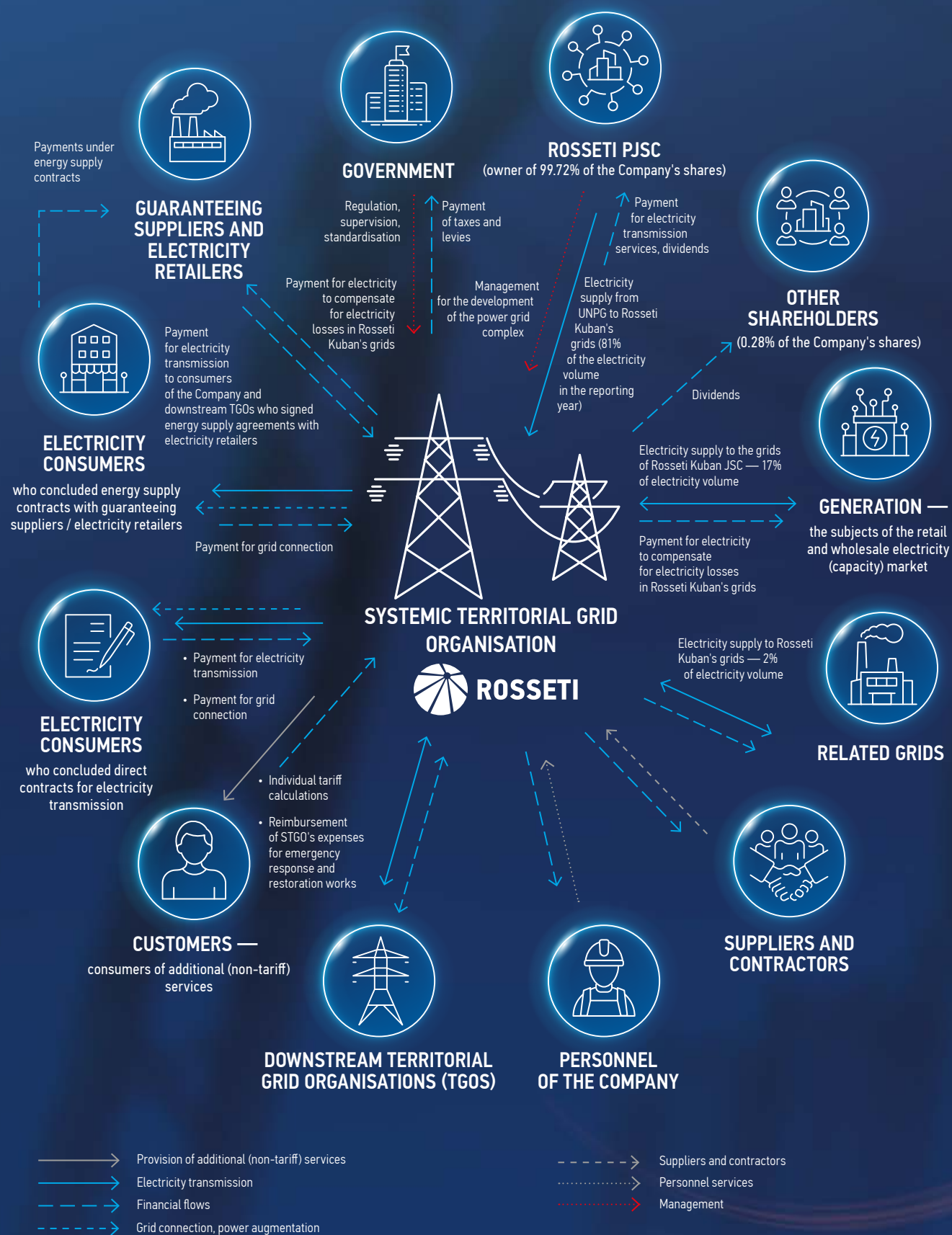
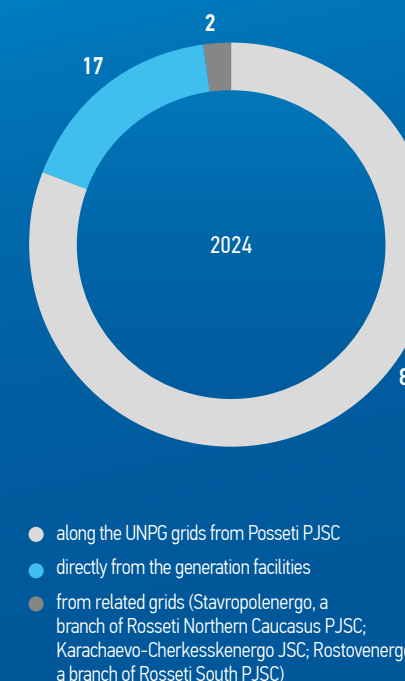


# SCHEME OF THE COMPANY'S MAIN BUSINESS PROCESSES



The Company's grids receive electricity:



Consumers of Rosseti Kuban's electricity transmission services:

- Guaranteeing suppliers (in the reporting year, NESK JSC and TNS Energo Kuban PJSC) — wholesale and retail market entities engaged in energy sales activities and obliged to conclude an agreement with any consumer who applies to it located within the catchment area
- Other companies involved in energy sales (74 in the reporting year)
- Some consumers (80 in the reporting year) that signed direct electricity transmission agreements with the Company (Novoroscement OJSC, Tamaneftgaz JSC, Eurochem-Belorechenskie Minudobrenia LLC, Agrofirma-Plemzavod Pobeda JSC, Sad-Gigant JSC, Verkhnebakansky Cementny Zavod OJSC, Abrau-Durso CJSC, Novorosselexport JSC, RAMO-M JSC, NMTP PJSC, Kanevskoy Zavod Gazovoy Apparatury LLC, etc.)

The Company receives payment for its electricity transmission services from electricity retailers and from direct consumers, respectively.

To compensate for electricity losses occurred during transmission in the Company's grids, Rosseti Kuban JSC buys the corresponding amount of electricity from guaranteeing suppliers such as TNS Energo Kuban PJSC and NESK JSC, as well as from VIE LLC and Lukoil-Kubanenergo LLC.

Since 2007, the region has had a common-pot tariff for electricity transmission services in place which applies to all consumers of electricity transmission services in the Krasnodar Krai and the Republic of Adygeya, regardless of which grid organisation they are connected to.

The main settlement model is the Pot At the Top: Rosseti Kuban JSC has the STGO status, i.e., the pot holder. According to this model, Rosseti Kuban JSC receives consumers' payments for electricity transmission services (regardless of which grid organisation they are connected to), then the Company settles accounts at individual tariffs with downstream grid organisations the consumer terminals are connected to.