

## REMUNERATION AND REIMBURSEMENT FOR THE AUDITING COMMISSION MEMBERS

According to the effective Regulations on the Remuneration and Reimbursement Paid to the Auditing Commission of the Company<sup>1</sup>, as approved by the annual General Meeting of Shareholders dated 25 May 2018 (Minutes No. 40 dated 28 May 2018), the members of the Auditing Commission receive remunerations depending on the results of the work during the corporate year and their involvement with the work of such controlling body.

The remuneration amount for the Auditing Commission is calculated while taking into consideration the following:

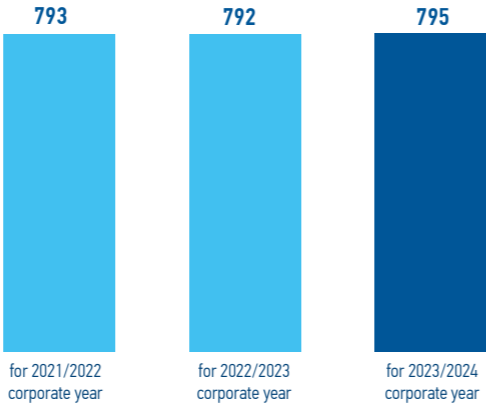
- Size of the base part of the remuneration set according to the Company RAS profits for the financial year
- Personal involvement modifier for the Auditing Commission members, reflecting their participation in meetings and inspections, as well as their fulfilment of additional duties as chairman or secretary of the Auditing Commission.

No remuneration is paid to a member of the Auditing Commission who has not participated in more than half of the meetings held during their membership in the Auditing Commission.

Reimbursement of expenses related to the participation in the meetings of the Auditing Commission is performed to the extent of the real expenditures according to the standard regulations.

The expenses of the Auditing Commission members were not reimbursed in the reporting year. For the members of the Auditing Commission, the Company has no remuneration or reimbursement payments overdue.

Remuneration accrued and paid to the members of the Auditing Commission (RUB '000)



<sup>1</sup> The Regulations on the Remuneration and Reimbursement Paid to the Auditing Commission of the Company is published on the Company's website in the [About the Company / Constituent and Internal Documents](#) section.

<sup>2</sup> The Regulation is applied to the members of the Auditing Commission, in respect of which the federal law prescribes a restriction or prohibition on receipt of any payments from commercial organisations.

## MATERIAL TRANSACTIONS MADE BY THE COMPANY IN 2024

Sl. No.	Categories of material transactions		Material terms of the transaction (parties, subject, price, validity period) in the reporting year
1	Transactions recognised as major transactions under Chapter X of the Federal Law on Joint Stock Companies		The Company did not enter into any major transactions in the reporting year
2	Related-party transactions (Chapter XI of the Federal Law on Joint Stock Companies)		In the reporting year, the Company concluded two related-party transactions. The Report on related-party transactions concluded by the Company in 2024 is given in <a href="#">Appendix 2</a> herein
3	Transactions for the sale of shares (interests) in Company-controlled S&As that have of a significant importance to the Company and result in the loss of control over those legal entities		The Company has no S&As that are of significant importance
4	Transactions with property of the Company (including several interrelated transactions) made by the Company, the value of which exceeds the amount specified in the Company's Articles of Association or which is material to its business operations	Transactions (including several interrelated transactions) involving non-current assets of the Company amounting to more than 10% of the book value of such assets according to the financial statements as at the last reporting date	Power grid property lease agreement with a purchase option between Rosseti Capital JSC (lessor) and the Company (lessee); this agreement is an related-party transaction, for more details see <a href="#">Appendix 2</a> hereto
		Transactions (including several interrelated transactions) related to the acquisition, alienation or possibility of alienation of property comprising fixed assets, intangible assets, construction in progress, the purpose of which is generation, transmission, dispatching, distribution of electricity and heat in cases (amounts) determined by individual decisions of the Board of Directors of the Company, or, if the specified cases (amounts) are not determined by the Board of Directors of the Company	In the reporting year, the Company signed two lease agreements for power grid property falling under these criteria with a purchase option: <ul style="list-style-type: none"> <li>• between Rosseti Capital JSC (lessor) and the Company (lessee)</li> <li>• between the Company (lessor) and Rosseti PJSC (lessee)</li> </ul> Both agreements are related-party transactions; for more details, see <a href="#">Appendix 2</a> hereto
		Transactions (including several interrelated transactions) related to the acquisition, alienation or possibility of alienation of property comprising fixed assets, intangible assets, construction in progress, the purpose of which is not associated with generation, transmission, dispatching, distribution of electricity and heat in cases (amounts) determined by individual decisions of the Board of Directors of the Company, or, if the specified cases (amounts) are not determined by the Board of Directors of the Company	No such transactions were made

Sl. No.	Categories of material transactions	Material terms of the transaction (parties, subject, price, validity period) in the reporting year
4	Transactions with property of the Company (including several interrelated transactions) made by the Company, the value of which exceeds the amount specified in the Company's Articles of Association or which is material to its business operations	Transactions for more than five years on the transfer for temporary possession and use or temporary use of real estate, power grid facilities or the receipt for temporary possession and use or temporary use of real estate, in cases (amounts) determined by individual decisions of the Board of Directors of the Company, or if such cases (amounts) are not determined by the Board of Directors of the Company
5	Establishment of a legal entity controlled by the Company that is material to its operations	No such transactions were made



# RISK MANAGEMENT AND INTERNAL CONTROL

## FUNCTIONING OF THE RM&ICS

Rosseti Kuban JSC put in place a risk management and internal control system (hereinafter referred to as the RM&ICS), the purpose of which is to ensure the implementation and maintenance of an efficient RM&ICS that complies with generally recognised practices and standards in the field of risk management and internal control, the requirements of regulatory and supervisory authorities, and contributes to the achievement of the operational goals of the Company's financial and economic activities, as well as ensuring reasonable confidence in achieving the Company's goals and the development strategy of Rosseti Group PJSC, including ensuring reliable, high-quality, and affordable power supply to consumers.

The main documents that regulate the organisation and functioning of the RM&ICS in the Company are:

- Risk Management and Internal Control Policy approved by resolution of the Company's Board of Directors No. 521/2023 dated 16 June 2023 (Order No. 727-od dated 27 October 2023)
- Preferred Risk Appetite (Minutes of the Board of Directors No. 535/2023 dated 5 October 2023)
- RM&ICS Development Programme for 2023–2024 (Order No. 401-od dated 14 June 2023)
- Procedure for organising risk management and internal control (Order No. 699-od dated 23 September 2024)

- Risk Assessment and Monitoring Methodology (Order No. 835-od dated 4 December 2023)
- Procedure for determining preferred risk (risk appetite) (Order No. 705-od dated 19 October 2023)
- Glossary on risk management and internal control (Order No. 43-od dated 25 January 2023)
- Risk Register for 2024 (Minutes of the Management Board Meeting No. 41/2023 dated 6 December 2023)

## PATTERN OF INTERACTION OF RM&ICS PARTICIPANTS

The internal control and risk management framework covers all areas of activity and all levels of corporate governance: the Board of Directors, the authorised

committee of the Board of Directors, the Company's Auditing Commission, the Company's executive bodies, managers and employees at all

management levels of the Company, the Internal Control and Risk Management Directorate and the Internal Audit Directorate.