

Assessment of RM&ICS Efficiency

The Company’s internal auditor assesses the efficiency of the Risk Management and Internal Control (RM&ICS), including its compliance with the target state and maturity level, in order to make sure that it continues to meet objectively changing requirements and conditions.

The Company’s internal auditor annually assesses the RM&ICS of the Company and the Group of companies and its compliance with the target state and maturity level. Six maturity levels are in place in the Company.

The report of PJSC Rosseti’s internal auditor on the results of the assessment of the effectiveness of the internal control system (ICS) and risk management system (RMS) at the Rosseti Group for 2022 was reviewed by the Audit Committee on 30 August 2023 (Minutes No. 161 dated 30 August 2023) and approved by the Board of Directors on 3 November 2023 (Minutes No. 631 dated 7 November 2023), taking into account the Committee’s recommendations.

The summarised assessment of ICS and RMS efficiency for the Rosseti Group at the end of 2022 was 5.1 points and 4.8 points, respectively, out of a possible 6 points, which, according to the applicable assessment scale, makes it possible to assess the ICS and RMS maturity level as “optimal” at the current stage.

The internal auditor’s report on the results of the assessment of the Rosseti Group’s RM&ICS efficiency for 2023 will also be submitted to the Audit Committee for review and to the Company’s Board of Directors for approval.



Improvement of the RM&ICS

The Company sees to it that the RM&ICS is continuously developed and improved, keeping in mind the requirement to handle new tasks and adjustments to the internal and external situations affecting the Group’s operation.

**Key measures to improve the IRM&ICS taken in 2023:**

- Set of regulatory and methodological documents in the field of risk management and internal control was developed / updated
- Preferred risk (risk appetite) of the Rosseti Group was updated
- The following training events were held for employees of the Rosseti Group on the organisation and operation of the risk management and internal control system:
  - Knowledge Days (four training sessions)
  - Conferences on pressing issues and development strategy of the risk management and internal control system

**Plans for improvement of the RM&ICS in 2024**

- To exercise additional control with the participation of the Department of Internal Control and Risk Management in collegial bodies
- To carry out risk-oriented control activities: when reviewing materials submitted for approval by collegial bodies; when analysing information on audits carried out by external control (supervision) bodies; when assessing the targeted and timely expenditure of financial support to subsidiaries
- To implement unified standards and principles for controlling the financial stability of counterparties of the Rosseti’s Group of companies. To take part in risk management in liquidation and bankruptcy proceedings
- To promote risk awareness, to conduct training events on the organisation and operation of the RM&ICS

Audit Commission

The Audit Commission is a permanent body that oversees the financial and business activities of PJSC Rosseti and its governing bodies. Audit Commission is elected annually by the General Meeting of Shareholders.

**The activities of the Audit Commission are regulated by the Articles of Association and the Regulations on the Audit Commission of the Company<sup>1</sup>.**

- Expertise of the Audit Commission:**
- Confirmation of reliability of the data contained in the annual report, annual accounting (financial) statements of the Company
  - Analysis of the Company’s financial condition, identification of reserves to improve the Company’s financial condition and development of recommendations for the Company’s governing bodies
  - Organisation and implementation of inspection (audit) of financial and economic activities of the Company

Key matters reviewed by the Audit Commission in 2023

Area of responsibility	Action taken	Outcome
<ul style="list-style-type: none"><li>• Control over financial and economic activities, elimination of identified deficiencies based on the findings of inspections</li><li>• An audit of financial and economic activities for 2022 was carried out</li><li>• No substantial violations were revealed</li><li>• Assessment of reliability of the data in the Annual Report and annual financial statements</li></ul>	<ul style="list-style-type: none"><li>• Annual Report and annual accounting (financial) statements of the Company for 2022 were reviewed</li><li>• No misstatements of data that could materially affect the said statements were identified</li><li>• Reporting on violations of the procedure for keeping accounting records, presenting financial statements, and the procedure for carrying out financial and economic activities</li><li>• The issues of organisation and maintenance of accounting records, preparation of accounting (financial) statements were reviewed</li></ul>	<ul style="list-style-type: none"><li>• No errors and misstatements that had a significant impact on the reliability of the accounting (financial) statements as of 31 December 2022 were identified</li><li>• Control over the legitimacy of financial and business transactions</li><li>• The related-party transactions report for 2022 was reviewed</li><li>• No law violations were identified</li></ul>

<sup>1</sup> Approved by the resolution of the Extraordinary General Meeting of Shareholders of the Company on 14 September 2022 (Minutes No. 27 dated 15 September 2022).

In the reporting year, there were two lists of members of the Audit Commission — from 1 January 2023 to 30 June 2023 and from 30 June 2023 to 31 December 2023.

Members of the Audit Commission since 30 June 2023<sup>1</sup>

Kostenko Gleb  
Chairman

Born in 1995.  
Institute of National Research University “Moscow Power Engineering Institute”, major in Electric Power Engineering and Electrical Engineering (bachelor’s degree). Graduated in 2016.  
National Research University “Moscow Power Engineering Institute”, Master’s degree. Graduated in 2019.  
**Position at the time of election:**  
Deputy Director of the Department of Operational Management in the Fuel and Energy Complex of the Ministry of Energy of Russia

Yakushev Georgiy  
Deputy Chairman

Born in 1983.  
Krasnoyarsk State University, Institute of Law, major in Jurisprudence. Graduated in 2005.  
**Position at the time of election:**  
Head of the Corporate Relations Division of the Department of Operational Management in the Fuel and Energy Complex of the Ministry of Energy of Russia

Ulyanov Anton  
Secretary

Born in 1979.  
Moscow State Law Academy, major in Jurisprudence. Graduated in 2004.  
**Position at the time of election:**  
Director for Internal Audit — Head of the Internal Audit Department of PJSC Rosseti

Gabov Andrey

Born in 1981.  
Perm State Technical University, Faculty of Motorways, Engineer. Graduated in 2003.  
Perm State University, Faculty of Economics, major in Finance and Credit, Economist. Graduated in 2008.  
**Position at the time of election:**  
Deputy Director of the Project Finance and Investment Policy Department of the Russian Ministry of Finance

Agamagomedova Diana

Born in 1995.  
Moscow State University, major in Jurisprudence. Graduated in 2018.  
**Position at the time of election:**  
Advisor to the Department of Management of the Federal Agency for State Property Management (Rosimushchestvo) (since April 2023 — Head of the Corporate Governance Directorate of JSC Foreign Economic Association “Promsyrimport”)

Members of the Audit Commission until 30 June 2023<sup>2</sup>

Alexey Kulagin

**Chairman Born in 1986.**  
Lomonosov Moscow State University, Faculty of Chemistry. Graduated in 2009.  
Tula State University, major in Finance and Credit. Graduated in 2013.  
**Position at the time of election:**  
Since 2021 — Deputy Director of the Department of the Ministry of Energy of Russia.

Natalia Annikova  
Deputy Chairwoman

Born in 1955.  
Moscow Institute of Transport Engineers, major in Engineering. Graduated in 1978.  
Russian Presidential Academy of National Economy and Public Administration under the Government of the Russian Federation, major in Finance and Credit. Graduated in 1999.  
PhD in Technical Sciences.  
**Position at the time of election:**  
Since 2021 — Adviser to the Director of Center for Information Technologies and Systems for Executive Authorities.

Diana Agamagomedova

**Position at the time of election:**  
Since 2021 — Adviser to the Federal Agency for State Property Management (Rosimushchestvo).

Yury Goncharov

Born in 1977.  
Moscow State Mining University, major in Management (Master’s degree). Graduated in 2000.  
Moscow Institute of Economics, Politics and Law, major in Jurisprudence. Graduated in 2014.

**Position at the time of election:**  
Since 2021 — Chief Adviser of PJSC Rosseti.

Alexandra Petrova

Born in 1990.  
Moscow State University of Instrument Engineering and Computer Sciences, major in State and Municipal Administration. Graduated in 2013.  
Moscow State University of Instrument Engineering and Informatics, major Jurisprudence. Graduated in 2015.  
**Position at the time of election:**  
Since 2016 — Deputy Head of Management Department of the Federal Agency for State Property Management (Rosimushchestvo).<sup>3</sup>

None of the persons who held the positions of members of the Audit Commission in the reporting period received loans from the Company and its controlled companies. In the reporting period, none of the persons holding the positions of members of the Audit Commission held any shares/securities of the Company and its controlled companies, or made any transactions with them.

Remuneration Policy for Members of the Audit Commission

The policy of remuneration of the members of the Audit Commission is determined by the Regulations on Payment of Remuneration and Compensation to the Members of the Audit Commission of the Company<sup>1</sup>. The amount of remuneration depends on the Company’s revenue for the last reporting year and the degree of involvement with the Audit Commission during the corporate year, as well as the performance of additional duties by members of the Internal Audit Commission such as Chairman or Secretary.

Remuneration to the members of the Audit Commission shall be paid as decided by the General Meeting of Shareholders. However, remuneration is not paid to persons who are legally restricted or prohibited from receiving payments from commercial organisations.

Amount of remuneration paid to the members of the Audit Commission in 2023

Indicator	Amount, RUB ‘000
Remuneration for sitting on a governing body, including:	382.07
• Yury Goncharov	179.30
• Natalia Annikova	165.00
• Diana Agamagomedov	37.77
<b>Total</b>	<b>382.07</b>
In addition, amount of accrued insurance premiums	61.57



<sup>1</sup> Elected by the Annual General Meeting of Shareholders of PJSC Rosseti on 30 June 2023 (Minutes No. 29 dated 30 June 2023).  
<sup>2</sup> Elected by the Annual General Meeting of Shareholders of the Company on 28 June 2022 (Minutes No. 26 dated 28 June 2022).  
<sup>3</sup> Statement of resignation as a member of the Audit Commission dated 14 April 2023.

<sup>1</sup> Approved by the Extraordinary General Meeting of Shareholders of the Company on 14 September 2022 (Minutes No. 27 dated 15 September 2022).