

Appendix
to order of Rosseti Centre, PJSC
dated 01.02.2024 # 29-TSA

Approved by

the Board of Directors of
Rosseti Centre, PJSC

Minutes dated 19.12.2023 # 55/23

Agreed upon by

the Audit Committee of the Board of Directors
of Rosseti Centre, PJSC

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**THE REGULATION
ON THE INTERNAL AUDIT DEPARTMENT
OF ROSSETI CENTRE, PJSC**

PSP TSA/18/07-2023

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1. General provisions

1.1. This Regulation on the Internal Audit Department (hereinafter – the IAD) of Public Joint stock company «Rosseti Centre» (hereinafter – the Company) is an internal document defining the main tasks and functions of the IAD, the rights of the head of the IAD and other employees of the IAD in the performance of their duties in accordance with their positions, the specific labour function and responsibility of the head of the IAD for organizing the implementation of the tasks and functions of the IAD within the limits of the rights and responsibilities granted in accordance with the employment contract concluded by the head of the IAD with the Company.

The full name is the Internal Audit Department of Rosseti Centre, PJSC. The abbreviated name is the IAD. The location of the IAD is Moscow.

1.2. The IAD is a structural subdivision of the Company. The IAD functionally reports to the Board of Directors of the Company (through the Audit Committee of the Board of Directors of the Company) and administratively reports to General Director of the Company. The IAD shall be reorganised and liquidated by the order of General Director of the Company on the basis of the decision of the Board of Directors of the Company, with preliminary consideration by the Audit Committee of the Board of Directors of the Company.

1.3. The IAD is managed by Head of the Internal Audit Department, appointed to the post and dismissed by General Director of the Company on the basis of the decision of the Board of Directors of the Company.

1.4. Employees of the IAD are appointed to the post and dismissed in an order established by organizational-administrative documents of the Company, on representation of Head of the Internal Audit Department.

1.5. Head of the IAD and other employees of the IAD in their activity are guided by the legislation of the Russian Federation, the Articles of Association of the Company, decisions of shareholders' general meetings, the Board of Directors, the Management Board, orders, instructions and other local regulations of the Company, this Regulation.

The list of documents is presented in Appendix # 1 to the Regulation.

1.6. In absence of Head of the IAD, his duties are performed by an employee who, by order of the Company, is entrusted with the performance of duties.

1.7. The staffing list of the IAD is approved in the manner established by the organizational and administrative documents of the Company.

1.8. Qualification requirements to the position of Head of the IAD:

- higher education;
- work experience in the field of internal audit, internal control and/or risk management in companies or audit organizations, state or municipal financial control bodies for at least 10 years, in a managerial position for at least 3 years.

1.9. Qualification requirements for the employees of the IAD are defined in job descriptions.

2. Main tasks

The main tasks of the IAD are:

2.1. introduction and application of uniform approaches established in the Rosseti group of companies to the construction, management and coordination of the internal audit function in the Company.

2.2. conducting internal audits and participating in other audit activities.

2.3. providing independent and objective assurances regarding the reliability and

efficiency of the risk management and internal control system, corporate governance, as well as assistance to the executive bodies and employees of the Company in the development and monitoring of the implementation of procedures and measures to improve the risk management and internal control system, corporate governance of the Company.

2.4. organization of effective interaction of the Company with the external auditor of the Company, the Audit Commission of the Company, as well as with persons providing consulting services in the field of risk management, internal control and corporate governance.

2.5. preparation and provision to the Board of Directors (Audit Committee) and executive bodies of the Company (General Director/Management Board) of reports on results of internal audit activities (including information on significant risks, shortcomings, results and effectiveness of measures to eliminate identified deficiencies, results of implementation of the internal audit activity plan, results of assessment of the actual state, reliability and effectiveness of the risk management and internal control system, corporate governance).

3. Basic functions

The main functions of the IAD are:

3.1. According to the task of introducing and applying unified approaches to the construction, management and coordination of the internal audit function in the Company, the IAD performs the following functions:

3.1.1. Development of proposals for the most optimal form of implementation of the internal audit function in the Company.

3.1.2. Carrying out activities to introduce in the Company uniform principles for constructing the internal audit function and assessing the implementation of the internal audit function, established in the Rosseti group of companies.

3.1.3. Development and implementation of methodological documents regulating the activities of internal audit (policies, regulations, procedures, methods, instructions and other documents) in accordance with methodological documents developed by PJSC Rosseti.

3.1.4. Formation of proposals for the development of documents defining common approaches and principles in the Rosseti group of companies to the construction, management and coordination of the internal audit function, participation in working groups for the development of documents on regulatory support for internal audit activities.

3.1.5. Organization and implementation of activities to automate the activities of the Company's internal audit.

3.2. According to the task of conducting an internal audit and participating in other audit activities in the Company and subsidiaries, the IAD performs the following functions:

3.2.1. Planning, organizing and conducting internal audits of business processes (areas of activity), business functions, projects/plans/programs, structural and isolated divisions and other auditees of the Company on issues of ensuring:

- compliance with the requirements of legislation, industry regulations, internal regulations, standards and other internal documents (with the exception of technical

regulations, standards and rules governing the operation of electric grid facilities), contractual obligations;

- fulfillment of instructions from government bodies of the Russian Federation on the functioning and development of the electric grid complex;
- implementation of decisions/instructions (orders) of management bodies, requirements of organizational and administrative documents and other internal documents;
- efficiency, economy and effectiveness of activities;
- reliability, accuracy, completeness and timeliness of preparation of financial and management reporting;
- safety of assets.

3.2.2. Implementation of the practice of conducting thematic audits conducted by all companies included in the Rosseti group of companies on a specific topic in accordance with a unified audit program.

3.2.3. Conducting inspections, performing other tasks on behalf of the Board of Directors (Audit Committee), and/or executive bodies of the Company on issues falling within the competence of internal audit.

3.2.4. Organization, planning, provision of audits of subsidiaries.

3.2.5. Participation of the Company's employees in activities of audit commissions of subsidiaries as elected members of audit commissions or invited experts.

3.2.6. Initiation, organization, participation in specialized (official) inspections on facts of abuse (fraud), damage to the Company and its subsidiaries, misuse, ineffective use of resources and other facts of dishonest/illegal actions of employees and third parties.

3.2.7. Informing the Board of Directors (Audit Committee), General Director/Management Board about the results of inspections, presenting recommendations for eliminating violations and shortcomings identified during inspections, and proposals for improving the efficiency and effectiveness of the risk management and internal control system, corporate governance, improvement of activities of the Company and its subsidiaries.

3.2.8. Monitoring the implementation of corrective action plans aimed at eliminating violations and shortcomings identified during inspections, and implementing recommendations and proposals for improving activities of the Company and its subsidiaries.

3.2.9. Organizing and conducting post-audits in relation to business processes (areas of activity), business functions, projects/plans/programs, structural and isolated divisions and other auditees.

3.3. According to the task of providing independent and objective assurances regarding the reliability and effectiveness of the risk management and internal control system, corporate governance, as well as assisting the executive bodies and employees of the Company in developing and monitoring the implementation of procedures and measures to improve the risk management and internal control system, corporate governance of the Company, the IAD performs the following functions:

3.3.1. Assessing the reliability and effectiveness of the risk management and internal control system, including:

- assessment of the maturity of components of the risk management and internal control system in the Company for effective risk management, including issues of organizing processes, setting goals and objectives, and implementing provisions of the

risk management policy and internal control, automation tools, regulatory and methodological support, interaction of structural divisions within the framework of the risk management and internal control system, reporting, infrastructure, including organizational structure, etc.;

- assessment of the state of the control environment in the Company;
- assessment of the process of setting goals in the Company, including determining the adequacy of the criteria used to analyze the degree of fulfillment (achievement) of the set goals;
 - identifying deficiencies in the risk management and internal control system that did not allow (are not allowing) to achieve the set goals;
 - assessment of the risk management process, including assessment of the completeness of identification and correctness of risk assessment at all levels of management of the Company, assessment of the timeliness and adequacy of measures to respond to risks and their retention within the limits of the Company's risk appetite, assessment of issues of organization, construction and implementation of built into internal processes controls (control procedures) of their effectiveness, as well as other risk management measures, including the effectiveness of the use of resources allocated for these purposes;
 - assessment of the process of organizing monitoring of the risk management and internal control system in the Company, including results of implementation (execution) of measures to eliminate violations and shortcomings, as well as results of improving the risk management and internal control system;
 - analysis of information about realized risks in the Company (including violations identified as a result of inspections, facts of failure to achieve set goals, facts of legal proceedings and others);
 - assessment of issues of organizing information interaction (process of information exchange) in the Company, including issues of collecting and exchanging information about risks within the Company;

3.3.2. Corporate governance assessment, including:

- checking compliance with ethical principles and corporate values of the Company;
- checking the procedure for setting the Company's goals and monitoring/controlling their achievement;
- checking the level of regulatory support and procedures for information interaction (including on issues of risk management and internal control) at all levels of management of the Company, including interaction with stakeholders;
- checking the rights of shareholders, including controlled companies, and the effectiveness of relationships with stakeholders;
- checking procedures for disclosing information about the Company's activities;

3.3.3. Providing consultations to the executive bodies of the Company on issues of internal control, risk management and corporate governance (while maintaining the independence and objectivity of internal audit).

3.4. According to the task of organizing effective interaction of the Company with the external auditor of the Company, the Audit Commission of the Company, as well as with persons providing consulting services in the field of risk management, internal control and corporate governance, the IAD performs the following functions:

3.4.1. interaction with the external auditor of the Company in the following main areas:

3.4.1.1. Assessing the quality of the external auditor’s work, preparing a conclusion based on the results of this assessment, presenting the assessment results for consideration by the Audit Committee, ensuring that stakeholders are informed.

3.4.1.2. Participation in determining selection and qualification criteria, reviewing tender documentation, determining the essential terms of the contract and conducting the procurement procedure for selecting the external auditor of the Company.

3.4.1.3. Assisting the external auditor in providing information on the state of the internal control system in the Company.

3.4.1.4. Participation in the discussion of the external auditor’s findings on the state of the risk management and internal control system.

3.4.1.5. Participation in resolving disagreements arising during external audits.

3.4.1.6. Conducting, at least once a year, meetings with the external auditor of the Company, in particular, when assessing the conclusion of the external auditor on the financial statements of the Company.

3.4.2. interaction with the Audit Commission of the Company in the following main areas:

3.4.2.1. organization and coordination of interaction between structural divisions of the Company and the Audit Commission of the Company.

3.4.2.2. preparation and provision of information and opinions within the competence of internal audit.

3.4.2.3. organizational support for activities of the Audit Commission.

3.4.2.4. organizing the development of corrective measures based on results of audits aimed at eliminating identified violations/deficiencies and implementing recommendations of the Company’s Audit Commission.

3.4.2.5. monitoring the implementation of corrective measures aimed at eliminating identified violations/deficiencies and implementing recommendations of the Company’s Audit Commission.

3.4.3. interacting with the department(s) responsible for methodological support and coordination of risk management and internal control activities, including the exchange of information on risks, the construction of control procedures, and the implementation of requirements and procedures established in the Company.

3.4.4. interaction with other participants in the Company’s internal control and risk management system on issues falling within the competence of internal audit, as well as with other stakeholders on issues of monitoring and assessing the risk management and internal control system in certain areas of activity.

3.4.5. In order to form and apply uniform approaches to the construction, management and coordination of the internal audit function in the Rosseti group of companies, the internal audit division of the Company interacts with the internal audit division of PJSC Rosseti - the shareholder of the Company, responsible for the implementation of the Development Strategy of the electric grid complex of the Russian Federation, approved by order of the Government of the Russian Federation dated 3 April 2013 No. 511-r, in the following main areas (taking into account compliance with the legislation on joint stock companies, corporate requirements and restrictions):

3.4.5.1. Participation in the development of uniform requirements for approaches to implementing the internal audit function in the Rosseti group of companies.

3.4.5.2. Initiating the development and timely updating of the Company’s

Articles of Association, Regulation on the Audit Committee of the Company's Board of Directors, the Company's Internal Audit Policy and other regulatory documents of the Company regarding issues of control, organization and functioning of internal audit.

3.4.5.3. Participation in the development of unified documents of a methodological nature (methods, instructions, regulations, standards and other documents) defining the approaches and principles for implementing the internal audit function and regulating the activities of internal audit.

3.4.5.4. Implementation of the practice of conducting thematic audits by companies belonging to the Rosseti group of companies on a specific topic in accordance with a unified audit program.

3.5. According to the task of preparing and submitting to the Board of Directors (Audit Committee) and executive bodies of the Company (General Director/Management Board) reports on the results of internal audit activities (including information on significant risks, shortcomings, results and the effectiveness of the implementation of measures to eliminate identified deficiencies, the results of implementing the internal audit activity plan, the results of assessing the actual state, reliability and the effectiveness of the risk management and internal control system, corporate governance), the IAD performs the following functions:

3.5.1. interaction with the Board of Directors of the Company (Audit Committee of the Board of Directors of the Company) in the following main areas:

3.5.1.1. conducting internal audits based on the internal audit activity plan approved by the Board of Directors (preliminarily reviewed by the Audit Committee).

3.5.1.2. conducting other inspections, performing other tasks in accordance with decisions/instructions of the Board of Directors (Audit Committee of the Board of Directors) within the competence of internal audit.

3.5.1.3. implementation of the right of the head of the IAD to participate in meetings of the Board of Directors (Committees of the Board of Directors), as well as direct access to the Board of Directors (Audit Committee of the Board of Directors).

3.5.1.4. ensuring preliminary review by the Audit Committee (for further submission for approval by the Board of Directors) of the internal audit activity plan, a report on implementation of the internal audit activity plan and the budget of the IAD, as well as policies/changes to the Company's policy in the field of internal audit.

3.5.1.5. submission to the Board of Directors of the Company (Audit Committee of the Board of Directors) of periodic reports on the progress of implementation of the internal audit activity plan (including information on the results of individual audits and checks, identified significant risks, deficiencies, results and effectiveness of implementation of measures to eliminate identified deficiencies, on results of implementation of the internal audit function, as well as on other aspects affecting the activities of internal audit).

3.5.1.6. ensuring that the results of the annual assessment of the state and effectiveness of the risk management and internal control system, corporate governance, and main trends in activities of the Company and subsidiaries are submitted for consideration to the Board of Directors of the Company; practices of implementing the internal audit function in the Company, including information on the presence/absence of restrictions on activities and on ensuring the independence of internal audit and the adequacy of resource provision.

3.5.1.7. conducting at least once a quarter a meeting between the head of the IAD and the Audit Committee of the Board of Directors or its chairman on issues within the competence of internal audit.

3.5.1.8. providing the Board of Directors (Audit Committee) with the results of internal and external assessments of the quality of internal audit activities.

3.5.2. carrying out interaction (at least once a year) with the executive bodies of the Company in the following main areas (while maintaining a balance of independence and objectivity of the internal audit and non-involvement in the operational activities of the Company):

3.5.2.1. conducting inspections, performing other tasks in accordance with the internal audit activity plan and instructions issued by the executive bodies of the Company within the competence of the internal audit (taking into account the priority of implementing the internal audit activity plan).

3.5.2.2. implementation of the right of the head of the IAD to participate in meetings / sessions of the executive bodies of the Company, as well as direct access to General Director of the Company.

3.5.2.3. informing about results of inspections, presenting recommendations for eliminating violations and shortcomings identified during inspections, and proposals for increasing the efficiency and effectiveness of the risk management and internal control system, corporate governance, and improving the activities of the Company and its subsidiaries.

3.6. Execution of local regulations and organizational and administrative documents regulating the processes of the Company, in the implementation of which the IAD participates.

3.7. Preparation of opinions on draft regulatory legal acts of the Russian Federation and local regulatory regulations, organizational, administrative and other regulatory documents of the Company on issues within the competence of the IAD.

3.8. Ensuring the development and maintenance of local regulations and organizational and administrative documents of the Company regulating the activities of the IAD within the framework of the powers presented.

3.9. Formation of proposals for calculating key performance indicators of subsidiaries on issues within the competence of the IAD.

3.10. Timely and high-quality formation of the IAD's budget for the planned period, preparation of supporting materials (explanatory notes, calculations, cost estimates, etc.) for the IAD's expenses declared during the formation of the budget.

3.11. Interaction with the judicial, executive and legislative authorities of the Russian Federation and other organizations and institutions of the Russian Federation on issues within the competence of the IAD.

3.12. Studying corporate, domestic and foreign experience on issues within the competence of the IAD, including participation in seminars, conferences, meetings and other events.

3.13. Preparation of information and analytical materials on issues within the competence of the IAD.

3.14. Consideration of proposals, statements, complaints on issues within the competence of the IAD.

3.15. Carrying out other types of management actions and instructions of the executive bodies of the Company arising from the tasks and functions of the IAD

(without the employees of the IAD taking on the responsibilities of the Company's management for making decisions).

3.16. The IAD is a functional unit that performs the role of a resource centre, ensuring, within its competence, the achievement of the Company's goals and the implementation of functions in accordance with Section 7 of this Regulation.

3.17. The IAD provides and participates in activities on mobilization preparation, civil defense, prevention and response to emergency situations in accordance with the requirements of legislation, regulatory legal acts of the Russian Federation and internal regulatory documentation of the Company.

3.18. The IAD performs responsibilities in the field of labour protection and industrial safety in accordance with the requirements of legislation, regulatory legal acts of the Russian Federation and internal regulatory documentation of the Company.

3.19. The main tasks and functions of the IAD do not contradict the provisions of the professional standards of the types of professional activities performed, specified in the positions "Labour functions", "Labour actions".

4. Rights

4.1. The rights of the head of the IAD and other employees of the IAD are defined in their employment contracts with the Company.

The head of the IAD and other employees of the IAD, in accordance with this Regulation and job descriptions, when performing job duties (a specific job function), have the right, in the prescribed manner:

- to provide explanations and recommendations regarding the implementation of the Company's decisions on issues within the competence of the IAD;
- to request and receive, in the prescribed manner, from the divisions of the Company and subsidiaries documents and information necessary to perform the tasks and functions assigned to the IAD;
- to send materials on issues within the competence of the IAD to the divisions of the Company for conclusion.

4.2. The head of the IAD, in accordance with this Regulation, when performing official duties (a specific job function), has the right, in the prescribed manner:

- to represent the Company by proxy in government and local government bodies, commercial, public and other organizations of the Russian Federation on issues within the competence of the IAD;
- to sign in accordance with the established procedure documents related to the implementation of the duties assigned to the IAD and the exercise of the rights granted;
- to establish responsibilities and rights for other IAD's employees, delegate, if necessary, in the prescribed manner, his rights and responsibilities to other IAD's employees;
- to approve regulations on divisions within the IAD and job descriptions of the IAD's employees and make changes to them in the manner established in the Company;
- to maintain correspondence with divisions of the Company and subsidiaries on issues within the competence of the IAD;
- to respond in accordance with the legislation of the Russian Federation in the manner established in the Company to proposals, statements and complaints of shareholders, government bodies, other institutions and organizations of the Russian Federation on issues within the competence of the IAD;
- to give instructions on the organization of the work of the IAD;

- to demand from the employees of the IAD that they perform their official duties and take care of the property of the Company and other employees, comply with internal labour regulations, labour protection and fire safety requirements;
- to make, in accordance with the established procedure, proposals on hiring and dismissal of the IAD’s employees, establishment of official salaries and bonuses for them, on encouragement of the IAD’s employees and on bringing them to disciplinary liability.

5. Responsibility

5.1. The head of the IAD and other employees of the IAD bear the responsibility determined by their employment contracts with the Company.

5.2. The head of the IAD, in accordance with the legislation of the Russian Federation, the Regulation on the IAD, bears personal responsibility for the activities of the IAD as a whole, the failure, improper or untimely fulfillment of the tasks and functions of the IAD, for damage caused to the Company caused by the non-fulfillment, improper or untimely performance of the tasks and functions of the IAD, non-use of the granted rights.

6. Management organization

6.1. The IAD is created and disbanded in accordance with the organizational structure and staffing of the Company, in the manner determined by the current legislation of the Russian Federation and the internal regulations of the Company on the basis of a decision of the Board of Directors of the Company, with preliminary consideration by the Audit Committee of the Board of Directors of the Company.

6.2. The head of the IAD distributes work among employees of the structural unit, sets deadlines for its completion, controls the quality of the work performed, and carries out work to perform the functions of the structural unit, in accordance with this Regulation.

The generalized labour function of the head of the IAD (in accordance with the Professional Standard “Internal Auditor”, approved by Order of the Ministry of Labour of Russia dated 24 June 2015 N 398n “On approval of the professional standard “Internal Auditor”):

- management of implementation of the work plan of the internal audit unit, including management of the internal audit and (or) implementation of a consulting project, monitoring implementation of the internal audit plan, planning, organizing and coordinating activities of the internal audit unit;
- management (leadership) of the internal audit unit, including organizing work to carry out tasks (assignments) and providing reports to shareholders, the board of directors and heads of the organization, as well as strategic management of the internal audit unit.

6.3. The employees of the IAD perform their duties in accordance with employment contracts, job descriptions, this regulation and other documents of the Company.

6.4. The working hours are determined in accordance with the Internal Labour Regulations established in the Company.

7. Relationships and connections

During the performance of the functions the IAD:

interacts with the divisions of the Executive Office and branches of the Company, external organizations and ensures cross-functional interaction within the framework of the distribution of responsibility for the implementation of business processes of the head of the functional block, defined in the organizational, administrative and organizational and regulatory documents of the Company;

interacts with employees of structural and isolated divisions of the Company in the manner established by the regulatory documents of the Company;

interacts with third parties in the manner established in the Company's Office Management Instructions and the current legislation of the Russian Federation.

List of documents

1. Documents of external origin:
 - current legislation of the Russian Federation;
 - industry normative and methodological documents on the activity specialization of the IAD.
2. Internal documents of the Company:
 - The Articles of Association of Rosseti Centre, PJSC;
 - decisions of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company;
 - organizational and administrative documents of the Company;
 - internal labour regulations of the Company;
 - internal regulatory documents and technological documents of the Company within the area of responsibility of the IAD, stored in the document workflow management system and the Library of internal regulations.
3. System documents:
 - Professional standard “Internal Auditor”, approved by order of the Ministry of Labour and Social Security of the Russian Federation of 24 June 2015 No. 398n;
 - Professional standards related to the activities of the IAD;
 - Legal documents specified in the positions “Necessary knowledge” of the relevant labour functions of professional standards of the type of professional activity performed.
4. An extract from the File Register of the IAD is stored in a separate file.

Terms, definitions and abbreviations

Terms, abbreviations	Definitions, explanation
Local regulation	Internal regulatory document
IAD	Internal Audit Department of Rosseti Centre, PJSC
Subsidiaries	Subsidiary of Rosseti Centre, PJSC
Executive Office	Executive office
Company	Rosseti Centre, PJSC
PSP	Regulation on the structural unit
SU	Structural unit

Record of changes and additions

Edition	Change/ addition to the paragraph	Contents of the change/addition	Reason (link to the organizational and executive documentation)	Date of modification/ addition	Employee who has made the change/addition (position, surname, initials)

Acquaintance sheet
with the Regulation on the Internal Audit Department of Rosseti Centre, PJSC

Position	Surname, initials	Acquaintance date	Signature