

COMMITTEES OF THE BOARD OF DIRECTORS

IN ORDER TO PROVIDE FOR THE EFFICIENT GENERAL GOVERNANCE OF PJSC ROSSETI KUBAN BY ITS BOARD OF DIRECTORS, THE FOLLOWING COMMITTEES WERE SET UP.

The Company has five committees:

- Reliability Committee
- Audit Committee
- Strategy Committee
- Personnel and Remuneration Committee
- Grid Connection Committee

The committees have the status of collegial advisory bodies under 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 control the activities of the Company's executive bodies
- Development of necessary recommendations for the Board of Directors and executive bodies of PJSC Rosseti Kuban
- Consideration of other issues by order of the Board of Directors

The activities of each of the Committees are covered by respective Regulations¹.

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 Committee remain in office up to the next election of the respective Committee.

The Committees align their work with the action plans that are designed against the action plan of the Board of Directors, resolutions of the Board of Directors and Committees, proposals of committee members and General Director.

On 7 July 2021, the Board of Directors reviewed the committees' progress reports for the 2020/2021 corporate year.

In the reporting year, all issues to be pre-considered by the Board Committees were considered in a timely manner.

[The meeting minutes of Board Committees of PJSC Rosseti Kuban are published on the Company's website in the About the Company / Management / Committees under the Board of Directors section.](#)

There is a remuneration payment for the participation of committee members in committee meetings. The total amount of remuneration paid to members of the Board Committees in 2021 was RUB 3,477,000. The Company has no outstanding remuneration to the committee members.

¹ The Regulations on the Board of Directors' Committees of PJSC Rosseti Kuban are published on the Company's website in the About the Company / Constituent and Internal Documents section.

RELIABILITY COMMITTEE

Establishment date	15 September 2006
Date and number of the Minutes of the Board's meeting, at which the Regulations on the Committee (as amended) were approved	No.281/2017 dated 21 July 2017
Key tasks of the Committee	<p>Drawing up and giving recommendations (conclusions) to the Board of Directors on the following aspects of its activities:</p> <ul style="list-style-type: none"> • 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 • Evaluation of the completeness and adequacy of measures taken based on accident investigation results, as well as control over their implementation • Examination of the quality of investigations of the causes of production violations (accidents) • Examination of the Company's emergency planning activities (emergency preparedness, set-up and execution of emergency restoration procedures at power grid facilities) • Analysis and implementation control for the programmes of prevention and personnel and third-party injury risk mitigation at the power installations of PJSC Rosseti Kuban • Control and assessment of the Company's technical services performance in terms of ensuring operational reliability and safety of power grids • Examination of the internal technical control system in the Company • Examination of the occupational safety management system • Examination of the environmental policy implementation programme • Examination of the fire and industrial safety system
The personnel composition of the Committee in office in the reporting year	<p>Members of the Committee acting from 7 July 2020 to 30 June 2021:</p> <ul style="list-style-type: none"> • Vladimir Ukolov (Committee Chairman), Deputy Director for the Situation Analysis Centre, PJSC Rosseti • Eduard Bogomolov, First Deputy Director for the Centre for Technical Supervision, PJSC Rosseti Centre • Mikhail Medvedev, adviser to General Director of JSC Avangard, member of the Board of Directors of PJSC Rosseti Kuban • Olga Ocheredko, Head of the Finance Department, member of the Management Board, PJSC Rosseti Kuban • Igor Shishigin, (until November 2020), — Deputy General Director for Technical Issues – Chief Engineer, member of the Management Board, PJSC Rosseti Kuban <p>Committee compositions acting from 19 July 2021 to 30 September 2021, from 20 October 2021 to 31 January 2022, current composition elected on 1 March 2022:</p> <ul style="list-style-type: none"> • Palina Kanyuka (Committee Chairwoman), Head of Production Activity Department, PJSC Rosseti • Alexey Mishanin, Deputy General Director for Technical Issues – Chief Engineer, member of the Management Board, PJSC Rosseti Kuban • Eduard Bogomolov (Deputy Chairman of the Committee), First Deputy Director for the Centre for Technical Supervision, PJSC Rosseti

Performance results of the Committee in the reporting year

There were 14 meetings of the Committee in 2021 by absentee ballot, and 30 questions were considered.

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

- On approval of the Company's internal documents:
 - Updated digital transformation programme for the period until 2030
 - Adjusted 2020–2022 plan for the development of the production asset management system and a resource plan for its implementation
 - The new version of PJSC Rosseti's Regulation on the Unified Technical Policy in the Power Grid Complex as the Company's internal document
- On consideration of the following reports:
 - On the implementation of the Investment Programme in terms of providing its comprehensive reliability
 - On the implementation of the development plan for the production asset management system in 2020
 - On the implementation of activities stipulated in the digital transformation programme until 2030
 - On the results of the Company's readiness for the 2021/2022 heating season
 - On the work done by the Reliability Committee in the 2020/2021 corporate year

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

- Maintenance and repair programme for 2021
 - Action plan to eliminate bottlenecks impacting the reliable power supply to the Company's customers for 2021
 - The Company's management reports:
 - On the way the Company handled the 2020/2021 autumn-winter period and the 2021 fire-hazardous period
 - On the preparation for heating season
 - On the delivery of the maintenance and repair programme for the Company's facilities
 - On the implementation of the action plan to eliminate bottlenecks impacting the reliable power supply to the Company's customers
 - On the implementation of comprehensive programmes on injury risk mitigation for the Company personnel and third-parties
 - Analysed the functioning of the power grid regions for consolidation, regrouping, liquidation
- Proportion of issues pre-considered by the Committee with the preparation of recommendations to the Board of Directors in the total number of issues considered: in 2020 – 37.5%, in 2021 – 33.3%.
Attendance of Committee members at its meetings on average: in 2020 – 93.8%, in 2021 – 88.8%

AUDIT COMMITTEE

Establishment date	16 October 2009
Date and number of the Minutes of the Board's meeting, at which the Regulations on the Committee (as amended) were approved	No.233/2016 dated 18 March 2016, as amended on 28 October 2016, No.253/2016
Key tasks of the Committee	<ul style="list-style-type: none"> • Review of the Company's financial statements and supervision of their preparation • Monitoring of the reliability and efficiency of the internal control system, risk management system, and corporate governance practices • Control over external audits and selection of the auditor • Ensuring independence and objectivity of the internal audit function • Control over the efficiency of the system for countering unfair practices of the Company's employees or third parties
The personnel composition of the Committee in office in the reporting year	<p>Board Committee acting from 7 July 2020 to 19 July 2021:</p> <ul style="list-style-type: none"> • Viktor Yavorskiy (Committee Chairman), member of the Management Board Presidium of All-Russian Non-Governmental Organisation of Small and Medium Business OPORA RUSSIA, member of the Board of Directors of PJSC Rosseti Kuban • Irina Shagina, Head for Tariff Policy Department of PJSC Rosseti, member of the Board of Directors of PJSC Rosseti Kuban • Ivan Terekhov, Head of Insurance Office of the Strategy Department, member of the Board of Directors of PJSC Rosseti Kuban <p>Board Committee acting from 19 July 2021 to 31 August 2021:</p> <ul style="list-style-type: none"> • Viktor Yavorskiy (Committee Chairman), member of the Management Board Presidium of All-Russian Non-Governmental Organisation of Small and Medium Business OPORA RUSSIA, member of the Board of Directors of PJSC Rosseti Kuban • Alexander Kazakov, member of the Board of Directors of PJSC Rosseti Kuban • Natalya Ozhegina, member of the Board of Directors of PJSC Rosseti Kuban <p>Committee composition acting from 20 October 2021 to 30 December 2021, current Committee elected on 1 March 2022:</p> <ul style="list-style-type: none"> • Viktor Yavorskiy (Committee Chairman), member of the Management Board Presidium of All-Russian Non-Governmental Organisation of Small and Medium Business OPORA RUSSIA, member of the Board of Directors of PJSC Rosseti Kuban • Yuri Goncharov, Chief Advisor of PJSC Rosseti, member of the Board of Directors of PJSC Rosseti Kuban • Alexander Kazakov, member of the Board of Directors of PJSC Rosseti Kuban

Performance results of the Committee in the reporting year

In 2021, the Committee met 17 times (three in person and the rest by absentee voting) and considered 54 issues.

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

- On approval of the following:
 - Progress reports on the action plan and the results of internal audit, measures to develop and improve internal audit
 - Changes to the action plan for the development and improvement of internal audit activities for 2020–2024
 - Action plan of the Internal Audit Directorate for 2021 and 2022
 - Plan for maintaining the effectiveness and developing the internal control system and risk management system
- On consideration of the candidate of the Company's external auditor of the Company's 2021 statements and determination of their remuneration
- On consideration of the following reports (information):
 - Internal audit report on the evaluation of measures to identify and dispose of non-core assets
 - Anti-corruption monitoring report
 - Report of organisation, functioning and improvement of the Company's internal control system in 2020
 - Internal audit report regarding the efficiency of the internal control and risk management systems of the Company
 - Report on the level of effectiveness and quality of the external audit process
 - Internal audit report regarding the corporate governance performance for 2020/2021 corporate year
 - RAS financial statements of the Company
 - Report on the compliance with the insider information control laws
 - Audit Committee performance report for the 2020/2021 corporate year

In the reporting year, the Audit Committee of the Board of Directors also considered the following:

- Information of the external auditor on key problems in the Company's financial statements
- Information on significant aspects of the accounting policy in 2021 and planned changes for 2022
- IFRS consolidated financial statements
- The opinion of the internal audit of the Company on the efficiency and quality of the external audit process of the Company's financial statements for 2020
- Reports (information) of the Company's management:
 - On implementation of the corrective measures to eliminate gaps identified by the Company's Auditing Commission, Company's internal audit, third-party control and supervision bodies on measures taken to address the information about potential cases of unfair practices of employees, and following the results of investigations made
 - On non-standard operations and events of the Company, as well as regarding the formation of a reserve on doubtful debts and estimated liabilities

Proportion of issues pre-considered by the Committee with the preparation of recommendations to the Board of Directors in the total number of issues considered: in 2020 – 37.1%, in 2021 – 43.4%.

Attendance of Committee members at its meetings on average: in 2020 – 100%, in 2021 – 96.2%

STRATEGY COMMITTEE

Establishment date	5 February 2010
Date and number of the Minutes of the Board's meeting, at which the Regulations on the Committee (as amended) were approved	No.358/2019 dated 16 August 2019
Key tasks of the Committee	<p>Development of recommendations (conclusions) concerning the following issues and submission them to the Board of Directors:</p> <ul style="list-style-type: none"> • Strategic development and business priorities • Company's innovation development • Organisation of business processes • Business planning • Dividend Policy • Risk management • Efficiency assessment for the operations of the Company and its S&As
The personnel composition of the Committee in office in the reporting year	<p>Members of the Committee acting from 6 August 2020 to 19 July 2021:</p> <ul style="list-style-type: none"> • Dmitriy Andropov (Committee Chairman), Head for Finance Department of PJSC Rosseti • Igor Alyushenko, Deputy Chief Engineer – Chief Dispatcher of PJSC Rosseti, member of the Board of Directors of PJSC Rosseti Kuban • Astkhik Bashindzhagyan, Deputy Head for Corporate Governance Department of PJSC Rosseti • Konstantin Guselnikov, General Director of LLC Fininvestkonsalting • Mikhail Medvedev, adviser to General Director of JSC Avangard, member of the Board of Directors of PJSC Rosseti Kuban • Dmitriy Mikheev, Head of the Department for Service Sales of PJSC Rosseti • Olga Ocheredko, Deputy General Director for Economics and Finance of PJSC Rosseti Kuban, member of the Management Board of PJSC Rosseti Kuban • Maria Polyanskaya, First Deputy Head of the Strategy Department of PJSC Rosseti • Irina Shagina, Head for Tariff Policy Department of PJSC Rosseti, member of the Board of Directors of PJSC Rosseti Kuban <p>The current composition of the Committee (elected on 19 July 2021):</p> <ul style="list-style-type: none"> • Dmitriy Andropov (Committee Chairman), Head for Finance Department of PJSC Rosseti • Konstantin Guselnikov, General Director for LLC Fininvestkonsalting • Kirill Iordanidi, Deputy General Director for Economy and Finance, PJSC Rosseti South, Deputy General Director for Economy and Finance (part-time) and member of the Management Board of PJSC Rosseti Kuban • Elena Kovaleva, Deputy Head of Corporate Governance Department, PJSC Rosseti • Daniil Krainskiy, Deputy General Director for Legal Support of PJSC Rosseti, Chairman of the Board of Directors of PJSC Rosseti Kuban • Mikhail Medvedev, adviser to General Director of JSC Avangard, member of the Board of Directors of PJSC Rosseti Kuban • Dmitriy Mikheev, Head of the Department for Service Sales of PJSC Rosseti • Yegor Prokhorov, Deputy General Director for Strategy of PJSC Rosseti • Andrey Tulba, Director for Economics and Finance – Head of Economic Planning and Tariff Setting Department of PJSC Rosseti

Performance results of the Committee in the reporting year

There were 25 meetings of the Committee in 2021 (three – in person and the rest – by absentee voting) and 50 issues were considered. Recommendations were made for the Board of Directors concerning the following critical issues:

- On proposals to the extraordinary General Meeting of Shareholders to increase the authorised capital of the Company
- On updating of the status of the Company's priority business areas
- On approval of the following:
 - Updated digital transformation programme for the period until 2030
 - The Company's business plan
 - Plan for maintaining the effectiveness and developing the internal control system and risk management system
 - The new version of PJSC Rosseti's Regulation on the Unified Technical Policy in the Power Grid Complex as the Company's internal document
 - Charging infrastructure development programme
 - Innovative development programmes
 - Revised risk management policy
 - Revised divestment programme for non-core assets
 - KPI targets for General Director,
 - Reports on the achievement of the KPIs of the Company's General Director and on the delivery of the innovation development programme
- On approval of amendments to the Investment Programme
- On update of the Company's register of non-core assets
- On consideration of the following reports:
 - Report on the works performed by the Strategy Committee in the 2020/2021 corporate year
 - Progress report on the Company's business plan and investment programme
 - Progress report on the higher-priority investment projects
 - Report on the organisation, operation, and efficiency of the risk management system
 - Progress report on the digital transformation, smart metering development programmes, etc.

Proportion of issues pre-considered by the Committee with the preparation of recommendations to the Board of Directors in the total number of issues considered: in 2020 – 94.9%, in 2021 – 90%.

Attendance of Committee members at its meetings on average: in 2020 – 99.5%, in 2021 – 99.6%

PERSONNEL AND REMUNERATION COMMITTEE

Establishment date	6 August 2010
Date and number of the Minutes of the Board's meeting, at which the Regulations on the Committee (as amended) were approved	No.194/2014 dated 1 August 2014
Key tasks of the Committee	<p>Development of recommendations (conclusions) concerning the following issues and submission them to the Board of Directors:</p> <ul style="list-style-type: none"> • Establishing criteria for selecting and evaluating candidates for the Board of Directors and executive bodies of the Company • Establishing principles and criteria for determining the remuneration of members of the Company's governing bodies • Determining the material terms of contracts with Board members and executive bodies • Regularly assessing the performance of the Director General and members of the Management Board • Determining remunerations for the members of the Board of Directors
The personnel composition of the Committee in office in the reporting year	<p>Members of the Committee acting from 7 July 2020 to 30 June 2021:</p> <ul style="list-style-type: none"> • Natalya Ozhegina (Committee Chairwoman), Deputy General Director for HR Management of PJSC Rosseti, member of the Board of Directors of PJSC Rosseti Kuban since 3 June 2021 • Yulia Kuznetsova, Head of the HR Management Department of PJSC Rosseti • Alexander Varvarin, Vice President for the Corporate Relations and Legal Support Office of RUE, Board member of PJSC Rosseti Kuban until 3 June 2021 <p>Committee compositions acting from 19 July 2021 to 30 September 2021, from 20 October 2021 to 31 January 2022, current composition elected on 1 March 2022:</p> <ul style="list-style-type: none"> • Alexander Kazakov (Chairman of the Committee), member of the Board of Directors of PJSC Rosseti Kuban • Yulia Kuznetsova, acting Deputy General Director for HR Management of PJSC Rosseti • Irina Kosinskaya, Deputy Head of Human Resources and Organisational Design Department of PJSC Rosseti
Performance results of the Committee in the reporting year	<p>There were 18 meetings of the Personnel and Remuneration Committee by absentee ballot in 2021 and 28 issues were considered.</p> <p>Recommendations were made for the Board of Directors concerning the following issues:</p> <ul style="list-style-type: none"> • Changes to the composition of the Company's Management Board • Changes to the regulations on incentives for General Director • On the approval of the individual performance evaluation of the General Director • On approval of target KPI values for General Director • On determination of the person authorised to exercise the rights and duties of an employer in relation to the Company's General Director • On approval of the organisational structure of the executive office • On approval of General Director KPI achievement reports • On preliminary approval of candidates for the positions defined by the Board of Directors of the Company • On reviewing of the report of the Personnel and Remuneration Committee on works performed in the 2020/2021 corporate year • On the consideration of the progress report of the Corporate Secretary • On approval of the organisational structure of the executive office • On the approval of an agreement to extend the collective agreement <p>In addition, the Personnel and Remuneration Committee approved the composition of the management and youth talent pools.</p> <p>Proportion of issues pre-considered by the Committee with the preparation of recommendations to the Board of Directors in the total number of issues considered: in 2020 – 76.9%, in 2021 – 82.1%.</p> <p>Attendance of Committee members at its meetings on average: in 2020 – 88.5%, in 2021 – 98.8%</p>

GRID CONNECTION COMMITTEE

Establishment date	11 October 2011
Date and number of the Minutes of the Board's meeting, at which the Regulations on the Committee (as amended) were approved	No.281/2017 dated 19 July 2017
Key tasks of the Committee	<p>Development of recommendations (conclusions) to the Board of Directors concerning the following issues:</p> <ul style="list-style-type: none"> • Improvement of the legal framework of the anti-trust law and provision of equal-opportunity access to the grid connection services • Improvement of the Company's internal standards for ensuring equal-opportunity access to the grid connection services • Development of principles and criteria for assessing the Company's performance efficiency regarding connecting customers to power grids • Assessment of the Company's performance related to grid connection of consumers • Assessment of the Company's performance efficiency in the improvement of power grid development plans in the regions of presence • Analysis of the current situation in the Company and the preparation of suggestions for the Board of Directors concerning customers' grid connection and the future development of the grid in general
The personnel composition of the Committee in office in the reporting year	<p>Members of the Committee acting from 7 October 2020 to 30 June 2021:</p> <ul style="list-style-type: none"> • Alexey Molskiy (Committee Chairman), Deputy General Director for Investment, Capital Construction and Service Sales of PJSC Rosseti • Alexander Varvarin, Vice President for the Corporate Relations and Legal Support Office of RUE All-Russian Non-Governmental Organisation, Board member of PJSC Rosseti Kuban • Vladimir Davydkin, Head of the Office of the Department for Grid Connection and Infrastructure Development of PJSC Rosseti • Andrey Lyashko, First Deputy Minister of the Fuel and Energy Complex and Housing and Communal Services of the Krasnodar Territory • Vladimir Skladchikov (until December 2020) – Deputy General Director for Development and Grid Connection <p>Committee compositions acting from 19 July 2021 to 30 September 2021, from 20 October 2021 to 31 January 2022:</p> <ul style="list-style-type: none"> • Alexey Molskiy (Committee Chairman), Deputy General Director for Investment, Capital Construction and Service Sales of PJSC Rosseti, member of the Board of Directors of PJSC Rosseti Kuban • Vladimir Davydkin, Head of the Office of the Department for Grid Connection and Infrastructure Development of PJSC Rosseti • Dmitry Zhuravlev, Deputy General Director for Development and Grid Connection of PJSC Rosseti South • Oksana Zaitseva, Head of Grid Connection Department of PJSC Rosseti Kuban • Alexander Kalinichenko, acting Deputy General Director for Development and Grid Connection of PJSC Rosseti Kuban

Performance results of the Committee in the reporting year

There were 10 meetings of the Committee in 2021 (one – in person and the – rest by absentee voting) and 16 issues were considered, and among other things:

- The Committee formulated recommendations to the Board of Directors on the consideration of the report of the Grid Connection Committee on the work done for the 2020/2021 corporate year, the report on the current activities of the Company on grid connection of consumers to the power grids
- The Committee monitored the Company's actions concerning the connection of consumers to the Company's grids
- The Committee reviewed the following management reports:
 - On the Company's involvement in drafting the regional electric power industry development roadmap
 - On the implementation of grid connection contracts with breached deadlines
 - On the elaboration of comprehensive development programmes for 35 kV and above power grids
 - On the achievement of KPIs for grid connection deadlines
 - On the progress on the roadmap for the development of additional (non-tariff) services
 - On the implementation of measures to improve the accessibility of energy infrastructure

Proportion of issues pre-considered by the Grid Connection Committee with the preparation of recommendations to the Board of Directors in the total number of issues considered: in 2020 – 20%, in 2021 – 25%.

Attendance of Committee members at its meetings: in 2020 – 94.7%, in 2021 – 95.0%

