

Sl. No.	Assessment criteria	Average score <sup>1</sup>	Assessment statement
1	<p>The Board performing key functions in the management of the Company:</p> <ul style="list-style-type: none"> <li>Shaping and overseeing the implementation of the strategy</li> <li>Ensuring the establishment and effective operation of the internal control and risk management system and overseeing its effectiveness</li> <li>Evaluating the performance of senior management, implementing an effective incentive system</li> </ul>	5.0	<p>The track record of the Company's Board of Directors is fairly highly rated by the majority of Board members.</p> <p>The Board of Directors is actively involved in the work of the executive bodies, assessing their work and shaping their incentive system. The Board of Directors utilises various tools to monitor the executive bodies, including regular management reports on various areas of activity</p>
2	Safeguarding of assets	4.9	<p>The practice of the Board of Directors in terms of ensuring competitive procurement and control over the implementation of the procurement policy is highly appreciated.</p> <p>The practice of the Board of Directors in terms of control over controlled organisations is sufficiently in line with the recommendations of the Corporate Governance Code and is also highly appreciated by the members of the Board of Directors.</p> <p>The Board of Directors' expanded authority to analyse and approve material transactions gives it more control over the safeguarding of the Company's assets</p>
3	Composition and structure of the Board of Directors	4.9	<p>In general, the main competencies required for effective operation are evenly distributed among the members of the Company's Board of Directors. Members of the Board of Directors have expertise in accounting and corporate finance, strategic management, corporate governance, risk management, as well as in areas specific to the Company's business.</p> <p>Independent directors are able to create their own opinions based on their professional qualifications, experience, and independence. They are also able to make fair and unbiased decisions without consulting the Company's executive bodies, certain shareholder groups, or other stakeholders</p>
4	<p>Organisation of the work of the Board of Directors, including:</p> <ul style="list-style-type: none"> <li>Management of the Board activity</li> <li>Infrastructural support</li> <li>Interaction of the Board of Directors with the Company's management</li> <li>Interaction of the Board of Directors with Board Committees</li> </ul>	4.9	The practice of organising the work of the Board of Directors of the Company in terms of organisational, legal, information and infrastructure support, interaction of the Board of Directors with committees of the Board of Directors and the Company's management is generally effective
5	<p>Chairman of the Board of Directors:</p> <ul style="list-style-type: none"> <li>Ensures efficient organisation of work of the Board of Directors, preparation and holding of its meetings</li> <li>Freely interacts with Board members</li> <li>Ensures a constructive and open atmosphere when discussing matters at meetings of the Board of Directors</li> <li>Ensures and encourages discussion of debatable and controversial issues by members of the Board of Directors</li> </ul>	5	The Chairman of the Board of Directors of the Company ensures efficient operation of the Board of Directors and organisation of its meetings

<sup>1</sup> The maximum score is 5.

# COMMITTEES UNDER THE BOARD OF DIRECTORS

**In order to provide for the efficient general governance of the Company by its Board of Directors, the following committees were established**



Reliability Committee



Audit Committee



Strategy Committee



Personnel and Remuneration Committee



Grid Connection Committee

The committees have the status of collegial advisory bodies to the Board of Directors. Main tasks and functions of the Committees:

- Preliminary consideration of the issues within the competence of the Board of Directors or under investigation of the Board of Directors to oversee the activities of the Company's executive bodies
- Development of necessary recommendations for the Board of Directors and executive bodies of the Company
- Consideration of other issues by order of the Board of Directors

The activities of each of the Committees are governed by respective Regulations<sup>1</sup>.

The personal compositions of the committees (with the exception of the Audit Committee and Strategy Committee) and their chairpersons are elected by the Board of Directors of the Company from candidates nominated by members of the Board of Directors, for a term until the first meeting of the new Board of Directors.

Members of Audit and Strategy Committees are elected for a term until the next election of the respective committee.

The work of the committees is aligned with the action plans created after considering the action plan of the Board of Directors, decisions made by the Board of Directors and committees, suggestions made by the committee members, and the General Director.

On 12 July 2024, the Board of Directors reviewed the Committees' progress reports for the 2023–2024 corporate year<sup>2</sup>.

During the reporting year, 82 committee meetings were held and 148 issues were addressed; all issues subject to preliminary review by the committees of the Board of Directors were reviewed by them in a timely manner.

In the reporting year, members of the Committees carried out a self-assessment of their performance for the 2023–2024 corporate year, rating their work and its organisation quite highly and confirming their compliance with the Committee Regulations.

<sup>1</sup> The Regulations on the Board of Directors' Committees of the Company are published on the Company's website in the [About the Company / Constitutive and Internal Documents](#) section.

<sup>2</sup> The reports of Board Committees are published on the Company's website in the [About the Company / Management / Committees under the Board of Directors](#) section.

## Results of the self-assessment of the Board committee performance

Sl. No.	Committees under the Board of Directors	Performance assessment, average score <sup>1</sup>
1	Reliability Committee	4.9
2	Audit Committee	5.0
3	Strategy Committee	4.8
4	Personnel and Remuneration Committee	4.9
5	Grid Connection Committee	4.8

There is a remuneration for the participation of committee members in committee meetings. The overall remuneration amount for the members of the Board Committees in 2024 amounted to RUB 2,993 thousand. The Company has no outstanding remuneration to the committee members.

## RELIABILITY COMMITTEE

<b>Committee establishment date</b>	15 September 2006
<b>Date and number of the minutes of the Board meeting, at which the Regulations on the Committee (as amended) were approved</b>	No. 281/2017 dated 21 July 2017
<b>Key tasks of the Committee</b>	Drawing up and giving recommendations (conclusions) to the Board of Directors on the following aspects of its activities: <ul style="list-style-type: none"> <li>Expert evaluation of production programmes, plans for technical retrofitting, renovation, new construction and repair of power grid facilities, analysis of their development and execution in terms of ensuring the requirements for reliability of operation and technical condition of the power grids</li> <li>Evaluation of the completeness and adequacy of measures taken based on accident investigation results, as well as control over their implementation</li> <li>Expert evaluation of the quality of investigations of the causes of disturbances (accidents)</li> <li>Expert evaluation of the Company's emergency planning activities (emergency preparedness, set-up and execution of emergency restoration procedures at power grid facilities)</li> <li>Expert evaluation and implementation control for the programmes of prevention and personnel and third-party injury risk mitigation at the power installations of Rosseti Kuban PJSC</li> <li>Control and assessment of the Company's technical services performance in terms of ensuring operational reliability and safety of power grids</li> <li>Expert evaluation of the internal technical control system in the Company</li> <li>Expert evaluation of the occupational safety management system</li> <li>Expert evaluation of the environmental policy implementation programme</li> <li>Expert evaluation of the fire and industrial safety system</li> </ul>
<b>Members of the Board of Directors in office in the reporting year</b>	Committee composition from 14 August 2023 to 26 June 2024, current Committee composition elected on 23 July 2024 <sup>2</sup> : <ol style="list-style-type: none"> <li><b>Palina Kanyuka (Chair of the Committee)</b>, Deputy Chief Engineer of Rosseti PJSC</li> <li><b>Vladimir Mikhailov</b>, Deputy General Director for Technical Issues — Chief Engineer, member of the Management Board of Rosseti Kuban JSC</li> <li><b>Alexander Pilyugin</b>, Deputy Director of Rosseti branch — Technical Supervision Centre</li> </ol>

<sup>1</sup> The maximum score is 5.

<sup>2</sup> The positions of the members of the Board Committees are given at the date of their election.

Performance results of the Committee in the reporting year	Indicator	2022	2023	2024
	Number of Committee meetings held	17	20	21
	• Including in person (in mixed format)	–	–	–
	Number of issues discussed	41	32	29
	Share of issues preliminarily considered by the Committee with preparation of recommendations to the Board of Directors in the total number of issues considered (%)	34.1	40.6	51.7
	Average attendance of the Committee meetings by the Committee members (%)	100	97.9	100

In the reporting year, the Committee provided the Board of Directors with recommendations on the following crucial issues:

- On approval of the following:
  - Updated Digital Transformation Programme
  - Plan for the development of the production asset management system and resource plan for its implementation
- On consideration of the following reports:
  - On the fulfilment of the investment programme
  - On the implementation of the power grid facilities renovation programme
  - On the delivery of the plan for the development of the production asset management system and resource plan for its implementation
  - On the implementation of the digital transformation programme
  - On the delivery on the action plan for the transition to the predominant use of domestic software
  - On the achievement of readiness for heating season
  - On the work done by the Reliability Committee in the 2023–2024 corporate year

In the reporting year, the Committee also addressed the following issues:

- Maintenance and repair programme of power facilities
- Quality assessment of the accident cause investigations and assessment of the adequacy and sufficiency of actions to neutralise them
- An action plan aimed at eliminating violations identified by the commission of the Ministry of Energy of Russia to assess the Company's readiness for the heating season
- Information on the level of reliability of the services provided by the Company
- Company's management reports:
  - On the Company's performance during the heating and flood periods
  - On readiness to work in heating and flood periods, to organise and carry out emergency response and restoration
  - On the delivery of the maintenance and repair programme for the Company's facilities