



ROSSETI
CENTRE

ALWAYS ONLINE

Appendices 4 to the Annual Report 2021
Report on Compliance with the Corporate
Governance Code of the Bank of Russia



REPORT¹
on compliance of Public Joint stock company «Rosseti Centre»
with principles and recommendations of the Corporate Governance Code² in 2021

This report on observance of principles and recommendations of the Corporate Governance Code has been reviewed by the Board of Directors of Rosseti Centre, PJSC as a part of the Annual Report for 2021 at the meeting on __ April 2022 (Minutes of __ April 2022 # __/22).

The Board of Directors confirms that the data given in this Report contain complete and trustworthy information about observance by the Company of principles and recommendations of the Corporate Governance Code as of the date of consideration of the Report.

The evaluation of compliance with the principles and recommendations of the Corporate Governance Code was carried out by Rosseti Centre, PJSC based on the Methodology recommended by the Bank of Russia in Letter № IN-06-28/102 dated 27 December 2021 “On disclosing in the annual report of a public joint stock company a report on compliance with the principles and recommendations of the Corporate Governance Code”.

№	Corporate governance principles	Criteria of estimation of observance of a principle of corporate governance	Status of conformity to a corporate governance principle	Explanations of a deviation from criteria of estimation of observance of a corporate governance principle
1	2	3	4	5
1.1	The company should provide the equal and fair relation to all shareholders at realisation of their right to participate in management of the company			
1.1.1	The company creates for shareholders as much as possible favourable conditions for participation in general meeting, conditions for development of a reasonable position concerning the agenda of the general meeting, coordination of their actions, and also possibility to express their opinion on cases in point	1. The company gives an accessible method of communications with the company, such as "hot line", e-mail or a forum on the Internet, allowing shareholders to express their opinion and to send questions concerning the agenda in the course of preparation for general meeting carrying out. The specified methods of communication were organized by the company and provided to shareholders in the course of preparation for each general meeting held during the reporting period	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

¹ The Report is prepared according to recommendations of the Bank of Russia, Letter of 27.12.2021 № IN-06-28/102.

² The Corporate Governance Code approved 21.03.2014 by the Board of Directors of the Bank of Russia and recommended to application by joint stock companies, which securities are admitted to on-exchange trading.

1.1.2	The order of notification of carrying out of the general meeting and granting of materials to the general meeting gives the chance to shareholders to be prepared for participation in it properly	<p>1. In the reporting period, the notice of the general meeting of shareholders was posted (published) on the company's website on the Internet no later than 30 days before the date of the general meeting, unless the law provides for a longer period.</p> <p>2. The notice of the meeting contains the documents required for admission to the premises.</p> <p>3. Shareholders were provided with access to information about who proposed the agenda items and who nominated candidates to the board of directors and the audit commission of the company (if its formation is provided for by the charter of the company)</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
1.1.3	During preparation and carrying out of the general meeting shareholders had possibility in an unimpeded way and in due time to receive the information on the meeting and materials to it, to ask questions to executive powers and members of the board of directors of the company, to communicate with each other	<p>1. In the reporting period, shareholders were given the opportunity to ask questions to members of the executive bodies and members of the board of directors of the company during the preparation for the meeting and during the general meeting.</p> <p>2. The position of the board of directors (including dissenting opinions entered into the minutes (if any) on each agenda item of the general meetings held during the reporting period was included in the materials for the general meeting.</p> <p>3. The company gave to the shareholders, having this right, access to the list of persons having the right to participation in general meeting, starting from its date of receipt by the company, in all cases of carrying out of the general meetings in the reporting period</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>The Annual General Meeting of Shareholders of Rosseti Centre, PJSC was held on 31 May 2021 in the form of absentee voting due to the COVID-19 pandemic.</p> <p>The shareholders were given the opportunity to ask questions to members of the executive bodies and members of the Board of Directors of the Company by e-mail, via a forum on the Internet, as well as via a telephone communication channel with shareholders.</p>
1.1.4	Realisation of the right of the shareholder to demand general meeting convocation, to nominate candidates for management bodies and to make offers for inclusion in the general meeting agenda was without unjustified complexities	<p>1. The charter of the company establishes a deadline for shareholders to submit proposals for inclusion in the agenda of the annual general meeting, which is at least 60 days after the end of the corresponding calendar year.</p> <p>2. In the reporting period the company did not refuse accepting offers into the agenda or nominees in bodies of the company because of typing errors and other insignificant lacks of the offer of the shareholder</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
1.1.5	Each shareholder had possibility in an unimpeded way to implement voting power by the most convenient and simplest method for him or her	<p>1. The charter of the company provides for the possibility of filling out an electronic form of a ballot on the website on the Internet, the address of which is indicated in the notice of the general meeting of shareholders</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

1.1.6	<p>The order of conducting general meeting established by the company provides equal possibility to all persons who are present at the meeting to express their opinion and to ask their questions of concern</p>	<p>1. When holding general meetings of shareholders in the form of a meeting (joint presence of shareholders) in the reporting period, sufficient time was provided for reports on agenda items and time for discussing these issues, shareholders were given the opportunity to express their opinion and ask questions of interest to them on the agenda.</p> <p>2. The company invited candidates to the management and control bodies of the company and took all necessary measures to ensure their participation in the general meeting of shareholders, at which their candidacies were put to a vote. candidates present at the general meeting of shareholders to the management and control bodies of the company were available to answer questions from shareholders.</p> <p>3. The sole executive body, the person responsible for maintaining accounting records, the chairman or other members of the audit committee of the board of directors were available to answer questions from shareholders at general meetings of shareholders held in the reporting period.</p> <p>4. In the reporting period, the company used telecommunications to provide shareholders with remote access to participate in general meetings, or the board of directors made a reasonable decision that there was no need (possibility) to use such means in the reporting period</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>In accordance with Art. 3 of Federal Law No. 17-FZ dated 17 February 2021 “On Amendments to the Federal Law “On International Companies and International Funds” and on the Suspension of Certain Provisions of the Federal Law “On Joint Stock Companies” and the Federal Law “On Limited Liability Companies” General Meeting of Shareholders, the agenda of which includes the issues specified in paragraph 2 of Article 50 of Federal Law of 26 December 1995 N 208-FZ, by decision of the Board of Directors of the Company in 2021 may be held in the form of absentee voting.</p> <p>In the context of the spread of coronavirus infection (COVID-19), holding general meetings of shareholders in the form of joint attendance (in person) was difficult or impossible.</p> <p>For this reason, the Board of Directors of Rosseti Centre, PJSC decided to convene the Annual General Meeting of Shareholders in the form of absentee voting (Minutes No. 14/21 dated 23 April 2021). In this regard, reports on the agenda items of the meeting and their discussion were not carried out, the meeting was not broadcast, therefore, the specified criteria for assessing compliance with this principle of corporate governance are not applicable.</p>
1.2	Equal and fair possibility to participate in profit of the company by means of receipt of dividends is given shareholders			
1.2.1	<p>The company developed and implemented the transparent and clear mechanism of determination of the size of dividends and their payment</p>	<p>1. The regulation on the company's dividend policy was approved by the board of directors and disclosed on the company's website on the Internet.</p> <p>2. If the dividend policy of a company preparing consolidated financial statements uses the company's reporting figures to determine the amount of dividends, then the relevant provisions of the dividend policy take into account the consolidated financial statements.</p> <p>3. The rationale for the proposed distribution of net</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

		profit, including for the payment of dividends and the company's own needs, and an assessment of its compliance with the dividend policy adopted in the company, with explanations and an economic justification for the need to allocate a certain part of net profit for own needs in the reporting period, were included in the materials to the general meeting of shareholders, the agenda of which includes the issue of distribution of profits (including the payment (announcement) of dividends)		
1.2.2	The company does not make the decision on dividend payout if such a decision, formally without breaking the restrictions established by the legislation, is economically unreasonable and can lead to forming of false representations about the company's activity	1. In addition to the restrictions established by law, the Regulation on the company's dividend policy define financial/economic circumstances under which the company should not make a decision to pay dividends	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
1.2.3	The company does not allow deterioration of the dividend rights of existing shareholders	1. In the reporting period, the company did not undertake actions leading to deterioration of the dividend rights of existing shareholders	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
1.2.4	The company aspires to exclude use by shareholders of different ways of profit earning (income) at the expense of the company, besides dividends and salvage value	1. In the reporting period, other ways for persons controlling the company to receive profit (income) at the expense of the company in addition to dividends (for example, through transfer pricing, unreasonable provision of services by the controlling person to the company at inflated prices, through internal loans replacing dividends to the controlling person and (or) its controlled persons) were not used	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
1.3	The system and practice of corporate governance provide for equality of conditions for all shareholders - stock owners of one category (type), including minority (small) shareholders and nonresident shareholders, and their equal treatment by the company			
1.3.1	The company created conditions for the fair treatment of each shareholder by management bodies and supervising persons of the company, including the conditions providing inadmissibility of abusings from major shareholders in relation to minority shareholders	1. During the reporting period, the persons controlling the company did not allow abuse of rights in relation to the shareholders of the company, there were no conflicts between the controlling persons of the company and the shareholders of the company, and if there were any, the board of directors paid due attention to them	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

1.3.2	The company does not undertake actions which result or can lead to artificial redistribution of the corporate control	1. Quasitresury shares are absent or did not participate in voting during the reporting period	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	Quasitresury shares are absent
1.4	Shareholders are provided with reliable and effective methods of recording of share rights, and also possibility of free and easy alienation of stocks belonging to them			
1.4	Shareholders are provided with reliable and effective methods of accounting of share rights, and also possibility of free and easy alienation of stocks belonging to them	1. The technologies used by the registrar of the company and the conditions for the services provided meet the needs of the company and its shareholders, ensure that the rights to shares are recorded and the rights of shareholders are exercised in the most efficient way	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.1	The board of directors exercises strategic administration of the company, determines main principles and approaches to the organisation in the company of a risk management and internal control system, supervises activity of executive powers of the company, and also implements other key functions			
2.1.1	The board of directors is responsible for the decision-making, connected with appointment and exemption from posts of executive powers, including in connection with inadequate execution of the obligations by them. The board of directors also controls that the company's executive powers act according to the confirmed strategy of development and the basic lines of activity of the company	<p>1. The board of directors has the powers fixed in the bylaws to appoint, to exempt from a post and to determine conditions of contracts concerning members of executive powers.</p> <p>2. In the reporting period, the committee for nominations (appointments, personnel) considered the issue of the compliance of the professional qualifications, skills and experience of members of the executive bodies with the current and expected needs of the company, dictated by the approved strategy of the company.</p> <p>3. In the reporting period, the board of directors considered the report (reports) of the sole executive body and the collegial executive body on the implementation of the company's strategy</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Complied.</p> <p>2. Partially not observed.</p> <p>In the reporting period, the Personnel and Remuneration Committee of the Board of Directors of the Company considered the issues of compliance with the professional qualifications, skills and experience of 6 members of the Management Board of the Company out of 7 elected as part of making decisions on the appointment of these members of the Management Board of the Company to the position and/or extension of powers as deputies general director.</p> <p>At the same time, the Strategy Committee of the Board of Directors of the Company, the Board of Directors of the Company in the reporting period considered issues related to the implementation by the Company's management of programs, plans and measures aimed at implementing the strategic priorities of the Company.</p> <p>In this regard, there are no risks of partial non-compliance with this recommendation of the Corporate Governance Code.</p> <p>3. Complied.</p>

2.1.2	The board of directors establishes the basic reference points of activity of the company on long-term prospect, estimates and confirms key indicators of activity and the basic business purposes of the company, estimates and approves strategy and business plans on principal lines of activity of the company	1. During the reporting period at sessions of the board of directors the questions connected with course of execution and update of the strategy, approval of the financial and economic plan (budget) of the company, and also consideration of criteria and indicators (including intermediate) of realisation of the strategy and business plans of the company were considered	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.1.3	The board of directors determines principles and approaches to the organisation of a risk management and internal control system in the company	<p>1. The principles and approaches to the organization of the risk management and internal control system in the company are determined by the board of directors and enshrined in the internal documents of the company that determine the policy in the field of risk management and internal control.</p> <p>2. In the reporting period, the board of directors approved (revised) the acceptable level of risks (risk appetite) of the company, or the audit committee and (or) the risk committee (if any) considered the advisability of submitting the issue of revising the risk appetite of the company for consideration by the board of directors</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Complied. 2. Partially observed.</p> <p>In the reporting year, the Board of Directors of the Company and its committees did not approve the acceptable amount of the Company's risks due to the lack of a procedure for determining the preferred risk in internal documents. This circumstance was leveled by the fact that, in accordance with the manual "Risk Management in IDGC of Centre, PJSC and IDGC of Center and Volga Region, PJSC" RK BP 22/02-01/2020 (approved by order of IDGC of Centre, PJSC dated 07.04.2020 No. 173-CA), fixing the risk materiality scale, ranking risks by materiality levels (moderate, significant, critical) and applying various management methods in relation to them, the Company at this level of the risk management system maturity determines the degree of its risk tolerance (risk appetite). A moderate level of risk materiality determines an acceptable (insignificant) risk that does not affect the achievement of the Company's goals. Risk materiality levels are fixed by the Company's Risk Register, which is approved and updated by the Company's Management Board (Minutes No. 38/20 dated 04.12.2020, No. 14/21 dated 26.05.2021, No. 26/12 dated 25.08.2021, No. 43/21 dated 18.11.2021).</p> <p>On 26 February 2021, the Board of Directors of the Company approved a new version of the Risk Management Policy (Minutes No. 05/21 dated 26 February</p>

				<p>2021). According to the Policy, the functions of the Board of Directors of the Company include the approval of preferred risk (risk appetite).</p> <p>On 27 December 2021, the Company approved the guidelines “Procedure for determining the preferred risk (risk appetite) of Rosseti Centre, PJSC and Rosseti Centre and Volga region, PJSC”.</p> <p>In accordance with the guidelines, the preferred risk (risk appetite) of the Company is determined annually and submitted for approval by the Board of Directors of the Company with preliminary consideration by the authorized committee under the Board of Directors of the Company as a separate issue after the approval of the preferred risk (risk appetite) of PJSC Rosseti and SDCs (Rosseti’s group of companies) for the corresponding planning period (fiscal year). Approval of the risk appetite of PJSC Rosseti and SDCs is in the plans for 2022.</p> <p>Thus, the Company plans to approve the acceptable level of risks (risk appetite) by the Board of Directors of the Company in 2022 after the relevant measures are taken by PJSC Rosseti.</p>
2.1.4	<p>The board of directors determines a policy of the company on compensation and (or) to expense refunding (reimbursement) to members of the board of directors, executive bodies and other key executives of the company</p>	<p>1. The company developed and implemented the approved policy (policies) by the board of directors on compensation and expense refunding (reimbursement) of members of the board of directors, executive powers of the company and other key executives of the company.</p> <p>2. During the reporting period at sessions of the board of directors the questions connected with the specified policy (policies) were considered</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

2.1.5	The board of directors plays a key role in the prevention, revealing and settlement of internal conflicts between the company's bodies, shareholders of the company and employees of the company	1. The board of directors plays a key role in the prevention, revealing and settlement of internal conflicts. 2. The company created a system of identification of transactions connected with the conflict of interests, and a system of measures aimed to solve such conflicts	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.1.6	The board of directors plays a key role in provision of transparency of the company, timeliness and completeness of disclosing by the company of information, easy access of shareholders to the company's documents	1. The internal documents of the company define the persons responsible for the implementation of the information policy	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.1.7	The board of directors performs the control over corporate governance practice in the company and plays a key role in essential corporate events of the company	1. During the reporting period, the board of directors considered the results of self-assessment and (or) external assessment of corporate governance practices in the company	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.2	The board of directors is accountable to shareholders of the company			
2.2.1	The information on work of the board of directors is disclosed and provided to shareholders	1. The company's annual report for the reporting period includes the information on attendance of sessions of the board of directors and committees by individual directors. 2. The annual report contains information on the main results of the assessment (self-assessment) of the quality of the work of the board of directors, carried out in the reporting period	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.2.2	The chairman of the board of directors is accessible to dialogue with shareholders of the company	1. The company has a transparent procedure that provides shareholders with the opportunity to send messages to the chairman of the board of directors (and, if applicable, to the senior independent director) and receive feedback on them	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.3	The board of directors is an effective and professional management body of the company, capable to make objective independent judgments and make decisions that meet the interests of the company and its shareholders			
2.3.1	Only persons, having faultless both business and personal reputation possessing knowledge, skills and experience, necessary for decision-making,	1. During the reporting period, the board of directors (or its nomination committee) assessed candidates for the board of directors in terms of whether they have the necessary experience, knowledge, business reputation,	<ul style="list-style-type: none"> • In compliance • In compliance partially 	

	within the competence of the board of directors, and required for effective realisation of its functions, are elected members of the board of directors	lack of conflicts of interest, and so on	<ul style="list-style-type: none"> • Not in compliance 	
2.3.2	Members of the board of directors of the company are elected by means of a transparent procedure allowing shareholders to receive the information on nominees, sufficient for representation forming about their personal and professional qualities	1. In all cases of carrying out of shareholders' general meeting in the reporting period which agenda included questions on election of the board of directors, the company presented to shareholders the biographic data of all nominees to members of the board of directors, results of estimation of such candidates, conducted by the board of directors (or its nomination committee), and also the information on conformity of the nominee to criteria of independence, according to recommendations 102 - 107 of the Code and the written approval of candidates to election to members of the board of directors	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.3.3	The composition of the board of directors is balanced, including on qualification of its members, their experience, knowledge and business qualities, and enjoys confidence of shareholders	1. During the reporting period, the Board of Directors analyzed its own needs in the field of professional qualifications, experience and skills and identified the competencies required by the Board of Directors in the short and long term	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.3.4	The quantitative composition of the board of directors of the company gives the chance to organise activity of the board of directors by the most effective way, including possibility of forming of committees of the board of directors, and also provides to essential minority shareholders of the company possibility to elect a nominee for whom they vote to the board of directors	1. In the reporting period, the Board of Directors considered the issue of compliance of the quantitative composition of the Board of Directors with the needs of the company and the interests of shareholders	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Partially not observed.</p> <p>In 2021, the issue of compliance of the quantitative composition of the Board of Directors with the needs of the Company and the interests of shareholders was not submitted for consideration by the Board of Directors of the Company. This is due to the absence of the relevant competence of the Board of Directors of the Company in the Articles of Association of the Company.</p> <p>At the same time, in the reporting year, as part of an independent assessment of the performance of the Board of Directors of the Company and its committees for the 2020-2021 corporate year, an independent consultant assessed the compliance of the quantitative composition of the Board of Directors with the needs of the Company and the interests of shareholders. The results of this assessment were reviewed by</p>

				<p>the Board of Directors of the Company on 28 May 2021, Minutes No. 08/21 dated 28 May 2021.</p> <p>In view of the above, the Company assessed the optimality of the quantitative composition of the Board of Directors of the Company. In this regard, there are no risks of partial non-compliance with this recommendation of the Corporate Governance Code.</p> <p>After making appropriate amendments to the Federal Law “On Joint Stock Companies”, Rosseti Centre, PJSC plans to consider the possibility of establishing a practice for submitting for consideration by the Board of Directors of the Company the issue of compliance of the quantitative composition of the Board of Directors of the Company with the needs of the Company and the interests of shareholders.</p>
2.4	Enough independent directors are in the board of directors			
2.4.1	<p>An independent director is recognized as a person, who possesses sufficient professionalism, experience and independence for forming of own position, is capable to deliver objective and diligent judgements not depending on influence of executive powers of the company, separate groups of shareholders or other stakeholders.</p> <p>Thus, it is necessary to consider that in usual conditions a nominee (an elected member of the board of directors) cannot be considered independent, who is connected with the company, its substantial shareholder, a major contract partner or a competitor of the company or is connected with the state</p>	<p>1. During the reporting period all independent members of the board of directors complied with all criteria of independence specified in recommendations 102 - 107 of the Code, or were recognised independent under the decision of the board of directors</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

2.4.2	The estimation of conformity of nominees to members of the board of directors to criteria of independence is conducted, and also the regular analysis of conformity of independent members of the board of directors to criteria of independence is performed. At carrying out of such estimation the content should prevail over the form	<p>1. In the reporting period the board of directors (or the nomination committee of the board of directors) made an opinion on independence of each nominee for the board of directors and presented to shareholders the corresponding conclusion.</p> <p>2. For the reporting period the board of directors (or the nomination committee of the board of directors) at least once considered independence of acting members of the board of directors (after their election).</p> <p>3. The company developed procedures determining necessary actions of a member of the board of directors in the event that he ceases to be independent, including obligations timely informing the board of directors about it</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.4.3	Independent directors constitute not less than one third of the elected composition of the board of directors	<p>1. Independent directors constitute not less than one third of the composition of the board of directors</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Partially not observed.</p> <p>During 2021, the Company had 2 compositions of members of the Board of Directors of the Company.</p> <p>The Board of Directors of the Company, which operated until 31 May 2021, included 4 independent directors (Shevchuk A.V., Kazakov A.I., Zarkhin V.Yu., Golovtsov A.V.), which accounted for more than 1/3 of the composition of the Board of Directors. Thus, until 31 May 2021, the Company fully complied with this recommendation.</p> <p>The Board of Directors of the Company, elected on 31 May 2021 (current composition), includes 3 independent directors (Shevchuk A.V., Korotkova M.V., Krupenina A.I.), which is less than one third of the composition of the Board of Directors of the Company.</p> <p>At the same time, the current Board of Directors of the Company also includes directors representing the interests of minority shareholders (Golovtsov A.V., Zarkhin V.Yu.) (their candidacies were proposed by minority shareholders), who</p>

			<p>are not formally independent. However, the Personnel and Remuneration Committee of the Board of Directors of the Company, when considering the issue of evaluating candidates for members of the Board of Directors of the Company (Minutes No. 05/21 dated 5 April 2021), recognized that their relationship with a significant shareholder of the Company is formal and will not affect the formation of their positions on the agenda items of meetings of the Board of Directors of the Company.</p> <p>Thus, the formal absence of at least one third of independent directors in the Board of Directors of the Company is offset by the presence of independent directors in its composition.</p> <p>The Company will comply with this recommendation if the General Meeting of Shareholders of the Company elects a sufficient number of directors who meet the independence criteria</p> <p>In addition, in order to implement the recommendations of the Corporate Governance Code regarding the independence of members of the Company's Board of Directors, the Company's management regularly interacts with shareholders and their representatives (including through negotiations and meetings) to form a balanced composition of the Company's Board of Directors, including at least 1/3 of independent directors.</p> <p>The Company ensures that the Board of Directors of the Company submits for consideration the issue of recognizing as independent individual members of the Board of Directors of the Company who formally do not meet certain independence criteria, taking into account their work and the nature of voting in the Board of Directors of the Company.</p>
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2.4.4	<p>Independent directors play a key role in prevention of internal conflicts in the company and fulfilment by the company of essential corporate actions</p>	<p>1. Independent directors (who do not have conflict of interests) tentatively estimate essential corporate actions connected with possible conflict of interests, and results of such estimation are given to the board of directors</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Partially not observed.</p> <p>Independent directors (who have no conflict of interest) do not always carry out a preliminary assessment of significant corporate actions related to a possible conflict of interest.</p> <p>The Articles of Association and internal documents of the Company do not define the concept of significant corporate actions. At the same time, the Corporate Governance Code relates the following issues to such actions:</p> <ul style="list-style-type: none"> • reorganization of the Company; • acquisition of 30 percent or more of voting shares of the Company (takeover); • execution by the Company of material transactions; • increase or decrease in the authorized capital of the Company; • listing and delisting of shares of the Company. <p>In accordance with the legislation and the Articles of Association of the Company, these issues are within the competence of the General Meeting of Shareholders and the Board of Directors of the Company. Most of these issues (with the exception of delisting of the Company's shares) are subject to preliminary consideration by the Strategy Committee of the Board of Directors of the Company, which includes 2 independent directors and 2 directors representing the interests of minority shareholders, but not formally independent directors.</p> <p>Thus, independent directors evaluate significant corporate actions related to a possible conflict of interest as part of the</p>

				<p>review of materials for meetings of the Strategy Committee and the Board of Directors of the Company.</p> <p>In accordance with internal documents and the practice established by the Company, each member of the Board of Directors, based on the consideration of agenda items and materials on them, is entitled to send a dissenting opinion to the Corporate Secretary and other members of the Board of Directors, which is an integral part of minutes of a meeting of the Board of Directors.</p> <p>In addition, each member of the Board of Directors has the right to propose an alternative draft decision on each agenda item, which is to be included in the questionnaire on the relevant agenda items.</p> <p>Due to the lack of a unified approach to understanding “significant corporate actions”, amendments to the internal documents of the Company are not planned in the near future</p>
2.5	The chairman of the board of directors promotes the most effective realisation of the functions assigned to the board of directors			
2.5.1	<p>An independent director was elected as the chairman of the board of directors, or from among the elected independent directors the senior independent director is determined, who coordinates work of independent directors and performs interaction with the chairman of the board of directors</p>	<p>1. The chairman of the board of directors is an independent director, or among independent directors the senior independent director is determined³.</p> <p>2. A role, rights and obligations of the chairman of the board of directors (and if it is applicable, of the senior independent director) are properly specified in internal documents of the company</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Not observed.</p> <p>The considered recommendations were not followed by the Company regarding the election of an independent director as the chairman of the Board of Directors and the determination of the senior independent director.</p> <p>In accordance with the corporate practice established in the Company, as well as the prevailing practice in most Russian companies, both in private and with state participation, a non-executive director was elected as the Chairman of the Board of Directors of the Company.</p> <p>The Chairman of the Board of Directors of the Company is elected by the members of the Board of Directors of the Company, guided, first of all, by the presence of the</p>

³ It is recommended that in the fifth column of the Report Form on Compliance with the Code Principles, indicate which of the two alternative approaches allowed by the principle is being implemented in the company, and explain the reasons for the chosen approach.

			<p>greatest experience: both managerial and in the field of the Company's main activity.</p> <p>The Chairman of the Board of Directors of the Company is elected by the members of the Board of Directors of the Company from among them by a majority vote of the total number of members of the Board of Directors of the Company. In the reporting year, the members of the Board of Directors of the Company proposed Mayorov A.V. as a chairman.</p> <p>Mayorov A.V. has the highest level of qualification and extensive experience - professional experience of Mayorov A.V. in the electric power industry is more than 25 years. In the course of an independent assessment of the Board of Directors of the Company for the 2020/2021 corporate year, the activities of the Chairman of the Board of Directors of the Company were highly appreciated by the members of the Board of Directors of the Company.</p> <p>The internal documents of the Company provide for the right of members of the Board of Directors to elect the Senior Independent Director. However, due to the lack of initiative from the members of the Board of Directors, the Senior Independent Director was not elected. In addition, the absence of the Senior Independent Director does not pose any risks for the Company and its stakeholders, since the activities of independent directors are efficiently organized and the election of the Senior Independent Director will not lead to an improvement in the quality of management.</p> <p>The issue of electing the Senior Independent Director will be considered if there is initiative from the independent directors of the Company in accordance with the procedure stipulated by the Regulation on the Board of Directors of the Company.</p>
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				2. Complied
2.5.2	The chairman of the board of directors provides constructive atmosphere of carrying out of sessions, free discussion of questions included in the agenda of a session, control over execution of decisions accepted by the board of directors	1. The effectiveness of the work of the chairman of the board of directors was assessed as part of the procedure for assessing (self-assessment) the quality of the work of the board of directors in the reporting period	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.5.3	The chairman of the board of directors takes necessary measures for timely granting to members of the board of directors of the information necessary for decision-making concerning the agenda	1. An obligation of the chairman of the board of directors to take measures on provision of timely granting of materials to members of the board of directors concerning the agenda of a session of the board of directors is fixed in internal documents of the company	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.6	Members of the board of directors act honesty and reasonably in interests of the company and its shareholders on the basis of sufficient knowledge, with due degree of care and discretion			
2.6.1	Members of the board of directors make decisions taking into account the available information, with no conflict of interests, taking into account the equal attitude to shareholders of the company, within the limits of usual enterprise risk	<p>1. Internal documents of the company established that a member of the board of directors is obliged to notify the board of directors if he has a conflict of interests concerning any question of the agenda of a session of the board of directors or a committee of the board of directors, prior to the beginning of discussion of a corresponding question of the agenda.</p> <p>2. Internal documents of the company provide that a member of the board of directors should refrain from voting on any question in which he has a conflict of interests.</p> <p>3. The company established a procedure which allows the board of directors to receive professional consultations on questions concerning its competence, at the expense of the company</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.6.2	The rights and obligations of members of the board of directors are accurately formulated and fixed in internal documents of the company	1. The company approved and published an internal document accurately determining the rights and obligations of members of the board of directors	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

2.6.3	Members of the board of directors have enough time for accomplishment of their obligations	<p>1. Individual attendance at meetings of the board and committees, as well as the sufficiency of time to work on the board of directors, including on its committees, was analyzed as part of the procedure for assessing (self-assessing) the quality of the work of the board of directors in the reporting period.</p> <p>2. According to internal documents of the company members of the board of directors are obliged to notify the board of directors on the intention to be a part of management bodies of other organisations (except for controlled and dependent organisations of the company), and also about the fact of such appointment</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.6.4	All members of the board of directors equally have access possibility to documents and information of the company. In the shortest possible time, the sufficient information on the company and work of the board of directors is given to newly elected members of the board of directors	<p>1. According to internal documents of the company members of the board of directors have the right to get access to documents and to do inquiries, concerning the company and organisations under its control, and the company's executive powers are obliged to give the corresponding information and documents.</p> <p>2. The company has a formalized program of fact-finding events for newly elected members of the board of directors</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.7	Sessions of the board of directors, preparation for them and participation in them of members of the board of directors provide for efficient activity of the board of directors			
2.7.1	Sessions of the board of directors are conducted as required, taking into account scope of activity and tasks the company faces during a certain time horizon	1. The board of directors conducted not less than six sessions for the reporting year	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.7.2	Internal documents of the company have the order of preparation and carrying out of sessions of the board of directors, providing to members of the board of directors possibility properly to be prepared for its carrying out	<p>1. The company approved an internal document determining the procedure of preparation and carrying out of sessions of the board of directors which including establish that the notification of session carrying out should be made, as a rule, not less than 5 days prior to date of its carrying out.</p> <p>2. In the reporting period, members of the Board of Directors who were absent from the venue of the meeting of the Board of Directors were given the opportunity to participate in the discussion of agenda items and voting remotely - via voice and video conferencing</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

2.7.3	The form of carrying out of a session of the board of directors is determined taking into account importance of questions of the agenda. The most important questions are considered at sessions which are conducted in-person	1. The bylaws or an internal document of the company provide that the most important questions (according to the list specified in recommendation 168 of the Code) should be considered at in-person sessions of the board of directors	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.7.4	Decisions on the most important questions of activity of the company are accepted at a session of the board of directors by the qualified majority or majority of votes of all elected members of the board of directors	1. The company's bylaws provide that decisions on the most important questions stated in recommendation 170 of the Code should be accepted at a session of the board of directors by the qualified majority, not less than three quarters of votes, or majority of votes of all elected members of the board of directors	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Partially not observed.</p> <p>The Company's Articles of Association do not provide decision-making on the questions stated in recommendation 170 of the Corporate Governance Code, by a qualified majority of at least ¾ of the votes or a majority of the votes of all elected members of the Board of Directors.</p> <p>In accordance with clause 18.7 of the Company's Articles of Association, decisions at a meeting of the Company's Board of Directors are made by a majority vote of the members of the Company's Board of Directors participating in the meeting, except for cases provided for by the legislation of the Russian Federation and these Articles of Association.</p> <p>Clause 18.8 of the Articles of Association defines the list of issues, decisions on which are made by a three-quarters majority of the members of the Board of Directors of the Company from their total number on the following issues:</p> <ul style="list-style-type: none"> - on suspension of powers of the managing organization (manager) and on appointment of Acting General Director of the Company; - on convening an extraordinary General Meeting of Shareholders of the Company in the cases provided for in clauses 21.11., 21.12. of Article 21 of the Articles of Association of the Company. <p>Clause 18.10 of the Company's Articles of Association defines the list of issues, decisions on which are made by a two-thirds majority of members of the Company's Board of Directors participating in the meeting. In particular,</p>

			<p>such issues include the issue provided for in clause 8 of recommendation 170 of the Corporate Governance Code: consideration of material issues related to activities of controlled companies. In addition, in accordance with the Articles of Association, a two-thirds majority of members of the Board of Directors of the Company participating in the meeting make decisions on participation of the Company in other organizations.</p> <p>However, in practice, incomplete compliance with this recommendation of the Corporate Governance Code is offset by a high level of involvement and activity of the members of the Board of Directors of the Company in the activities of the Board of Directors of the Company. In 2021, 100% of the meetings of the Board of Directors of the Company (64 out of 64) were held with a 100% quorum. Thus, decisions were made by a majority of all elected members of the Board of Directors of the Company.</p> <p>Most of the issues provided for by this paragraph, in order to make informed and reasonable decisions, are subject to preliminary consideration by the relevant Committees under the Board of Directors of the Company. There are no plans to amend the Company's Articles of Association in the near future.</p>
2.8	The board of directors creates committees for preliminary consideration of the most important questions of activity of the company		

2.8.1	For preliminary consideration of the questions connected with the control over financial and economic activity of the company, the audit committee is created, consisting of independent directors	<p>1. The board of directors created the audit committee, consisting only of independent directors.</p> <p>2. Internal documents of the company specify tasks of the audit committee, including, inter alia, the tasks contained in recommendation 172 of the Code.</p> <p>3. At least one member of the audit committee, being an independent director, possesses experience and knowledge in the field of preparation, analysis, estimation and audit of financial statements.</p> <p>4. Sessions of the audit committee were conducted at least once a quarter during the reporting period</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.8.2	For preliminary consideration of the questions connected with forming of effective and transparent practice of remuneration, the remuneration committee is created, consisting of independent directors and headed by an independent director who is not the chairman of the board of directors	<p>1. The board of directors created the remuneration committee which consists only of independent directors.</p> <p>2. The chairman of the remuneration committee is an independent director who is not the chairman of the board of directors.</p> <p>3. Internal documents of the company specify tasks of the remuneration committee, including, inter alia, the tasks contained in recommendation 180 of the Code, as well as the conditions (events) upon occurrence of which the remuneration committee considers the issue of revising the company's policy on remuneration of members of the board of directors, executive bodies and other key executives</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Not observed:</p> <p>There are no independent directors in the Personnel and Remuneration Committee of the Board of Directors of the Company.</p> <p>The current composition of the Personnel and Remuneration Committee of the Board of Directors of the Company is selected based on the individual experience and competencies of each member of the Personnel and Remuneration Committee of the Board of Directors of the Company, while the Company complies with the requirements set by PJSC Moscow Exchange for the corporate governance of the Company, whose securities are in quotation list Tier 2 of PJSC Moscow Exchange.</p> <p>The Company plans to comply with this criterion if there are sufficient independent directors, as well as the relevant position of the Board of Directors of the Company and shareholders of the Company.</p> <p>2. Not observed.</p> <p>Non-executive director Daniil Vladimirovich Krainsky, Deputy General Director for Legal Support of PJSC Rosseti, was elected Chairman of the</p>

			<p>Personnel and Remuneration Committee of the Board of Directors of the Company.</p> <p>The candidacy of the Chairman of the Personnel and Remuneration Committee of the Board of Directors of the Company is nominated by the members of the Board of Directors of the Company. On the issue of electing the Chairman of the Committee for Personnel and Remuneration of the Board of Directors of the Company, members of the Board of Directors of the Company nominated one candidate who is a non-executive director. Independent directors were not nominated.</p> <p>The Company plans to comply with this criterion if there are sufficient independent directors, as well as the relevant position of the Board of Directors of the Company and shareholders of the Company.</p> <p>3. Partially complied.</p> <p>The tasks of the Personnel and Remuneration Committee of the Board of Directors of the Company are defined in clause 2.2. of the Regulation of the Personnel and Remuneration Committee of the Board of Directors of the Company.</p> <p>The tasks defined in clause 2.2 of the Regulation on the Personnel and Remuneration Committee of the Company partially contain recommendations 180 of the Corporate Governance Code - clauses 1,3,4 of recommendations 180. In addition, clause 6 of recommendation 180 of the Corporate Governance Code is enshrined in clauses 3.4, 3.5 of the Regulation on the Corporate Secretary of the Company.</p> <p>The Company has prepared amendments and additions to the Regulation on the Personnel and Remuneration Committee of the Board of Directors of the Company in order to bring it into line with the requirements of the Corporate Governance Code, however, the decision can be made subject to the</p>
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				<p>positive position of the Board of Directors of the Company.</p> <p>The internal documents of the Company do not contain conditions (events) upon the occurrence of which the Personnel and Remuneration Committee of the Board of Directors of the Company considers the issue of revising the company's policy on remuneration of members of the Board of Directors of the Company, executive bodies and other key executives.</p> <p>The Corporate Governance Code of the Bank of Russia does not provide for recommendations on including conditions (events) in the internal documents of a public joint stock company, upon the occurrence of which the Remuneration Committee considers the issue of revising the Company's policy on remuneration of members of the Board of Directors, executive bodies and other key executives.</p> <p>Also, there are no explanations from the regulator regarding the application of the criterion under consideration, and therefore its implementation, which significantly complicates the implementation of the criterion under consideration.</p> <p>After the publication of these clarifications, the Company plans to make the necessary changes to internal documents</p>
2.8.3	<p>For preliminary consideration of the questions connected with realisation of personnel planning (succession planning), professional composition and overall performance of the board of directors, the nomination (staff, personnel) committee is created which majority of members being independent directors</p>	<p>1. The board of directors created the nomination committee (or its tasks specified in recommendation 186 of the Code, are implemented within the limits of another committee), which majority of members are independent directors.</p> <p>2. Internal documents of the company specify tasks of the nomination committee (or a corresponding committee with combined functionality), including, inter alia, the tasks contained in recommendation 186 of the Code.</p> <p>3. In order to form a board of directors that best meets the goals and objectives of the company, the nomination</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Not observed.</p> <p>The functions of the nomination committee are performed by the Personnel and Remuneration Committee of the Board of Directors of the Company.</p> <p>The Personnel and Remuneration Committee of the Board of Directors of the Company includes two non-executive directors, there are no independent directors.</p> <p>The current composition of the Personnel and Remuneration Committee of</p>

		<p>committee in the reporting period, independently or jointly with other committees of the board of directors, or the company's authorized subdivision for interaction with shareholders, organized interaction with shareholders, not limited to the circle of largest shareholders, in the context of the selection of candidates to the company's board of directors</p>	<p>the Board of Directors of the Company is selected based on the individual experience and competencies of each member of the Personnel and Remuneration Committee of the Board of Directors of the Company, while the Company complies with the requirements set by PJSC Moscow Exchange for the corporate governance of the Company, whose securities are in quotation list Tier 2 of PJSC Moscow Exchange.</p> <p>The Company plans to comply with this criterion if there are sufficient independent directors, as well as the relevant position of the Board of Directors of the Company and shareholders of the Company.</p> <p>2. Partially not observed.</p> <p>The tasks of the Personnel and Remuneration Committee of the Board of Directors of the Company are defined in clause 2.2 of the Regulation on the Personnel and Remuneration Committee of the Board of Directors of the Company. The tasks defined in the Regulation partially contain recommendations 186 of the Corporate Governance Code (clauses 1, 3, 5, 10 of recommendation 186).</p> <p>In addition, clause 9 of recommendation 186 of the Corporate Governance Code is enshrined in clause 3.4 of the Regulation on the Corporate Secretary of the Company.</p> <p>The Company has prepared amendments and additions to the Regulation on the Personnel and Remuneration Committee of the Board of Directors of the Company in order to bring it into line with the requirements of the Corporate Governance Code, however, the decision can be made subject to the positive position of the Board of Directors of the Company.</p> <p>3. Complied.</p>
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2.8.4	Taking into account the scope of activity and a risk level the company's board of directors made sure that the composition of its committees completely answers the purposes of activity of the company. Additional committees either were created, or were recognised unnecessary (committee on strategy, committee on corporate governance, committee on ethics, committee on risk management, committee on budget, committee on health, safety and environment, etc.)	1. In the reporting period the company's board of directors considered the question on conformity of the composition of its committees to tasks of the board of directors and to the purposes of activity of the company. Additional committees either were created, or were not recognised necessary	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.8.5	The composition of committees is determined so that it allows to conduct tentatively all-round discussion of cases in point taking into account various opinions	<p>1. The audit committee, the remuneration committee, the nomination committee (or the relevant committee with combined functions) were headed by independent directors in the reporting period.</p> <p>2. The internal documents (policies) of the company provide for provisions according to which persons who are not members of the audit committee, the nomination committee (or the relevant committee with combined functions) and the remuneration committee can attend committee meetings only at the invitation of the chairman of the relevant committee</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Partially observed.</p> <p>The Company does not fully comply with the recommendation of the Corporate Governance Code, namely, as of 31 December 2021, only the Audit Committee of the Board of Directors of the Company is headed by an independent director.</p> <p>A non-executive director was the Chairman of the Personnel and Remuneration Committee of the Board of Directors of the Company. The functions of the Nomination Committee are assigned to the Personnel and Remuneration Committee of the Board of Directors of the Company.</p> <p>At the same time, the Chairman of the Personnel and Remuneration Committee of the Board of Directors of the Company Krainsky D.V. possesses the necessary competencies, including in the field of organizing work, preparing and holding meetings, which allow making informed and justified decisions. Thus, the election of Krainsky D.V as the Chairman of the Audit Committee of the Board of Directors of the Company seems reasonable.</p> <p>In addition, the risk of non-compliance with this recommendation of the Corporate Governance Code is leveled by the balance of the composition of the Committees of the Board of Directors of the Company in</p>

				<p>relation to the necessary knowledge and experience. The diversified and, at the same time, balanced composition of the Committees of the Board of Directors of the Company allows taking into account different opinions when making decisions.</p> <p>The Company plans to comply with this criterion if there are sufficient independent directors, as well as the relevant position of the Board of Directors of the Company and shareholders of the Company.</p> <p>2. Complied.</p>
2.8.6	Chairmen of committees regularly inform the board of directors and its chairman on work of the committees	1. During the reporting period chairmen of committees regularly reported about work of the committees to the board of directors	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
2.9	The board of directors provides carrying out of estimation of quality of work of the board of directors, its committees and members of the board of directors			
2.9.1	Carrying out of estimation of quality of work of the board of directors is aimed at determination of a degree of overall performance of the board of directors, committees and members of the board of directors, conformity of their work to requirements of development of the company, making work of the board of directors more active and revealing of areas in which their activity can be improved	<p>1. The internal documents of the company define the procedures for assessment (self-assessment) of the quality of work of the board of directors.</p> <p>2. Assessment (self-assessment) of the quality of work of the board of directors, carried out in the reporting period, included an assessment of the work of committees, an individual assessment of each member of the board of directors and the board of directors as a whole.</p> <p>3. The results of the assessment (self-assessment) of the quality of the work of the board of directors, carried out during the reporting period, were considered at an in-person meeting of the board of directors</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Complied.</p> <p>2. Complied.</p> <p>3. Not observed.</p> <p>The recommendations under consideration are not observed in terms of consideration of the results of the evaluation of the work of the Board of Directors of the Company at an in-person meeting of the Board of Directors of the Company.</p> <p>The Chairman of the Board of Directors of the Company determines the form of holding meetings of the Board of Directors of the Company, taking into account the importance of the agenda items, recommendations provided for in clause 168 of the Corporate Governance Code.</p> <p>Due to restrictions related to COVID-19, the results of an independent assessment for the 2020-2021 corporate year were considered by the Board of Directors of the Company at a meeting in absentia on 28 May 2021 (Minutes No.</p>

				20/21 dated 28 May 2021). The Company plans to consider this issue at an in-person meeting of the Board of Directors of the Company with the improvement of the epidemiological situation, subject to the adoption of an appropriate decision by the Chairman of the Board of Directors of the Company. The Company plans to make appropriate proposals when making changes to internal documents, while the decision can be made subject to a positive position on the part of the Company's shareholders.
2.9.2	The assessment of work of the board of directors, committees and members of the board of directors is performed on a regular basis at least once a year. For carrying out of an independent estimation of quality of work of the board of directors no less frequently than once every three years an external organisation (consultant) is involved	1. For carrying out of an independent estimation of quality of work of the board of directors during three last reporting periods at least once the company involved an external organisation (consultant)	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
3.1	The corporate secretary of the company performs effective current interaction with shareholders, coordination of actions of the company on protection of the rights and interests of shareholders, support of effective work of the board of directors			
3.1.1	The corporate secretary possesses knowledge, experience and qualification, sufficient for execution of the obligations assigned to him or her, faultless reputation and enjoys confidence of shareholders	1. Biographical information about the corporate secretary (including information about age, education, qualifications, experience), as well as information about positions in the management bodies of other legal entities held by the corporate secretary for at least five recent years is presented on the company's website on the Internet and in the annual report	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
3.1.2	The corporate secretary possesses sufficient independence from executive powers of the company and has necessary powers and resources for accomplishment of the tasks set	1. The company adopted and disclosed an internal document - the regulation on the corporate secretary. 2. The board of directors approves a candidate for the position of the corporate secretary and terminates his powers, considers the issue of paying him additional remuneration. 3. The internal documents of the company enshrine the right of the corporate secretary to request, receive documents of the company and information from management bodies, structural divisions and officials of the company	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

4.1	The level of remuneration paid by the company is sufficient for attraction, motivation and preservation of persons possessing the competence and qualification necessary for the company. Payment of remuneration to members of the board of directors, to executive powers and other key executives of the company is performed according to the policy accepted in the company on remuneration		
4.1.1	The level of the remuneration given by the company to members of the board of directors, to executive powers and other key executives, creates sufficient motivation for their effective work, allowing the company to involve and keep competent and qualified specialists. At the same time, the company avoids a bigger remuneration level than it is necessary, and also an unfairly big difference between levels of remuneration of the specified persons and employees of the company	1. The remuneration of members of the board of directors, executive bodies and other key executives of the company is determined taking into account the results of a comparative analysis of the level of remuneration in comparable companies	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance
4.1.2	The policy of the company on remuneration is developed by the remuneration committee and confirmed by the company's board of directors. The board of directors with support of the remuneration committee provides the control over implementation and realisation of the remuneration policy in the company, and if necessary - reviews and amends it	1. During the reporting period, the remuneration committee reviewed the remuneration policy (policies) and (or) the practice of its (their) implementation, assessed their effectiveness and transparency, and, if necessary, submitted appropriate recommendations to the board of directors to revise the specified policy (policies)	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance
4.1.3	The policy of the company on remuneration contains transparent mechanisms of determination of rate of remuneration of members of the board of directors, executive powers and other key executives of the company, and also regulates all kinds of payments, privileges and benefits given to the specified persons	1. The policy (policies) of the company on remuneration contains (contain) transparent mechanisms of determination of rate of remuneration of members of the board of directors, executive powers and other key executives of the company, and also regulates all kinds of payments, privileges and benefits given to the specified persons	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance

4.1.4	The company determines a policy of the expense refunding (compensation) concretizing the list of expenses, subject to compensation, and a degree of service for which members of the board of directors, executive powers and other key executives of the company can have. Such policy can be a component of a policy of the company on remuneration	1. Rules of expense refunding of members of the board of directors, executive powers and other key executives of the company are established in the policy (policies) on remuneration or in other internal documents of the company	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
4.2 The system of remuneration of members of the board of directors provides convergence of financial interests of directors with long-term financial interests of shareholders				
4.2.1	The company pays fixed annual remuneration to members of the board of directors. The company does not pay remuneration for participation in separate sessions of the board or committees of the board of directors. The company does not apply forms of short-term motivation and additional material stimulation concerning members of the board of directors	1. In the reporting period, the company paid remuneration to members of the board of directors in accordance with the company's remuneration policy. 2. In the reporting period, the company did not apply any form of short-term motivation or additional material incentives to members of the board of directors, the payment of which depends on the results (indicators) of the company's activities. No remuneration was paid for participation in individual meetings of the board or committees of the board of directors	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
4.2.2	Long-term stockholding of the company to the greatest degree promotes convergence of financial interests of members of the board of directors with long-term interests of shareholders. Thus, the company does not specify the right of realisation of stocks with achievement of certain indicators of activity, and members of the board of directors do not participate in option plans	1. If the internal document (documents) - policy (policies) on remuneration of the company provide granting of stocks of the company to members of the board of directors, accurate rules of stockholding by members of the board of directors, aimed at encouraging long-term holding of such shares, should be provided and disclosed	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	The Company's remuneration policy does not provide for the provision of shares of the Company to members of the Board of Directors. In this regard, this criterion is not applicable.
4.2.3	The company does not provide for any supplemental wage payments or compensations in case of preschedule termination of powers of members of the board of directors in connection with control transition over the company or other circumstances	1. The company does not provide for any supplemental wage payments or compensations in case of preschedule termination of powers of members of the board of directors in connection with control transition over the company or other circumstances	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

4.3	The system of remuneration of members of executive powers and other key executives of the company provides dependence of remuneration on result of work of the company and their personal contribution to achievement of this result			
4.3.1	Remuneration of members of executive powers and other key executives of the company is determined so that to provide a reasonable and justified ratio of the fixed part of remuneration and the variable part of remuneration depending on results of work of the company and the personal (individual) contribution of an employee in the end result	<p>1. During the reporting period the annual figures of efficiency approved by the board of directors were used at determination of the size of variable remuneration of members of executive powers and other key executives of the company.</p> <p>2. During last conducted estimation of the system of remuneration of members of executive powers and other key executives of the company, the board of directors (the remuneration committee) made sure that the company uses the effective ratio of the fixed part of remuneration and the variable part of remuneration.</p> <p>3. When determining the amount of remuneration paid to members of the executive bodies and other key executives of the company, the risks borne by the company are taken into account in order to avoid creating incentives for making excessively risky management decisions</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
4.3.2	The company implemented the program of long-term motivation of members of executive powers and other key executives of the company with use of stocks of the company (options or other derivative financial instruments a basic asset on which are the company's stocks)	1. If the company has implemented a long-term incentive program for members of the executive bodies and other key executives of the company using the company's shares (financial instruments based on the company's shares), the program provides that the right to sell such shares and other financial instruments comes no earlier than after three years from the date of their provision. At the same time, the right to sell them is conditioned by the achievement of certain indicators of the company's activities.	This criterion was not evaluated	The Company has not implemented a long-term motivation program for members of executive bodies and other key executives. Therefore, this criterion is not applicable.

4.3.3	The compensation amount (golden parachute) paid by the company in case of the preschedule termination of powers to members of executive powers or key executives at the initiative of the company and at absence of their unfair actions, does not exceed the double size of the fixed part of annual remuneration	1. The compensation amount (golden parachute) paid by the company in case of the preschedule termination of powers to members of executive powers or key executives at the initiative of the company and at absence of their unfair actions, in the reporting period did not exceed the double size of the fixed part of annual remuneration	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
5.1	The company created an effectively functioning risk management and internal control system, aimed at provision of reasonable confidence of achievement of the targets set to the company			
5.1.1	The company's board of directors specified principles and approaches to the organisation of a risk management and internal control system in the company	1. Functions of various management bodies and divisions of the company in the risk management and internal control system are accurately specified in internal documents/a corresponding policy of the company approved by the board of directors	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
5.1.2	The company's executive powers provide creation and maintenance of functioning of an effective risk management and internal control system in the company	1. The company's executive powers provided distribution of functions and powers concerning risk management and internal control between their accountable heads (chiefs) of divisions and departments	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
5.1.3	The risk management and internal control system in the company provides an objective, fair and clear idea of a current condition and prospects of the company, integrity and transparency of reporting of the company, rationality and acceptability of risks accepted by the company	1. The company approved the policy on corruption counteraction. 2. The company has organized a safe, confidential and accessible way (hotline) to inform the board of directors or the audit committee of the board of directors about facts of violation of the law, internal procedures, the code of ethics of the company	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
5.1.4	The company's board of directors undertakes necessary measures to make sure that the risk management and internal control system acting in the company corresponds to principles and approaches to its organisation determined by the board of directors and effectively functions	1. During the reporting period, the board of directors (audit committee and (or) risk committee (if any) organized an assessment of the reliability and effectiveness of the company's risk management and internal control system. 2. In the reporting period, the board of directors reviewed the results of assessing the reliability and effectiveness of the company's risk management and internal control system, and information on the results of the review was included in the company's annual report.	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

5.2	For a regular independent estimation of reliability and effectiveness of the risk management and internal control system, and practice of corporate governance the company organises internal audit carrying out			
5.2.1	For internal audit carrying out the company created a separate structural division or involved an independent external organisation. The functional and administrative accountability of the internal audit division is differentiated. The internal audit division functionally reports to the board of directors	1. For internal audit carrying out the company created a separate structural division of internal audit functionally accountable to the board of directors or the audit committee, or involved an independent external organisation with the same principle of accountability	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
5.2.2	The internal audit division conducts an estimation of effectiveness of the internal control system, an estimation effectiveness of the risk management system, and the corporate governance system as well. The company applies commonly used standards of activity in the field of internal audit	1. In the reporting period, as part of the internal audit, an assessment was made of the reliability and effectiveness of the risk management and internal control system. 2. In the reporting period, as part of the internal audit, an assessment of the practice (individual practices) of corporate governance was made, including procedures for information interaction (including on internal control and risk management) at all levels of the company's management, as well as interaction with stakeholders	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
6.1	The company and its activity are transparent for shareholders, investors and other stakeholders.			
6.1.1	The company developed and implemented the information policy providing effective information interaction of the company, shareholders, investors and other stakeholders	1. The company's board of directors approved the information policy of the company developed taking into account recommendations of the Code. 2. During the reporting period, the board of directors (or one of its committees) considered the issue of the effectiveness of information interaction between the company, shareholders, investors and other stakeholders and the advisability (necessity) of revising the information policy of the company	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Complied. 2. Partially observed.</p> <p>In the reporting year, the Company's Board of Directors considered a report on the Company's compliance with the Company's Information Policy, which, among other things, reflects the completeness, timeliness and, as a result, the effectiveness of the Company's information interaction with stakeholders. However, within the framework of this issue, the expediency of revising the Company's Information Policy was not considered, since the Company planned a revision of the information policy for the reporting year.</p> <p>Thus, on 4 February 2022, the Board of Directors of the Company approved a new version of the Regulation on Information Policy, updated taking into account:</p> <ul style="list-style-type: none"> - recommendations of the Corporate

				Governance Code; - the Bank of Russia's recommendations issued in 2021 (Information Letter № IN-06-28/56 dated 26 July 2021).
6.1.2	The company discloses information on the system and practice of corporate governance, including detailed information about observance of principles and recommendations of the Code	<p>1. The company discloses information on the corporate governance system in the company and the general principles of corporate governance applied in the company, including on the company's site on the Internet.</p> <p>2. The company discloses information on the composition of executive powers and the board of directors, independence of members of the board of directors and their membership in committees of the board of directors (according to the Code determination).</p> <p>3. In case of availability of a person controlling the company, the company publishes the memorandum of the controller concerning plans of such a person concerning corporate governance in the company</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
6.2	The company in due time discloses complete, actual and trustworthy information about the company for providing possibility of accepting of reasonable decisions by shareholders of the company and investors			
6.2.1	The company discloses information according to principles of regularity, sequence and efficiency, and also availability, reliability, completeness and comparability of the disclosed data	<p>1. The company has a procedure that ensures the coordination of the work of all structural divisions and employees of the company related to the disclosure of information or whose activities may lead to the need to disclose information.</p> <p>2. If the company's securities are traded on foreign on-exchange markets, the disclosure of material information in the Russian Federation and on such markets is carried out synchronously and equivalently during the reporting year.</p> <p>3. If foreign shareholders own a significant number of the company's shares, then during the reporting year information was disclosed not only in Russian, but also in one of the most common foreign languages</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

6.2.2	The company avoids a formalistic approach at disclosing of the information and discloses the essential information on the activity even if disclosing of such information is not provided by the legislation	<p>1. The company's information policy defines approaches to disclosing information about other events (actions) that have a significant impact on the value or quotations of its securities, the disclosure of information about which is not provided for by law.</p> <p>2. The company discloses information on the company's capital structure in accordance with Recommendation 290 of the Code in the annual report and on the company's website on the Internet.</p> <p>3. The company discloses information about controlled organizations that are of significant importance to it, including key areas of their activities, about the mechanisms that ensure the accountability of controlled organizations, the powers of the board of directors of the company in relation to determining the strategy and evaluating the performance of controlled organizations.</p> <p>4. The company discloses a non-financial report - a report on sustainable development, an environmental report, a report on corporate social responsibility or other report containing non-financial information, including factors related to the environment (including environmental factors and factors related to changes in climate), society (social factors) and corporate governance, except for the report of the issuer of equity securities and the annual report of the joint stock company</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
6.2.3	The annual report, being one of the most important tools of information interaction with shareholders and other stakeholders, contains the information, allowing to estimate results of activity of the company for a year	<p>1. The company's annual report contains information on the results of the assessment by the audit committee of the effectiveness of the external and internal audit process.</p> <p>2. The company's annual report contains information about the company's policy in the field of environmental protection, the company's social policy</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
6.3	The company gives information and documents by inquiries of shareholders according to principles of equal and unhindered access			
6.3.1	The exercise by shareholders of the right to access documents and information of the company is not associated with unjustified difficulties	<p>1. The information policy (internal documents defining the information policy) of the company defines an easy procedure for providing access to information and documents of the company at the request of shareholders.</p> <p>2. The information policy (internal documents defining the information policy) contains provisions stipulating that in the event of a request from a</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Complied.</p> <p>2. Not observed.</p> <p>The Information Policy of the Company does not provide for provisions on giving information on organizations controlled by the Company in the event of a relevant request from a shareholder.</p> <p>This circumstance is due to the fact that</p>

		shareholder to provide information about organizations controlled by the company, the company makes the necessary efforts to obtain such information from the relevant organizations controlled by the company		<p>the Company does not have subsidiaries that are of significant importance.</p> <p>At the same time, key information on all controlled companies is regularly posted on the Company's corporate website.</p> <p>Also, key issues related to activities of controlled organizations are submitted for consideration by the Board of Directors of the Company as part of determining the position of the Company's representatives at General Meetings of Shareholders and at meetings of the Board of Directors of such organizations (consideration of business plans, KPIs, candidates for management bodies, etc.)</p>
6.3.2	While granting by the company of information to shareholders some reasonable balance between interests of concrete shareholders and interests of the company interested in preserving of confidentiality of important commercial information which can make essential impact on its competitiveness is provided	<p>1. During the reporting period, the company did not refuse satisfaction of inquiries of shareholders about information granting, or such refusals were justified.</p> <p>2. In the cases specified by the company's information policy, shareholders are warned about confidential character of information and assume responsibility to preserve its confidentiality</p>	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
7.1	Actions, which substantially influence or can affect the company's equity holding structure and financial condition and, accordingly, on position of shareholders (essential corporate actions), are performed on fair conditions providing observance of the rights and interests of shareholders, and also other stakeholders			
7.1.1	Essential corporate actions are recognized as the company's reorganisation, acquisition of 30 and more percent of voting shares of the company (take-over), fulfilment by the company of major transactions, increase or reduction of authorised capital of the company, realisation of listing and delisting of the company's stocks, and also other actions which can lead to essential change of shareholders' rights or infringement of their interests. The company's bylaws specify the list (criteria) of transactions or other actions which are essential corporate actions, and such actions pertain to the competence of the board of directors of the company	1. The company's bylaws specify the list of transactions or other actions which are essential corporate actions and criterion for their determination. Decision-making concerning essential corporate actions pertains to the competence of the board of directors. When realisation of the given corporate actions is directly by the legislation within the shareholders' general meeting competence, the board of directors gives corresponding recommendations to shareholders	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<p>1. Partially observed.</p> <p>The considered recommendations are partly observed by the Company since the Company's Articles of Association do not contain the definition of "significant corporate actions".</p> <p>At the same time, decision-making on issues related to material actions specified in the Corporate Governance Code (reorganization of the Company, increase/decrease of the authorized capital of the Company, adoption of decisions on participation of the Company in other organizations, decision-making on the application for delisting of shares of the Company and (or) equity securities of the</p>

				<p>Company convertible into its shares, making decisions on consent to conclude or on subsequent approval of major transactions, preliminary approval of decisions on conclusion of transactions, the subject of which is non-current assets of the Company in the amount of 10 to 25 percent of the carrying value of these assets according to the financial statements as of the last reporting date; preliminary approval of decisions on conclusion of transactions by the Company (including several interrelated transactions) related to the alienation or the possibility of alienation of core property, in cases (amounts) determined by individual decisions of the Board of Directors of the Company, approval of other transactions of the Company and entities controlled by it) in accordance with applicable law and the Articles of Association is referred to the competence of the General Meeting of Shareholders or the Board of Directors.</p> <p>When submitting any questions to the shareholders' meeting, including on significant corporate actions, the Board of Directors provides shareholders with relevant recommendations.</p> <p>Due to the lack of a unified approach to understanding of "significant corporate actions", amendments to the internal documents of the Company are not planned in the near future.</p>
7.1.2	The board of directors plays a key role in decision-making or development of recommendations concerning essential corporate actions, the board of directors relies upon a position of independent directors of the company	1. The company provides for a procedure according to which independent directors declare their position on essential corporate actions before their approval	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	

7.1.3	At fulfilment of the essential corporate actions mentioning the rights and legitimate interests of shareholders, equal conditions for all shareholders of the company are provided, and at insufficiency of mechanisms provided by the legislation aimed at protection of shareholders' rights, - additional measures protecting the rights and legitimate interests of shareholders of the company. Thus the company is guided not only by observance of formal requirements of the legislation, but also the principles of corporate governance stated in the Code	1. The bylaws of the company taking into account features of its activity refer the approval, in addition to those provided for by law, of other transactions that are material to the company, to the competence of the board of directors includes. 2. During the reporting period, all essential corporate actions underwent an approval procedure before their realisation	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
7.2	The company provides such an order of fulfilment of essential corporate actions which allows shareholders to receive in due time complete information about such actions, provides them with possibility to influence fulfilment of such actions and warrants observance and adequate level of protection of their rights at fulfilment of such actions			
7.2.1	Information on fulfilment of essential corporate actions is disclosed with explanation of reasons, conditions and consequences of fulfilment of such actions	1. If the company took significant corporate actions during the reporting period, the company promptly and in detail disclosed information about such actions, including the reasons, conditions for taking actions and the consequences of such actions for shareholders	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	
7.2.2	Rules and procedures, connected with realisation by the company of essential corporate actions, are fixed in internal documents of the company	1. The company's internal documents define the cases and procedure for engaging an appraiser to determine the value of property alienated or acquired under a major transaction or a related party transaction. 2. The company's internal documents provide for a procedure for engaging an appraiser to assess the cost of acquiring and redeeming the company's shares. 3. In the absence of a formal interest of a member of the board of directors, the sole executive body, a member of the collegial executive body of the company or a person who is the controlling person of the company, or a person who has the right to give mandatory instructions to the company, in the transactions of the company, but in the presence of a conflict of interest or other their actual interest, the internal documents of the company stipulate that such persons do not take part in voting on the approval of such a transaction	<ul style="list-style-type: none"> • In compliance • In compliance partially • Not in compliance 	<ol style="list-style-type: none"> 1. Complied. 2. Complied. 3. Partially not observed. <p>The considered recommendations are not observed by the Company in terms of fixing in the internal documents of the Company an extended list of grounds on which members of the Board of Directors of the Company and other persons provided by law are recognized as parties related to the company's transactions.</p> <p>Moreover, in accordance with the Regulation on the Board of Directors, in the event of a potential conflict of interest for a member of the Board of Directors, including if there is relation in the company's making a transaction, such a member of the Board of Directors must</p>

			<p>immediately inform the Board of Directors of the Company and in any case put the interests of the Company above own interests. Such a message should be made in any case before the discussion of the issue on which such a member of the Board of Directors has a conflict of interest at a meeting of the Board of Directors.</p> <p>When implementing this recommendation, there is a risk of restricting the voting rights of members of the Board of Directors who are not actually related to transactions.</p> <p>Determination of relation of a member of the Board of Directors of the Company in the transaction is carried out in accordance with the current legislation of the Russian Federation and internal documents of the Company. Only members of the Board of Directors of the Company who are not related to the transaction and are not in a position of conflict of interest participate in voting on issues related to obtaining consent to a related party transaction or the subsequent approval of such a transaction.</p> <p>The list of grounds for relation established by the Federal Law “On Joint Stock Companies” is exhaustive and sufficient to prevent the risk of damage to the interests of the Company as a result of a related party transaction.</p> <p>In connection with the above, expanding the list of grounds on which transactions can be classified as related-party transactions seems inappropriate.</p>
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