board of Directors of the Company decided to convene the Annual General Meeting of Shareholders following the results of 2022 in the form of absentee voting (Minutes No. 618 dated 12 May 2023).</p> <p>The Annual General Meeting of Shareholders of the Company in the reporting period was held in the form of absentee voting.</p>
1.2	The shareholders are given equal and equitable opportunities to receive a share of the company's profits by receiving dividends.			
1.2.1	The company has developed and implemented a transparent and clear mechanism for determining the amount of dividends and their payment.	<ul style="list-style-type: none"> <input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with 		
1.2.2	The company does not make a decision on dividend payment if such a decision is economically infeasible and may create a misleading impression as to the company's operations, despite formal compliance of such decision with the legislation.	<ul style="list-style-type: none"> <input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with 		
1.2.3	The company does not allow a deterioration in terms of dividend rights of existing shareholders.	<ul style="list-style-type: none"> <input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with 		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
1.2.4	The company aims to ensure that shareholders do not have any other ways to receive profit (income) from the company, except as dividends and liquidation value.	1. During the reporting period, there were no other ways for the entities controlling the company to receive profit (income) at the company's expense other than dividends (e.g., through transfer pricing, unjustified provision of services to the company by the controlling entity at inflated prices, through internal loans substituting dividends to the controlling entities and (or) its controlled entities).	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
1.3	The corporate governance system and practices should ensure equitable treatment of all shareholders owning shares of one class (type), including minority (small) shareholders and foreign shareholders, and equal treatment of them by the company.			
1.3.1	The company made sure that its governing bodies and controlling entities treat each and every shareholder fairly, while also preventing abuse of minority shareholders by major shareholders.	1. During the reporting period, the company's controlling entities did not abuse their rights in relation to the company's shareholders, there were no conflicts between the company's controlling entities and the company's shareholders, and if there were, the board of directors paid due attention to the same.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
1.3.2	The company does not take any actions which cause or may cause artificial redistribution of corporate control.	1. There were no quasi-treasury shares in the company, or they did not participate in voting in the reporting period.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	1. Partially complied with. At the Extraordinary General Meeting of Shareholders of the Company held on 21 March 2023, LLC FGC Asset Management (since 22 September 2023, the name was changed to LLC Rosseti Capital), controlled by the Company and holding the Company's shares, did not participate in voting. At the Annual General Meeting of Shareholders of the Company held on 30 June 2023, LLC FGC Asset Management participated in voting. In the future, the Company plans to non-participation of quasi-treasury shares voting.
1.4	Shareholders have reliable and effective methods to record ownership of shares and an opportunity to freely and quickly dispose of their shares.			
1.4	Shareholders have reliable and effective methods to record ownership of shares and an opportunity to freely and quickly dispose of their shares.	1. The technology and service conditions of the company registrar meet the needs of the company and its shareholders and ensure that shareholder rights are regarded and exercised in the most efficient manner.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.1	The board of directors is responsible for the strategic management of the company; it formulates the basic principles and approaches to the development of the risk management and internal control system, supervises the work of the company's executive bodies and performs other core functions.			
2.1.1	The board of directors is responsible for making decisions related to the appointment and dismissal of executive bodies, including due to improper performance of their functions.. The board of directors also ensures that the company's executive bodies act in accordance with the approved development strategy and the company's key areas of business.	1. The board of directors has the power to appoint and dismiss members of executive bodies, as well as to determine the terms and conditions of their contracts; those powers are stipulated in the articles of association. 2. During the reporting period, the nominations (appointments, personnel) committee reviewed the compliance of the professional qualifications, skills and experience of the members of the executive bodies in respect of the current and expected needs of the company as dictated by the approved strategy of the company. 3. In the reporting period, the board of directors reviewed the report (reports) of the sole executive body and members of the collegial executive body (if any) on the fulfilment of the company's strategy.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	1. Complied with. 2. Partially complied with. Questions about the compliance of professional qualifications, skills and experience of members of the collegial executive body (Management Board) with the current and expected needs of the Company are taken into account by the Company's Board of Directors in deciding on the approval of the report on the fulfilment of key performance indicators of the Company's top managers, as well as in deciding on the election of new members of the executive bodies or re-election of members of the executive bodies for a new term of office. Failure to comply with this recommendation does not entail additional risks for the Company and its stakeholders. 3. Complied with.

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
2.1.2	The board of directors decides on the main long-term strategic targets for the company's operations, assesses and approves key performance indicators and the company's main business goals, assesses and approves the strategy and business plans for the company's core business areas.	1. In the reporting period, the board of directors addressed issues related to the implementation and review of the strategy, approval of the financial and economic plan (budget) of the company, as well as consideration of criteria and indicators (including interim indicators) related to the implementation of the company's strategy and business plans.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.3	The board of directors determines the principles and approaches to the development of the risk management and internal control system in the company.	1. The principles of and approaches to the organisation of the risk management and internal control system in the company are determined by the board of directors and stipulated in the company's internal documents, which determine 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 expediency of submitting the issue of revising the company's risk appetite for consideration by the board of directors.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	In the reporting period, the Board of Directors approved the preferred risk (risk appetite) of the Rosseti Group (Minutes No. 626 dated 4 August 2023).
2.1.4	The board of directors shapes the company's policy on the payment of remunerations and (or) compensations (reimbursement) to the members of the board of directors, executive bodies or other key executives of the company.	1. The company developed, approved (by the board of directors) and implemented the policy (policies) on remunerations and compensations (reimbursement) to the members of the board of directors, executive bodies and other key executives of the company. 2. In the reporting period, the meetings of the board of directors addressed issues related to the said policy (policies).	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.5	The board of directors is instrumental in preventing, identifying and resolving internal conflicts between the company's bodies, its shareholders and employees.	1. The board of directors plays a key role in preventing, identifying and resolving internal conflicts. 2. The company created a system for identifying transactions involving a conflict of interest and a system of measures for resolving such conflicts.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.6	The board of directors is instrumental in ensuring the transparency of the company, timeliness and completeness of information disclosure by the company, and easy access of shareholders to the company's documents.	1. The company's internal documents define the persons responsible for implementing the information policy.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.7	The board of directors oversees the company's corporate governance practice and plays a key role in the company's significant corporate events.	1. During the reporting period, the board of directors reviewed the results of a self-assessment and/or an external assessment of the company's corporate governance practices.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.2	The board of directors is accountable to the company's shareholders.			
2.2.1	Information on the performance of the board of directors is disclosed and presented to shareholders.	1. The annual report of the company for the reporting period includes information on attendance of meetings of the board of directors and committees by individual directors. 2. The annual report includes information on the main results of performance assessment (self-assessment) of the board of directors carried out in the reporting period.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.2.2	The chair 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 can send their enquires to and receive feedback from the chair of the board of directors (and, where applicable, the senior independent director).	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.3	The board of directors is an effective and professional governing body of the company capable of making objective independent judgements and take decisions in the interests of the company and its shareholders.			
2.3.1	Only persons having an impeccable business and personal reputation and the knowledge, skills and experience required for making decisions within the competence of the board of directors and for efficient performance of its functions are elected to the board of directors.	1. In the reporting period, the board of directors (or the nomination committee) assessed candidates for the board of directors from the point of view of experience, knowledge, business reputation, lack of conflict of interest, etc.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
2.3.2 The members of the board of directors are elected under a transparent procedure, through which shareholders can obtain information about the candidates to the extent sufficient to form an opinion about their personal and professional qualities.	1. In all cases when the agenda of a general meeting of shareholders held in the reporting period included election to the board of directors, the company provided its shareholders with biographical details of all candidates for the board of directors, results of assessment of compliance of their professional qualifications, skills and experience with the current and expected needs of the company (such assessment to be carried out by the board of directors (or its nomination committee)), as well as information on whether the candidate met the criteria of independence in accordance with recommendations 102–107 of the Code and the written consent of the candidates for election to the board of directors.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Partially complied with.</p> <p>At the Extraordinary General Meeting of Shareholders of the Company held on 21 March 2023, information on the candidates (professional experience for the last 5 years, availability of consents, independent director status) was presented to the shareholders as part of the materials for the General Meeting of Shareholders of the Company.</p> <p>In accordance with the Resolution of the Government of the Russian Federation No. 351 dated 12 March 2022 "On Specifics of Disclosure and Provision in 2022 of Information Subject to Disclosure and Provision in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market", and Specifics of Disclosure of Insider Information in Accordance with the Requirements of the Federal Law "On Countering Illegal Use of Insider Information and Market Manipulation and on Amendments to Certain Laws and Regulations of the Russian Federation" (hereinafter referred to as Resolution No. 351) in order to minimise the risks of negative effect from hostile actions of foreign states and organisations, the Company decided not to disclose biographical data of all candidates to the Board of Directors, as well as the results of assessment of compliance of professional qualifications, experience and skills of candidates with the current and expected needs of the Company, conducted by the Personnel and Remuneration Committee of the Board of Directors of the Company.</p> <p>At the Annual General Meeting of Shareholders of the Company held on 30 June 2023, the shareholders were provided with data on professional experience of all candidates to the Board of Directors, results of the assessment of professional qualifications, experience and skills of candidates conducted by the Personnel and Remuneration Committee of the Board of Directors, as well as information on the candidate's compliance with the independence criteria and information on the availability of written consent of candidates for election to the Board of Directors.</p>	
2.3.3 The composition of the board of directors is balanced, including in terms of its members' qualifications, experience, knowledge and business skills, and have shareholders' confidence.	1. During 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.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.3.4 The number of members of the company's board of directors makes it possible to organise its work most effectively, including the opportunity to form board committees, as well as gives the company's substantial minority shareholders an opportunity to elect their candidate to the board of directors.	1. During the reporting period, the board of directors considered whether the number of the board of directors' members meets the company's needs and the interests of shareholders.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		The compliance of the quantitative composition of the Board of Directors of the Company with the needs of the Company and the interests of shareholders in the reporting period was assessed in the course of the self-assessment of the Board of Directors of the Company for 2022 (Minutes No. 620 dated 7 June 2023).
2.4 An adequate number of independent directors sit on the board of directors.				
2.4.1 A person shall be qualified as an independent director if he or she has sufficient professional skills, experience and independence to form his/her own opinion, is able to make objective and fair judgements independently of the executive bodies of the company, individual groups of shareholders or other stakeholders. It should be noted here that under normal circumstances a candidate (an elected member of the board of directors) associated with the company, its substantial shareholder, substantial counterparty, competitor or the government 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 recognised as independent by the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
<p>2.4.2 The company assesses whether candidates for the board of directors meet the independence criteria, and a regular analysis is carried out to determine whether independent members of the board of directors meet those criteria. When carrying out such assessment, the content should prevail over the form.</p>	<ol style="list-style-type: none"> In the reporting period, the board of directors (or the nomination committee) formed an opinion on the independence of each candidate nominated to the board of directors and provided the shareholders with the relevant statement. During the reporting period, the board of directors (or the board of directors' nomination committee) reviewed the independence of the current board of directors' members at least once (after they were elected). The company has developed procedures stipulating the actions to be taken by a member of the board of directors if he or she ceases to be independent, including the obligation to inform the board of directors of the same in a timely manner. 	<ul style="list-style-type: none"> <input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with 	<ol style="list-style-type: none"> Partially complied with. The Personnel and Remuneration Committee of the Board of Directors reviewed the issue of preliminary assessment of candidates to the Company's Board of Directors (Minutes No. 102 dated 20 March 2023). In accordance with Decree No. 351, in order to minimise the risks of a negative effect from hostile actions of foreign states and organisations, the Company decided not to provide shareholders with the results of the preliminary assessment of candidates to the Board of Directors of the Company at the Extraordinary General Meeting of Shareholders of the Company held on 21 March 2023 (Minutes No. 28 dated 21 March 2023). On 29 May 2023, the Personnel and Remuneration Committee of the Board of Directors reviewed the issue of preliminary assessment of candidates to the Company's Board of Directors (Minutes No. 104 dated 29 May 2023). The results of the preliminary assessment of the candidates to the members of the Board of Directors of the Company were presented to the shareholders as part of the materials at the Annual General Meeting of Shareholders of the Company held on 30 June 2023 (Minutes No. 29 dated 30 June 2023). 	
<p>2.4.3 Independent directors comprise at least one third of the elected members of the board of directors.</p>	<ol style="list-style-type: none"> Independent directors comprise at least one third of the membership of the board of directors. 	<ul style="list-style-type: none"> <input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with 	<ol style="list-style-type: none"> Partially complied with. The number of independent members of the Board of Directors of the Company during the reporting period was less than 1/3 of the total membership of the Board of Directors of the Company and totalled 11 members. The process of making proposals and nominating candidates to the Company's governing bodies is regulated by Resolution of the Government of the Russian Federation No. 738 dated 3 December 2004 "On the Management of Federally Owned Shares in Joint Stock Companies and the Use of the Special Right of Participation of the Russian Federation in the Management of Joint-Stock Companies ("Golden Share")" (hereinafter – Resolution of the Government of the Russian Federation No. 738 dated 3 December 2004). Candidates to the Board of Directors of the Company are elected upon the relevant decree of the Government of the Russian Federation. In 2022, candidates for election to the Company's Board of Directors as representatives of the Russian Federation and independent directors were nominated by Decree of the Government of the Russian Federation No. 1209-r dated 18 May 2022. In 2023, candidates for election to the Company's Board of Directors as representatives of the Russian Federation and independent directors were nominated by Decree of the Government of the Russian Federation No. 392-r dated 17 February 2023. Risks related to incomplete compliance with the recommendations of the Corporate Governance Code of the Bank of Russia are mitigated by efficient organisation of independent directors' activities in the Company. 	

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
2.4.4 Independent directors play a key role in preventing internal conflicts in the company and in significant corporate actions taken by the company.	1. Within the reporting period, the independent directors (who had no conflict of interest) made a preliminary assessment of significant corporate actions involving potential conflict of interest and submitted the results of such assessment to the board of directors.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Partially complied with.</p> <p>Decision-making on issues related to material actions specified in the Code of Corporate Governance of the Bank of Russia</p> <ul style="list-style-type: none"> Restructuring of the Company Acquisition of 30 per cent or more of the voting shares of the Company (acquisition) Execution of major transactions by the Company Increase or decrease in the authorised capital of the Company Listing and delisting of the Company's shares <p>are referred to the competence of the Board of Directors or the General Meeting of Shareholders in accordance with applicable law and the Articles of Association of the Company.</p> <p>Providing the Board of Directors of the Company with recommendations on these issues (except for listing and delisting of shares and reduction of authorised capital) falls within the remit of the Strategy Committee of the Board of Directors.</p> <p>In the reporting period, the Company did not make any transactions, which, as recommended by the Corporate Governance Code of the Bank of Russia, are classified as major transactions.</p> <p>In all these cases, the independent directors preliminarily assessed these transactions in the course of reviewing materials on the relevant agenda item sent to the members of the Strategy Committee of the Board of Directors and members of the Board of Directors.</p> <p>In this regard, no risks related to the incomplete compliance with this recommendation of the Code of Corporate Governance of the Bank of Russia were identified.</p>	
2.5 The chair of the board of directors ensures that the functions assigned to the board of directors are performed as efficiently as possible.				
2.5.1 The board of directors is chaired by an independent director, or a senior independent director is selected from among elected independent directors to coordinate the activities of the independent directors and communicate with the chair of the board of directors.	1. The chair of the board of directors is an independent director or a senior independent director has been selected from among independent directors. 2. The role, rights and duties of the chair of the board of directors (and, if applicable, of the senior independent director) are properly specified in the company's internal documents.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Not complied with.</p> <p>The Chair of the Board of Directors is not an Independent Director.</p> <p>In accordance with subitem "e" of item 1 of the list of instructions of the President of the Russian Federation No. Pr-846 dated 2 April 2011, as well as the instruction of the Government of the Russian Federation No. ISH-P13-26pr dated 8 April 2011, professional trustees are elected as chairs of the boards of directors of companies partially owned by the state.</p> <p>A directive is issued on the election of the Chair of the Board of Directors in accordance with Decree No. 738 of the Government of the Russian Federation dated 3 December 2004.</p> <p>In the reporting period, no senior independent director was appointed to the Board of Directors.</p> <p>At the same time, the Corporate Governance Code of the Company approved by the decision of the Board of Directors of the Company dated 18 November 2021 (Minutes No. 556 dated 22 November 2021) provides that the Company may appoint a Senior Independent Director from among the elected independent members of the Board of Directors. The Senior Independent Director shall be nominated by independent directors.</p> <p>Thus, the matter of election of the Senior Independent Director may be resolved at the initiative of the Independent Directors.</p> <p>At present, no additional risks for the Company and its stakeholders arise from the absence of a Senior Independent Director.</p> <p>The matter of election of the Chair of the Board of Directors will be decided in accordance with the directive of the Government of the Russian Federation.</p> <p>2. Complied with.</p>	

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2.5.2 The chair of the board of directors creates a constructive atmosphere at the meetings, encourages open discussion of agenda items, and supervises the implementation of the resolutions adopted by the board of directors.	1. The performance of the chair of the board of directors was assessed as part of the procedure for assessment (self-assessment) of the performance of the board of directors in the reporting period.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.5.3 The chair of the board of directors takes necessary measures to ensure timely provision of the members of the board of directors with information required to adopt resolutions on agenda items.	1. The duty of the chair of the board of directors to take measures to ensure timely provision of the members of the board of directors with full and reliable information on agenda items of the meeting of the board of directors is stipulated in the company's internal documents.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.6 Members of the board of directors act reasonably and in good faith in the interests of the company and its shareholders on the basis of sufficient information, exercising due diligence and care.				
2.6.1 In decision-making, members of the board of directors take into consideration all available information, provided that there is no conflict of interest, with equal treatment of the company's shareholders, and within the limits of common business risk.	1. The company's internal documents stipulate that a member of the board of directors shall inform the board of directors if there is a conflict of interest in relation to any issue on the agenda of the meeting of the board of directors or a board committee prior to discussion of that issue. 2. The company's internal documents stipulate that a member of the board of directors shall refrain from voting on any issue in relation to which he or she has a conflict of interest. 3. The company has established a procedure which allows the board of directors to obtain professional advice on issues within its competence at the expense of the company.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.6.2 The rights and responsibilities of the members of the board of directors are clearly worded and set out in the company's internal documents.	1. The company has adopted and published an internal document which clearly determines the rights and responsibilities of the members of the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.6.3 Members of the board of directors have sufficient time to perform their duties.	1. Individual attendance of the meetings of the board of directors and committees, as well as sufficient time to work on the board of directors, including its committees, is analysed as part of the procedure for assessment (self-assessment) of the board of directors' performance in the reporting period. 2. In accordance with the company's internal documents, members of the board of directors shall inform the board of directors of their intention to join the governing bodies of any other organisations (apart from organisations controlled by the company), and of the fact of such an appointment.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.6.4 All members of the board of directors have equal access to the company's documents and information. Newly elected members of the board of directors are provided with sufficient information on the company and the work of the board of directors in the shortest time possible.	1. In accordance with the company's internal documents, the members of the board of directors have the right to obtain information and documents necessary for the members of the board of directors to perform their duties relating to the company and its controlled entities, and the executive bodies of the company should ensure that relevant information and documents are provided. 2. The company has a formalised induction programme for newly elected members of the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.7 Meetings of the board of directors, preparation for them and participation of the members of the board of directors in the meetings enable efficient work of the board of directors.				
2.7.1 Meetings of the board of directors are held when necessary, given the scale of the company's operations and challenges facing the company at any particular time.	1. The board of directors held at least six meetings in the reporting year.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.7.2 The company's internal documents set out a procedure for preparing and holding meetings of the board of directors, ensuring that the members of the board of directors are able to prepare for them properly.	1. The company has approved an internal document which determines the procedure for preparing and holding meetings of the board of directors and stipulates, among other things, that notification of the meeting shall be generally given at least five days before the date of such meeting. 2. During the reporting period, the members of the board of directors who were not present at the meeting venue were given the opportunity to participate in the discussion of agenda items and to vote remotely – via conferencing and video-conferencing.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.7.3 The format of the meeting of the board of directors depends on the importance of agenda items. The most important issues are addressed at in-person meetings.	1. The company's articles of association or internal documents stipulate that the most important issues (including those listed in recommendation 168 of the Code) should be considered at in-person meetings of the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.7.4 Resolutions concerning the most important issues of the company's business are adopted at the meeting of the board of directors by a qualified majority or by a majority of votes cast by all elected members of the board of directors.	1. The company's articles of association stipulate that resolutions concerning the most important issues specified in recommendation 170 of the Code shall be adopted at a meeting of the board of directors by a qualified majority comprising at least 3/4 of votes, or by a majority of votes cast by all elected members of the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
2.8 The board of directors establishes committees for preliminary consideration of the most important issues related to the company's business.				
2.8.1 An audit committee consisting of independent directors has been established for preliminary consideration of any issues related to the monitoring of the company's financial and business operations.	<ol style="list-style-type: none"> The board of directors has formed the audit committee, consisting of independent directors only. The company's internal documents set out the duties of the audit committee, including those specified in recommendation 172 of the Code. At least one member of the audit committee who is an independent director has experience in and knowledge of preparation, analysis, assessment and audit of accounting (financial) statements. The meetings of the audit committee were held at least once a quarter in the reporting period. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
2.8.2 A remuneration committee consisting of independent directors and chaired by an independent director who is not the chair of the board of directors was established for preliminary consideration of any issues related to the establishment of an efficient and transparent remuneration practice.	<ol style="list-style-type: none"> The board of directors has formed the remuneration committee, consisting of independent directors only. The chair of the remuneration committee is an independent director who is not the chair of the board of directors. The company's internal documents determine 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 revision of the company's remuneration policy for the members of the board of directors, executive bodies and other key executives. 	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<ol style="list-style-type: none"> Complied with. Complied with. Partially complied with. <p>The Regulations on the Personnel and Remuneration Committee of the Board of Directors of the Company, approved by the resolution of the Board of Directors of the Company on 30 September 2015 (Minutes No. 285 dated 2 October 2015), outlines the tasks of the Committee, including those contained in recommendation 180 of the Code. At the same time, the Regulations on the Personnel and Remuneration Committee of the Board of Directors of the Company do not contain conditions (events) upon the occurrence of which the Personnel and Remuneration Committee considers revision of the Company's policy on remuneration of members of the Board of Directors, executive bodies and other key executives.</p>	
2.8.3 A nomination (appointment, personnel) committee consisting mostly of independent directors has been established for preliminary consideration of any issues related to workforce planning (succession planning), professional composition and performance of the board of directors.	<ol style="list-style-type: none"> The board of directors has established the nomination committee (or another committee performs its duties specified in recommendation 186 of the Code) consisting mostly of independent directors. The company's internal documents set out the duties of the nomination committee (or another committee with shared functions), including those specified in recommendation 186 of the Code. In the reporting period, in order to form the board of directors that best meets the company's goals and objectives, the nomination committee organized interaction with shareholders, not limited to the largest shareholders, in the context of selecting candidates to the board of directors of the company, either individually or jointly with other committees of the board of directors or the company's authorised subdivision in charge of relations with shareholders. 	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<ol style="list-style-type: none"> Complied with. Complied with. Not complied with. <p>The procedure for nominating candidates to the Company's Board of Directors is regulated by Decree of the Government of the Russian Federation No. 738 dated 3 December 2004.</p> <p>Due to the Company's being included in the special list approved by the Russian Federation Government Decree No. 91p dated 23 January 2003 "On the List of Joint Stock Companies in respect of which the position of the Russian Federation shareholder is determined by the Government of the Russian Federation, the Chairman of the Government of the Russian Federation or on their instructions by the Deputy Chairman of the Government of the Russian Federation" (hereinafter referred to as the Russian Federation Government Decree No. 91p dated 23 January 2003), candidates to the Company's Board of Directors shall be nominated to the Board of Directors in accordance with the decree of the Government of the Russian Federation.</p> <p>The selection and appraisal of candidates who may be nominated to the Company's Board of Directors is carried out by the Rosimushchestvo Commission for the Selection of Independent Directors and Representatives of the Interests of the Russian Federation for Election to the Governing and Control Bodies of Joint Stock Companies, based on and taking into account the proposals of the Ministry of Energy of Russia and the Company, with preliminary questionnaire survey and appraisal of possible candidates, including in terms of their experience, knowledge, business reputation, absence of conflicts of interest, etc.</p> <p>In 2023, candidates for election to the Company's Board of Directors were nominated in accordance with the Russian Government Decree No. 392-r dated 17 February 2023.</p> <p>Due to the above-described peculiarities of the formation of the Company's Board of Directors, the Company does not plan to implement the above recommendation in the upcoming reporting periods.</p>	<p>The Board of Directors of the Company has established the Personnel and Remuneration Committee of the Board of Directors of the Company, the remit of which includes the tasks of the Nomination (Appointments, Personnel) Committee stipulated by Recommendation 186 of the Corporate Governance Code of the Bank of Russia.</p>

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
2.8.4	Given the scale of business and the risk level, the company's board of directors made sure that the membership of its committees meets all objectives of the company's operations. Additional committees have been either formed or considered unnecessary (the strategy committee, the corporate governance committee, the ethics committee, the risk management committee, the budget committee, the health, safety and environment committee, etc.).	1. In the reporting period, the company's board of directors considered whether the structure of the board of directors is appropriate to the scope, nature, business goals, needs, and risk profile of the company. Additional committees have been either formed or considered unnecessary.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.8.5	The membership of committees is determined so that it would enable a comprehensive discussion of issues for preliminary consideration, taking into account different opinions.	1. The audit committee, remuneration committee, and nomination committee (or the relevant committee with a combined function) were chaired by independent directors in the reporting period. 2. The company's internal documents (policies) contain provisions whereby persons who are not members of the audit committee, the nomination committee or the remuneration committee (or the relevant committee with a combined function) may only attend meetings of the committees by invitation of the chair of the relevant committee.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	The Board of Directors of the Company has established the Personnel and Remuneration Committee of the Board of Directors of the Company, the remit of which includes, inter alia, the tasks of the Nomination Committee.
2.8.6	The chairs of the committees regularly inform the board of directors and its chair on the performance of their committees.	1. In the reporting period, the chairs of the committees regularly reported to the board of directors on the performance of their committees.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
2.9	The board of directors arranges an assessment of the performance of the board of directors, its committees and members.			
2.9.1	The performance assessment of the board of directors is aimed at determining the level of efficiency the of the board of directors, its committees and members, whether their work meets the company's development needs, as well intensifying the work of the board of directors and identifying opportunities for the improvement of its performance.	1. The company's internal documents stipulate the procedures for assessing (self-assessing) the board of directors' performance. 2. The assessment (self-assessment) of the board of directors' performance carried out in the reporting period included an assessment of the work of the committees, an individual assessment of each member of the board of directors and the board of directors as a whole. 3. The results of the assessment (self-assessment) of the board of directors' performance carried out during the reporting period were reviewed at an in-person meeting of the board of directors.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	1. Complied with. 2. Complied with. 3. Partially complied with. The Company's internal document – the Regulations on Assessment of Performance of the Company's Board of Directors approved by the decision of the Company's Board of Directors on 6 March 2020 (Minutes No. 490 dated 10 March 2020) – stipulates that the assessment results should be considered at an in-person meeting of the Board of Directors (unless another form of meeting of the Board of Directors is determined by the Chairman of the Board of Directors) with preliminary review by the Personnel and Remuneration Committee of the Board of Directors). The results of the assessment of the performance of the Board of Directors of the Company for 2022, conducted during the reporting period, were reviewed at the meeting of the Board of Directors of the Company held on 7 June 2023 by the decision of the Chairman of the Board of Directors in the form of absentee voting (Minutes No. 620 dated 7 June 2023). When assessing the performance of the Board of Directors in 2024, the Company plans to review the results of the assessment at an in-person meeting of the Company's Board of Directors. The final decision on the form of the meeting shall be made by the Chairman of the Board of Directors of the Company.
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 organisation (consultant) is engaged at least once every three years to carry out an independent assessment of the board of directors' performance.	1. An external organisation (consultant) was engaged to perform an independent assessment of performance of the board of directors at least once during the last three reporting periods.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
3.1	The company's corporate secretary facilitates efficient ongoing communication with shareholders, coordinates the company's efforts aimed at protecting the shareholders' rights and interests and supports efficient work of the board of directors.			
3.1.1	The corporate secretary has knowledge, expertise and qualification sufficient for performing his or her duties; he or she should also have an excellent reputation and find shareholders' credence.	1. The company's website and the annual report contain biographical information on the corporate secretary (including information on age, education, qualifications, experience), as well as information on positions in management bodies of other legal entities held by the corporate secretary for at least the last five years.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
3.1.2 The corporate secretary is sufficiently independent of the company's executive bodies and has the necessary powers and resources to carry out his or her tasks.	<ol style="list-style-type: none"> The company adopted and disclosed an internal document: the regulations on the corporate secretary. The board of directors approves the candidate for the position of corporate secretary, terminates his/her powers and considers the payment of additional remuneration to him/her. The company's internal documents stipulate the corporate secretary's right to request and receive company documents and information from management bodies, subdivisions and officers of the company. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
4.1 The amount of remuneration paid by the company is sufficient for attracting, motivating and retaining employees who have the competence and qualification required by the company. Remuneration is paid to the members of the board of directors, executive bodies and other key executives of the company in accordance with the remuneration policy adopted by the company.				
4.1.1 Remuneration paid by the company to the members of the board of directors, executive bodies and other key executives is sufficient to motivate them to work efficiently, enabling the company to attract and retain competent and qualified specialists. At the same time, the company avoids paying remuneration that is larger than necessary and seeks to prevent an unreasonably large gap between the amounts of remuneration paid to the said persons and the company's employees.	<ol style="list-style-type: none"> Remuneration of members of the board of directors, executive bodies and other key executives of the company is determined based on the results of a comparative analysis of remuneration levels in comparable companies. 	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. Partially complied with.</p> <p>The procedure for determining the amount of remunerations and compensations to the members of the Board of Directors of the Company is established by the Regulations on Payment of Remunerations and Compensations to the Members of the Board of Directors of the Company (hereinafter referred to as the Regulations) approved by the Extraordinary General Meeting of Shareholders of the Company on 14 September 2022 (Minutes No. 27 dated 15 September 2022).</p> <p>The procedure for determining the amount of remuneration to be paid to the members of the Company's Board of Directors stipulated by the Regulations takes into account the recommendations of the Ministry of Energy of the Russian Federation. The calculation of remuneration payable to a member of the Board of Directors of the Company shall be made using the formula presented in the Regulations. The total remuneration of a member of the Company's Board of Directors (including additional remuneration) may not exceed RUB 900,000.</p> <p>If the federal executive authorities issue new recommendations, the Company will revise the procedure for determining the amount of remuneration and compensation to the members of the Company's Board of Directors in light of such recommendations.</p> <p>Given the unique nature and scale of the Company's operations, it is currently not possible to conduct a comparative analysis of the remuneration level of executive bodies and other key executives of the Company.</p> <p>The Company will consider full compliance with this recommendation should the above specifics (circumstances) change.</p>	
4.1.2 The company's remuneration policy was developed by the remuneration committee and approved by the board of directors. The board of directors supported by the remuneration committee monitors the adoption and implementation of the remuneration policy in the company and, if necessary, revises it and makes adjustments to it.	<ol style="list-style-type: none"> During the reporting period, the remuneration committee reviewed the remuneration policy (policies) and (or) practices of its (their) implementation, assessed their efficiency and transparency, and, if necessary, submitted respective recommendations to the board of directors for revision of the said policy (policies). 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
4.1.3 The company's remuneration policy includes transparent mechanisms for determining the amount of remuneration for the members of the board of directors, executive bodies and other key executives of the company; in addition, it regulates all types of payments, benefits and privileges provided to the said persons.	<ol style="list-style-type: none"> The remuneration policy (policies) of the company includes (include) transparent mechanisms for determining the amount of remuneration for the members of the board of directors, executive bodies and other key executives of the company; in addition, it (they) regulates (regulate) all types of payments, benefits and privileges provided to the said persons. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
4.1.4 The company formulates the policy on reimbursement of expenses (compensation), which defines the expenses to be reimbursed and the service level, which may be provided to members of the board of directors, executive bodies and other key executives of the company. This policy may constitute a part of the company's remuneration policy.	<ol style="list-style-type: none"> The remuneration policy (policies) or other internal documents of the company establish the procedures for reimbursement of expenses incurred by members of the board of directors, executive bodies and other key executives of the company. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
4.2 The system of remuneration for the members of the board of directors ensures that the directors' financial interests are aligned with the long-term financial interests of shareholders.				
4.2.1 The company pays fixed annual remuneration to the members of the board of directors. The company does not pay remuneration for participating in individual meetings of the board of directors or committees under the board of directors. The company does not offer short-term or additional financial incentives to the 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 material incentives to the members of the board of directors, the payment of which depends on the results (indicators) of the company's performance. No remuneration was paid for participation in individual meetings of the board of directors or the committees under the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
4.2.2 Long-term ownership of the company's shares is the most important factor, ensuring that financial interests of members of the board of directors are aligned with long-term interests of shareholders. At the same time, the company does not make the right to sell shares dependent on compliance with certain performance targets, and the members of the board of directors do not participate in stock options plans.	1. If an internal document (documents), namely the company's policy (policies) on remuneration, stipulates (stipulate) that members of the board of directors are to be provided with shares, clear rules regarding the ownership of shares by the members of board of directors, which are aimed at encouraging long-term ownership of such shares, should be introduced and detailed.	<input type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	Compliance with the criterion in this item cannot be assessed because the internal document – the Regulations on Payment of Remunerations and Compensations to Members of the Board of Directors of the Company – does not envisage stock plans for the Board members.	
4.2.3 The company's internal documents do not provide for any additional payments or compensations in case of early dismissal of the members of the board of directors due to a change of control over the company or other circumstances.	1. The company's internal documents do not provide for any additional payments or compensations in case of early dismissal of the members of the board of directors due to a change of control over the company or other circumstances.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
4.3 The system of remuneration for members of executive bodies and other key executives of the company ensures that the remuneration is linked to the company's performance and reflects their personal contribution to such performance.				
4.3.1 Remuneration paid to the members of executive bodies and other key executives of the company is determined in such a way as to ensure a reasonable and justified ratio of fixed components of remuneration to its variable components, which depend on the company's performance and an employee's personal (individual) contribution to such performance.	1. In the reporting period, annual performance indicators approved by the board of directors were used to determine variable components of remuneration for the members of executive bodies and other key executives of the company. 2. During the last assessment of the system of remuneration for the members of executive bodies and other key executives of the company, the board of directors (the remuneration committee) made sure that the company used an effective combination of fixed and variable components of remuneration. 3. When determining the amount of remuneration payable to the members of executive bodies and other key executives of the company, consideration is given to the risks borne by the company in order to avoid creating incentives for taking excessively risky management decisions.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	<p>The system of remuneration of the Company's top managers is determined in accordance with Decree of the Government of the Russian Federation No. 209 dated 13 February 2023 "On Conditions of Remuneration of Labour of Executives, Their Deputies, Chief Accountants and Members of Collegial Executive Bodies of State Corporations, State Companies, Business Companies, Shares in the Authorised Capital of which are Owned by the Russian Federation" (hereinafter – Decree of the Government of the Russian Federation No. 209 dated 13 February 2023) and is based on the achievement of the results of the Company's approved key performance indicators (KPIs) and functional key performance indicators (FKPIs).</p> <p>The results of achieving the target indicators are reviewed by the Board of Directors of the Company and only after the Board of Directors of the Company has decided to approve the relevant report, remuneration may be paid in the amount in line with the results achieved.</p>	
4.3.2 The company has implemented a long-term incentive plan for the members of executive bodies and other key executives involving the use of the company's shares (options or other derivatives for which the company's shares are underlying assets).	1. If the company introduced a long-term incentive programme for members of executive bodies and other key executives of the company using company shares (financial instruments based on company shares), the programme stipulates that the right to sell such shares and other financial instruments shall not arise earlier than three years after provision of the same. At the same time, the right to sell them is related to achievement of certain performance targets of the company.	<input type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	<p>1. The assessment of compliance with the criterion in this item cannot be given because the Company does not have a long-term share-based incentive programme for members of executive bodies and other key executives (financial instruments based on the Company's shares).</p> <p>As the Russian Federation Government Decree No. 209 dated 13 February 2023 approved the Regulations on the terms of remuneration of labour of executives, their deputies, chief accountants and members of collegial executive bodies of state corporations, state-owned companies, business entities, shares in the authorised capital of which are owned by the Russian Federation, and the KPI directives of the Russian Federation Government, it should be noted that the Company cannot introduce a long-term share-based incentive programme for members of executive bodies and other key executives (financial instruments based on the Company's shares) due to the fact that these Regulations specify the maximum amount of remuneration for executives of joint stock companies the shares in the authorised capital of which are owned by the Russian Federation.</p>	
4.3.3 The amount of compensation ('golden parachute') paid by the company in the event of early dismissal of members of executive bodies or key executives on the company's initiative and in the absence of wrongdoings on their part does not exceed twice the size of the fixed component of annual remuneration.	1. The amount of compensation ('golden parachute') paid by the company in the event of early dismissal of members of executive bodies or key executives on the company's initiative and in the absence of wrongdoings on their part did not exceed twice the size of the fixed component of annual remuneration in the reporting period.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
5.1	The company has in place an effective risk management and internal control system aimed at providing reasonable assurance that the company would achieve its goals.			
5.1.1	The board of directors established the principles of and approaches to organising a risk management and internal control system in the company.	1. Functions of the company's various governing bodies and divisions within the risk management and internal control system are clearly defined in internal documents/ the relevant policy of the company approved by the board of directors.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
5.1.2	The company's executive bodies ensure the creation and support of an efficient risk management and internal control system in the company.	1. The company's executive bodies have ensured the distribution of duties, powers and responsibility in the sphere of risk management and internal control among heads of subdivisions and divisions accountable to them.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
5.1.3	The risk management and internal control system of the company gives a fair, objective and clear picture of the current situation in the company and its prospects and ensures integrity and transparency of the company's statements. It also ensures that risks taken by the company are reasonable and acceptable.	1. The company has the anti-corruption policy approved. 2. The company has developed a convenient, safe and confidential method (hotline) for informing the board of directors or its audit committee about violations of the law, internal procedures or the corporate code of ethics of the company.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
5.1.4	The company's board of directors takes necessary measures to make sure that the company's risk management and internal control system is in line with the principles of and approaches to its organisation formulated by the board of directors and that it functions efficiently.	1. During 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. 2. During the reporting period, the board of directors reviewed the results of the assessment of the reliability and efficiency of the company's risk management and internal control system; information on the results of the review is included in the company's annual report.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
5.2	The company organises internal audit in order to make an independent and systematic assessment of the reliability and performance of the risk management and internal control system and the corporate governance practice.			
5.2.1	To conduct internal audit, the company has in place a separate subdivision or has engaged an independent third-party organisation. Functional accountability and administrative accountability of the internal audit subdivision are delineated. The internal audit subdivision is functionally accountable to the board of directors.	1. To conduct internal audit, the company has created a separate subdivision responsible for internal audit which is functionally accountable to the board of directors, or an independent third-party organisation has been engaged following the same accountability principles.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
5.2.2	The internal audit subdivision assesses the reliability and effectiveness of the risk management and internal control systems as well as the corporate governance, and applies generally accepted internal auditing standards.	1. During the reporting period, internal audit assessed the reliability and effectiveness of the risk management and internal control system. 2. In the reporting period, internal audit assessed corporate governance practices (individual practices), including information interaction procedures (along with those related to internal control and risk management) at all management levels of the company, and interaction with stakeholders as well.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
6.1	The company and its operations are transparent to shareholders, investors and other stakeholders.			
6.1.1	The company put in place an information policy ensuring effective communication between the company, its shareholders, investors and other stakeholders.	1. The board of directors approved the company's information policy, which is developed in line with the recommendations of the Code. 2. During the reporting period, the board of directors (or one of its committees) considered the efficiency of information exchange between the company, shareholders, investors and other stakeholders and the expediency (need) to revise the company's information policy.	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with	
6.1.2	The company discloses information on the system and practice of corporate governance, including detailed information on compliance with the principles and recommendations of the Code.	1. The company discloses information on its corporate governance system and general corporate governance principles used by it, including disclosure on the company's website. 2. The company discloses information on the membership of executive bodies and the board of directors, independence of its members and their membership in the committees of the board of directors (as defined in the Code). 3. If there is an entity controlling the company, the company publishes a memorandum of this entity detailing plans of such entity concerning corporate governance in the company.	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	1. Complied with. 2. Partially complied with. In accordance with Decree of the Government of the Russian Federation No. 1102 dated 4 July 2023 "On Peculiarities of Disclosure and (or) Provision of Information to be Disclosed and (or) Provided in Accordance with the Requirements of the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market" (hereinafter – Decree No. 1102), in order to minimise the risks of negative effect from unfriendly actions of foreign states and organisations, the Company decided not to disclose information on the composition of the committees of the Board of Directors of the Company. The Company will return to full disclosure of information in the event that the relevant risks cease to exist. 3. Complied with.

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
6.2 The company discloses comprehensive, up-to-date and accurate information on the company in a timely manner to ensure that its shareholders and investors are able to make informed decisions.				
6.2.1 The company discloses information in accordance with the principles of regularity, consistency and promptness, as well as availability, accuracy, comprehensiveness and comparability of data disclosed.	<ol style="list-style-type: none"> The company has established a procedure that ensures coordination of work of all subdivisions and employees of the company who are related to disclosure of information or whose activities may result in the need to disclose information. If the company's securities are traded on foreign organised markets, the disclosure of material information in the Russian Federation and on such markets is simultaneous and equivalent during the reporting year. If foreign shareholders own a considerable number of shares in the company, information was disclosed not only in Russian but also in one of the prevailing foreign languages during the reporting year. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
6.2.2 The company avoids using a formal approach to information disclosure and discloses material information on its operations even if the law does not require disclosing such information.	<ol style="list-style-type: none"> The company's information policy defines approaches to disclosure of information on other events (actions) which have a material effect on the value or quotation of its securities, disclosure of which is not required by law. The company discloses information on its capital structure in the annual report and on its website, in accordance with Recommendation 290 of the Code. The company shall disclose information on controlled entities that are material to the company, 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 non-financial reports – a sustainability report, an environmental report, a corporate social responsibility report or another report containing non-financial information, including factors related to the environment (inter alia, environmental and climate change-related factors), society (social factors) and corporate governance, except for the report of the issuer of equity securities and the annual report of a joint stock company. 	<input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with	<ol style="list-style-type: none"> Complied with. Complied with. Not complied with. <p>In accordance with Decree No. 1102, in order to minimise the risks of a negative effect from unfriendly actions of foreign states and organisations, the Company decided not to disclose information on controlled organisations that are of material importance to it. The Company will return to full disclosure of information in the event that the relevant risks cease to exist.</p>	4. Complied with.
6.2.3 Being one of the most important means of communication with shareholders and other stakeholders, the annual report contains information enabling an assessment of the company's performance during the year.	<ol style="list-style-type: none"> The annual report of the company contains information on the results of the assessment by the audit committee of the effectiveness of the external and internal audit process. The company's annual report contains information on the company's environmental and social policy. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
6.3 The company provides equal and easy access to information and documents at the shareholders' request.				
6.3.1 Shareholders can exercise their right of access to company documents and information without unnecessary difficulties.	<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' requests. 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. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		
6.3.2 When the company provides information to shareholders, a reasonable balance is maintained between the interests of individual shareholders and those of the company, as the company is interested in maintaining confidentiality of important commercial information which may have a material effect on its competitiveness.	<ol style="list-style-type: none"> In the reporting period, the company did not reject shareholders' requests for information, or, if it did, it gave reasons for the refusal to provide information. In the cases stipulated by the company's information policy, shareholders are informed that the information is confidential and undertake to keep it confidential. 	<input checked="" type="radio"/> complied with <input type="radio"/> partially complied with <input type="radio"/> not complied with		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle	Notes
7.1	Actions that have or may have a substantial impact on the company's authorised capital structure and financial position and, accordingly, on the shareholders' position (significant corporate actions) are taken on equitable terms safeguarding the rights and interests of the shareholders and other stakeholders.			
7.1.1	<p>Significant corporate actions include reorganisation of the company, purchase of 30 or more percent of the company's voting shares (acquisition), making major transactions, an increase or reduction of the authorised capital of the company, listing and delisting of the company's shares, as well as other actions that may result in a significant change of shareholders' rights or infringement of their interests. The company's articles of association provides a list (criteria) of transactions or other actions constituting significant corporate actions, and such actions fall within the competence of the company's board of directors.</p>	<p>○ complied with <input checked="" type="checkbox"/> partially complied with ○ not complied with</p>	<p>1. Partially complied with.</p> <p>The Company's Articles of Association do not define the very notion of material corporate actions.</p> <p>However, decision-making on matters relating to material actions referred to in recommendation 303 of the Code (e.g., restructuring of the Company, increase/decrease in the authorised capital of the Company, decision-making on the participation of the Company in other organisations, decision-making on applying for delisting of the Company's shares and (or) equity securities convertible into its shares, decision-making on consent or subsequent approval of major transactions, approval of other transactions of the Company and its controlled entities) in accordance with the current legislation and the Articles of Association of the Company are the competence of the Board of Directors or the General Meeting of Shareholders. When any matters, including significant corporate actions, are put to shareholders at a meeting of shareholders, the Board of Directors will make recommendations to shareholders accordingly.</p>	
7.1.2	<p>The board of directors plays a key role in making decisions or recommendations with regard to significant corporate actions; the board of directors relies on the opinion of independent directors of the company.</p>	<p><input checked="" type="checkbox"/> complied with ○ partially complied with ○ not complied with</p>		
7.1.3	<p>When making significant corporate actions affecting the rights and legitimate interests of shareholders, equal conditions are provided for all shareholders of the company, and in case of insufficiency of statutory mechanisms aimed at the protection of shareholders, additional measures are taken to protect the rights and legitimate interests of shareholders of the company. At the same time, the company is guided not only by compliance with the formal requirements of the law but also by the corporate governance principles set out in the Code.</p>	<p><input checked="" type="checkbox"/> complied with ○ partially complied with ○ not complied with</p>		
7.2	The company ensures that significant corporate actions are taken in a manner that enables the shareholders to receive full information on such actions, provides them with an opportunity to influence such actions and guarantees that their rights are observed and properly protected when such actions are taken.			
7.2.1	<p>Information on significant corporate actions is disclosed, and an explanation of the reasons, conditions and consequences of such actions is provided.</p>	<p><input checked="" type="checkbox"/> complied with ○ partially complied with ○ not complied with</p>		

Corporate Governance Principles	Criteria for assessing compliance with the corporate governance principles	Status of compliance with the corporate governance principle	Explanations of deviations from the criteria for assessing the corporate governance principle Notes
<p>7.2.2 The rules and procedures for the implementation of significant corporate actions are set forth in the company's internal documents.</p>	<ol style="list-style-type: none"> 1. The company's internal documents determine the cases and procedure for engaging an appraiser to determine the value of property to be alienated or acquired under a major transaction or a related-party transaction. 2. The company's internal documents establish the procedure for engaging an appraiser to carry out an assessment of the company's shares, for the purposes of purchase or buyback. 3. If there is no formal interest of a member of the board of directors, the sole executive body, member of the collegial executive body of the company or an entity being a controlling entity of the company or an entity entitled to give instructions binding on the company in transactions of the company, but if there is a conflict of interest or other actual interest, the internal documents of the company provide that such entities shall not participate in voting on approval of such transaction. 	<ul style="list-style-type: none"> <input type="radio"/> complied with <input checked="" type="radio"/> partially complied with <input type="radio"/> not complied with 	<ol style="list-style-type: none"> 1. Partially complied with. The company's internal documents did not determine the cases and procedure for engaging an appraiser to determine the value of property to be alienated or acquired under a major transaction or a related-party transaction. In addition, in accordance with subitem 11 of item 15.1 of the Company's Articles of Association, the scope of powers of the Board of Directors includes determining the price (monetary value) of property, the offering price or the procedure for determining it, and the redemption price of equity securities in cases stipulated by the Federal Law "On Joint Stock Companies", as well as when resolving issues specified in subitems 21, 28 of item 15.1 of article 15 of these Articles of Association (making decisions on the Company's participation in other organisations and preliminary approval of decisions on the Company's transactions with the parameters specified in the Articles of Association). In view of the above, failure to implement this recommendation does not entail additional risks for the Company and its stakeholders. 2. Complied with. 3. Not complied with. If there is no formal interest of a member of the Board of Directors, the sole executive body, member of the collegial executive body of the Company or an entity being a controlling entity of the Company or an entity entitled to give instructions binding on the Company in transactions of the Company, but if there is a conflict of interest or other actual interest, the internal documents of the Company do not prohibit for such entities to participate in voting on approval of such transaction. Given the specifics of the holding structure, numerous related-party transactions are concluded between the Rosseti Group's companies. In the Company's opinion, the formal interest criteria established by the Federal Law "On Joint Stock Companies" and, accordingly, the related cases of non-participation in voting on the approval of transactions are sufficient to ensure optimal protection of the rights and interests of shareholders and investors. Stipulation in the internal documents of cases when members of the Board of Directors of the Company and other persons do not participate in voting on approval of a transaction in the absence of formal interest, but in the presence of a conflict of interest or other actual interest, could make it difficult for the Company to operate due to the increased number of transactions recognised as related-party transactions.