

**Report of PJSC "ROSSETI South" on compliance with the principles and recommendations of the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on March 21, 2014 and recommended by Bank of Russia Letter No. 06-52/2463 dated April 10, 2014) for implementation by joint stock companies whose securities are admitted to trading**

This report on PJSC "ROSSETI South"s compliance with the principles and recommendations of the Corporate Governance Code of the Bank of Russia was considered by the Board of Directors of PJSC "ROSSETI South" at a meeting on April \_\_, 2023 (minutes \_\_/2023) as part of the issue "On preliminary approval of the Company's Annual Report for 2022".

The Board of Directors of the Company confirms that the data provided in this report contains complete and reliable information on the Company's compliance with the principles and recommendations of the Corporate Governance Code of the Bank of Russia for 2022.

N	Principles of Corporate Governance	Criteria for assessing compliance with the principle of corporate governance	Status of compliance with the principle of corporate governance	Explanation of deviation from the criteria for assessing compliance with the principle of corporate governance
1	2	3	4	5
<b>1.1</b>	<b>The Company shall ensure equal and fair treatment of all shareholders in the exercise of their right to participate in the management of the company</b>			
1.1.1	The Company creates the most favorable conditions for shareholders to participate in the general meeting, conditions for developing a reasonable position on the agenda of the general meeting, coordinating their actions, as well as the opportunity to express their opinion on the issues under consideration	1. The Company provides an accessible way of communication with the company, such as a hotline, e-mail or an Internet forum, allowing shareholders to express their opinion and send questions regarding the agenda in the process of preparing for the general meeting. These communication methods were organized by the Company and provided to shareholders in the course of preparation for each general meeting held during the reporting period	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

1.1.2	The procedure for notifying on holding a general meeting and providing materials for a general meeting gives shareholders the opportunity to properly prepare for participation therein	<p>1. In the reporting period, the notice of holding a General Shareholders' Meeting is posted (published) on the company's Internet website 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 holding a general meeting contains the documents required for admission to the premises.</p> <p>3. Shareholders were provided with access to information on 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>	<p>■ observed</p> <p>□ partially observed</p> <p>□ not observed</p>	<p>2. According to Art. 3 of the Federal Law of February 25, 2022 N 25-FZ "On Amendments to the Federal Law "On Joint Stock Companies" and on the Suspension of Certain Provisions of Legislative Acts of the Russian Federation" in 2022 by decision of the Board of Directors (Supervisory Board) of the General Shareholders' Meeting on the issues specified in paragraph 2, Art.50 of the Federal Law of December 26, 1995 No. 208-FZ "On Joint Stock Companies", may be held in the form of absentee voting.</p> <p>The Board of Directors of PJSC "ROSSETI South" decided to convene the annual General Meeting of Shareholders in the form of absentee voting (Minutes No. 478/2022 dated 06.05.2022) and for this reason, the documents required for admission to the premises were not indicated in the notice of the meeting.</p> <p>Holding the annual General Meeting of Shareholders of PJSC "ROSSETI South" in the form of absentee voting is a necessary measure. PJSC "ROSSETI South" provides shareholders with the opportunity to properly prepare for participation in the General Shareholders' Meeting.</p>
1.1.3	During the preparation and holding of the general meeting,	1. In the reporting period, shareholders were given the	<p>■ observed</p> <p>□ partially</p>	1. Since the annual General Shareholders' Meeting of PJSC

	shareholders had the opportunity to freely and in a timely manner receive information on the meeting and materials for it, ask questions to the executive bodies and members of the board of directors of the company, and communicate with each other	<p>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 issue of the agenda of the general meetings held during the reporting period was included in the materials for the general meeting.</p> <p>3. The Company provided shareholders with the right to access the list of persons entitled to participate in the general meeting, starting from the date of its receipt by the Company in all cases of holding general meetings in the reporting period</p>	<p>observed</p> <p><input type="checkbox"/> not observed</p>	"ROSSETI South" was held in the form of absentee voting, in the period of preparation for the Meeting and during its holding, shareholders could ask questions to members of the executive bodies and members of the Board of Directors of the Company by e-mail, as well as through a forum, organized on the Internet on the official website of the Society.
1.1.4	The implementation of the shareholder's right to demand the convening of a general meeting, nominate candidates for management bodies and make proposals for inclusion in the agenda of the general meeting was not associated with unreasonable difficulties	<p>1. The Charter of the Company establishes a deadline for the 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 to accept proposals for the agenda or candidates for the Company's</p>	<p>■ observed</p> <p><input type="checkbox"/> partially observed</p> <p><input type="checkbox"/> not observed</p>	

		bodies due to typographical errors or other minor shortcomings in the shareholder's proposal		
1.1.5	Each shareholder had the opportunity to freely exercise the right to vote in the simplest and most convenient way for them	1. The Charter of the Company provides for the possibility of filling out an electronic form of the ballot on the Internet website, the address of which is indicated in the notice of the General Shareholders' Meeting	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
1.1.6	The procedure for conducting a general meeting established by the Company provides an equal opportunity for all persons present at the meeting to express their opinion and ask questions of interest to them	<p>1. When holding General Shareholders' Meeting in the form of a meeting in the reporting period (joint presence of shareholders), 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 Shareholders' Meeting, where their candidacies were put to a vote. Candidates for the management and control bodies of the Company who were present at the general meeting of shareholders were available to answer shareholders'</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	<p>According to Art. 3 of the Federal Law of February 25, 2022 N 25-FZ "On Amendments to the Federal Law "On Joint Stock Companies" and on the Suspension of Certain Provisions of Legislative Acts of the Russian Federation" in 2022 by decision of the Board of Directors (Supervisory Board) of the General Shareholders' Meeting on the issues specified in paragraph 2, Art.50 of the Federal Law of December 26, 1995 No. 208-FZ "On Joint Stock Companies", may be held in the form of absentee voting.</p> <p>The Board of Directors of PJSC "ROSSETI South" decided to convene the annual General Shareholders' Meeting in the form of absentee voting (Minutes No. 478/2022 dated May 6, 2022), for this reason, reports on the agenda of the meeting and their discussion were not carried out, the meeting was not broadcasted.</p>

		<p>questions.</p> <p>3. The sole executive body, the person responsible for accounting, the chairman or other members of the Audit Committee of the board of directors were available to answer shareholders' questions 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>		<p>Holding the annual General Shareholders' Meetings of PJSC "ROSSETI South" in the form of absentee voting was caused by force majeure circumstances. PJSC "ROSSETI South" provides shareholders with the opportunity to properly prepare for participation in the General Shareholders' Meeting.</p>
<b>1.2</b>	<b>Shareholders are given an equal and fair opportunity to participate in the Company's profits by receiving dividends</b>			
1.2.1	<p>The Company has developed and implemented a transparent and understandable mechanism for determining the amount of dividends and their payment</p>	<p>1. The regulation on the Company's dividend policy is approved by the board of directors and disclosed on the Company's Internet website.</p> <p>2. If the dividend policy of a Company preparing consolidated financial statements uses the Company's reporting indicators to determine the amount of dividends, then the relevant provisions of the dividend policy take into account the consolidated financial statements.</p>	<p>■ observed</p> <p>□ partially observed</p> <p>□ not observed</p>	

		3. Justification of the proposed distribution of net profit, including 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 composition of materials for 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 a decision to pay dividends if such a decision, without formally violating the restrictions established by law, is economically unjustified and may lead to the formation of false ideas about the Company's activities	1. In addition to the restrictions established by law, the Regulations on the Company's dividend policy define financial/economic circumstances under which the Company should not make a decision to pay dividends	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
1.2.3	The Company does not allow the deterioration of the dividend rights of existing shareholders	1. In the reporting period, the Company did not take any actions leading to the deterioration of the dividend rights of existing shareholders	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
1.2.4	The Company strives to exclude the use by shareholders of other	1. In the reporting period, other ways for persons controlling the	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially	

	methods of obtaining profit (income) at the expense of the Company, in addition to dividends and liquidation value	Company to receive profit (income) at the expense of the Company in addition to dividends (for example, through transfer pricing, unreasonable provision of services to the Company by the controlling person at inflated prices, through internal loans replacing dividends to the controlling person and (or ) to its controlled persons) were not used	observed <input type="checkbox"/> not observed	
<b>1.3</b>	<b>The system and practice of corporate governance ensure equality of conditions for all shareholders - owners of shares of the same category (type), including minor (small) shareholders and foreign shareholders, and equal treatment thereof by the Company</b>			
1.3.1	The Company has created conditions for a fair treatment of each shareholder by the management bodies and top management of the Company, including conditions that ensure the inadmissibility of abuse by major shareholders in relation to minority shareholders	1. During the reporting period, the top management of the Company did not allow abuse of rights in relation to the shareholders of the Company, there were no conflicts between the top management of the Company and the shareholders of the Company, and if there were any, the board of directors paid due attention to them	■ observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
1.3.2	The Company does not take actions that lead or may lead to an artificial redistribution of corporate control	1. There are no quasi-treasury shares or they did not vote during the reporting period	■ observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>1.4</b>	<b>Shareholders are provided with reliable and efficient ways to record rights to shares, as well as the possibility of free and easy disposal of their shares</b>			
1.4	Shareholders are provided with reliable and efficient ways to record rights to shares, as well	1. The technologies used by the registrar of the Company and the conditions for the services	■ observed <input type="checkbox"/> partially observed	

	as the possibility of free and easy disposal of their shares	provided correspond to 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	<input type="checkbox"/> not observed	
<b>2.1</b>	<b>The Board of Directors carries out strategic management of the Company, determines the main principles and approaches to organizing the risk management and internal control system in the Company, controls the activities of the Company's executive bodies, and also performs other key functions</b>			
2.1.1	The Board of Directors is responsible for making decisions related to the appointment and dismissal of executive bodies, including dismissal in connection with the improper performance of their duties. The Board of Directors also monitors that the executive bodies of the Company act in accordance with the approved development strategy and the main directions of the Company's activities.	<p>1. The board of directors has the powers stated in the Charter to appoint members of the executive bodies, dismiss them from their positions and determine the terms of contracts with them.</p> <p>2. In the reporting period, the committee for nominations (appointments, personnel) <sup>4</sup> 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 (if any) on the implementation of the Company's strategy</p>	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed	<p>1. Observed. 2,3. Partially observed.</p> <p>Criterion 2: The Company has not approved a separate document - the Company's Strategy, however, the provisions of internal documents, as well as business plans approved by the Board of Directors of the Company, short and long term action plans for the main areas of the Company's activities, together determine the vector of development, goals and mission of "Rosseti South". In this regard, the Personnel and Remunerations Committee of the Board of Directors of the Company did not consider that issue in the reporting period.</p> <p>Criterion 3: In the reporting year, the Board of Directors of the Company did not separately consider the report (reports) of the sole executive body of the Company and members of the</p>



			<p>collegial executive body of the Company on the implementation of the Company's strategy due to the absence of an approved strategy in the Company.</p> <p>At the same time, the Company seeks to comply with the recommendations of the Code. In accordance with paragraphs. 1 clause 15.1, article 15 of the Company's Charter, the competence of the Board of Directors of the Company includes the determination of priority areas of activity and the development strategy of the Company. In addition, according to the Charter of the Company, the Director General of the Company regularly reports to the Board of Directors of the Company on the most important issues of activity, including the implementation of decisions of the Board of Directors of the Company (quarterly). Issues related to the direction of the Company's development, the implementation of priority tasks and plans were considered within the framework of reports on the implementation of the business plan, action plans for the main areas of the Company's activities, etc.</p> <p>Until the approval of the strategy of PJSC "ROSSETI South", the main strategic planning document for the Company is</p>
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			<p>Development Strategy of the Rosseti Group of Companies until 2030 (hereinafter referred to as the Strategy of Rosseti GC). The goals and objectives of Rosseti GC Strategy correspond to the main national goals and strategic objectives set for the electric grid complex at the federal level, including Decrees of the President of the Russian Federation dated 07.05.2018 No. 204 "On the national goals and strategic objectives of the development of the Russian Federation for the period up to 2024" and No. 203 dated 09.05.2017 "On the strategy for the development of the information society in the Russian Federation for 2017–2030", the Comprehensive Plan for the Modernization and Expansion of the Backbone Infrastructure for the period until 2024, approved by Decree of the Government of the Russian Federation dated 30.09.2018 No. 2101-p, Energy Strategy of the Russian Federation for the period up to 2035, approved by Decree of the Government of the Russian Federation dated 09.06.2020 No. 1523-p. Based on the Rosseti GC Strategy, it is planned to approve the Company's own development strategy by the Board of Directors in 2023. After the approval of its own strategy, the</p>
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				Company will fully comply with the criteria under consideration.
2.1.2	The Board of Directors establishes the main guidelines for the Company's activities in the long term, evaluates and approves KPIs and the main business goals of the Company, evaluates and approves the strategy and business plans for the Company's main activities	1. During the reporting period, issues related to the progress of implementation and updating of the strategy, approval of the financial and economic plan (budget) of the Company, as well as consideration of criteria and indicators (including intermediate ones) for the implementation of the strategy and business plans of the Company were considered at meetings of the Board of Directors.	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed	<p>Due to the lack of an approved strategy of the Company, the Board of Directors of the Company did not separately consider issues related to the implementation and updating of the strategy, as well as the analysis of criteria and indicators (including intermediate ones) for the implementation of the Company's strategy. In the reporting period the Board of Directors of the Company considered issues related to the approval of the financial and economic plan, the business plan of the Company, which determine the main areas of activity, the strategy of the Company, as well as reports on the implementation of the financial, economic, business plans of the Company.</p> <p>The annual report, approved in advance by the Board of Directors of the Company, contains a strategic report that includes information on the development strategy, strategic priorities, development prospects of the Company.</p> <p>Thus, the absence of a separate document - a strategy - does not indicate the actual absence of a clearly defined development strategy in the</p>

				Company. The goals, tasks, plans determined by the Company are implemented by the Company in full. After the approval of its own strategy, the Company will fully comply with the criteria under consideration.
2.1.3	The Board of Directors determines the principles and approaches to organizing the 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 are fixed 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>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
2.1.4	The board of directors determines the Company's policy on remuneration and (or) reimbursement of expenses (compensations) to members of the board of directors, executive	1. The Company has developed, approved by the board of directors and implemented a policy (policies) for remuneration and reimbursement of expenses (compensations) for members of	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

	bodies of the company and other key executives of the company	the board of directors, executive bodies of the Company and other key executives of the Company. 2. During the reporting period, the Board of Directors considered issues related to the specified policy (policies)		
2.1.5	The Board of Directors plays a key role in preventing, identifying and resolving internal conflicts between the company's bodies, shareholders and employees of the Company.	1. The Board of Directors plays a key role in preventing, identifying and resolving internal conflicts. 2. The Company has created a system for identifying transactions related to a conflict of interest and a system of measures aimed at resolving such conflicts	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
2.1.6	The Board of Directors plays a key role in ensuring the transparency of the Company, the timeliness and completeness of information disclosure by the Company, easy access of shareholders to the Company's documents	1. The persons responsible for the information policy implementation are defined in the internal documents of the Company.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
2.1.7	The Board of Directors exercises control over the practice of corporate governance in the Company and plays a key role in significant 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	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>2.2</b>	<b>The board of directors is accountable to the shareholders of the Company</b>			
2.2.1	Information on the work of the board of directors is disclosed and provided to shareholders	1. The Company's annual report for the reporting period includes information on attendance at	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed	

		meetings of the board of directors and committees by each member of the board of directors. 2. The annual report contains information on the main results of the assessment (self-assessment) of the board of directors' performance in the reporting period	<input type="checkbox"/> not observed	
2.2.2	The Chairman of the Board of Directors is available for communication with the 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 thereon	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>2.3</b>	<b>The Board of Directors is an efficient and professional management body of the Company, capable of making objective independent judgments and making decisions that meet the interests of the Company and its shareholders</b>			
2.3.1	Only candidates with an impeccable business and personal reputation, as well as knowledge, skills and experience necessary to make decisions related to the competence of the board of directors and required for the effective performance of its functions are elected members of the board of directors	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, lack of conflicts of interest, and so on.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
2.3.2	Members of the Company's board of directors are elected through a transparent	1. In all cases of holding a general meeting of shareholders in the reporting period, the agenda of	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed	

	<p>procedure that allows shareholders to obtain information on candidates sufficient to form an idea of their personal and professional qualities</p>	<p>which included issues on the election of the board of directors, the Company provided shareholders with biographical data of all candidates for members of the board of directors, the results of assessing the compliance of the professional qualifications, experience and skills of candidates with the current and expected needs of the Company held by the board of directors (or its nomination committee), as well as information on the candidate's compliance with the independence criteria in accordance with recommendations 102-107 of the Code and information on the written consent of candidates for election to the board of directors</p>	<p><input type="checkbox"/> not observed</p>	
2.3.3	<p>The composition of the board of directors is balanced, including in terms of the qualifications of its members, their experience, knowledge and business qualities, and is trusted by the shareholders</p>	<p>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</p>	<p><input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed</p>	
2.3.4	<p>The number of members of the board of directors of the Company makes it possible to organize the activities of the board of directors in the most</p>	<p>1. In the reporting period, the Board of Directors considered the issue of compliance of the number of members of the Board of Directors with the needs of the</p>	<p><input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed</p>	<p>The issue of compliance of the number of members of the Board of Directors with the needs of the Company and the interests of shareholders in the reporting period was not submitted for</p>

	efficient way, including the possibility of forming committees of the board of directors, and also provides significant minority shareholders of the Company with the opportunity to elect a candidate to the board of directors whom they vote for	Company and the interests of shareholders		<p>consideration by the Board of Directors of the Company due to the lack of relevant competence of the Board of Directors of the Company in accordance with the Federal Law "On Joint Stock Companies" and the Charter of the Company.</p> <p>The compliance of the number of members of the Board of Directors with the needs of the Company and the interests of shareholders in the reporting period was assessed as part of the self-assessment of the quality of work of the Board of Directors of the Company.</p> <p>Thus, the Company in the reporting period assessed the optimal number of members of the Company's Board of Directors, and therefore there are no risks of partial non-compliance with this recommendation.</p> <p>The Company will consider the possibility of establishing the practice of submitting for consideration by the Board of Directors the issue of compliance of the number of members of the Board of Directors with the needs of the Company and the interests of shareholders after the necessary amendments are made to the Federal Law "On Joint Stock Companies".</p>
<b>2.4</b>	<b>The Board of Directors includes a sufficient number of independent directors</b>			
2.4.1	An independent director is a	1. During the reporting period, all	■ observed	Based on the results of the AGM of



	<p>person who has sufficient professionalism, experience and independence to form his own position, is able to make objective and conscientious judgments, independent of the influence of the company's executive bodies, certain groups of shareholders or other interested parties.</p> <p>At the same time, it should be taken into account that, under normal conditions, a candidate (elected member of the Board of Directors) who is associated with the company, its significant shareholder, significant counterparty or competitor of the company, or is connected with the state cannot be considered independent.</p>	<p>independent members of the Board of Directors met all the independence criteria specified in recommendations 102-107 of the Code, or were recognized as independent by the decision of the Board of Directors</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> partially observed</li> <li><input type="checkbox"/> not observed</li> </ul>	<p>shareholders in 2022, the Board of Directors of the Company included, among other persons, four members (M.V. Korotkova, E.V. Nikitchanova, A.I. Kazakov, V.Yu. Zarkhin) subsequently recognized by the decision of the Board Directors of the Company dated August 05, 2022 independent (Minutes No. 493/2022)</p>
2.4.2	<p>The compliance of candidates for the Board of Directors with the independence criteria is assessed, and the compliance of independent members of the Board of Directors with the independence criteria is regularly analyzed. In such an assessment, content prevails over form.</p>	<p>1. During the reporting period, the Board of Directors (or the Nominating Committee of the Board of Directors) formed an opinion on the independence of each candidate for the Board of Directors and presented the relevant opinion to the shareholders.</p> <p>2. During the reporting period, the Board of Directors (or the Nominating Committee of the</p>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> observed</li> <li><input type="checkbox"/> partially observed</li> <li><input type="checkbox"/> not observed</li> </ul>	

		Board of Directors) at least once considered the issue of the independence of the current members of the Board of Directors (after their election). 3. The company has developed procedures that determine the necessary actions of a member of the Board of Directors in the event that he ceases to be independent, including obligations to inform the Board of Directors about this in a timely manner		
2.4.3	Independent directors make up at least one third of the elected members of the Board of Directors	1. Independent directors make up at least one third of the Board of Directors	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
2.4.4	Independent directors play a key role in preventing internal conflicts in the company and in the performance of significant corporate actions by the Company	1. Independent directors (who did not have a conflict of interest) in the reporting period preliminary assessed significant corporate actions related to a possible conflict of interest, and the results of such an assessment were provided to the Board of Directors	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed	<p>In the reporting period, independent directors did not provide the Board of Directors of the Company with an assessment of significant corporate actions related to a possible conflict of interest.</p> <p>The Charter and internal documents of the Company do not define the concept of material corporate actions. At the same time, the Corporate Governance Code refers to such actions the following issues:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> reorganization of the Company;</li> <li><input checked="" type="checkbox"/> acquisition of 30 or more percent of voting shares of the Company (acquisition);</li> </ul>

			<p> <input type="checkbox"/> making property deals by the Company;  <input type="checkbox"/> increase or decrease in the authorized capital of the Company;  <input type="checkbox"/> listing and delisting of the Company's shares. </p> <p> In accordance with the legislation and the Charter of the Company, these issues are referred to the competence of the General Shareholders' Meeting and the Board of Directors of the Company. Most of the above issues (except for the 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. Thus, assessment by independent directors of significant corporate actions related to a possible conflict of interest is carried out as part of the consideration 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 in the Company, each member of the Board of Directors, following the results of consideration of the agenda items and materials on them, has the right to send a dissenting opinion to the Corporate Secretary and other members of the Board of Directors, which is an integral </p>
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				<p>part of the minutes of the 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 fact that consideration of the issue of delisting the Company's shares is extremely unlikely, the Company does not see any risks associated with incomplete implementation of this recommendation of the Code.</p> <p>Due to the lack of a unified approach to understanding "significant corporate actions", no changes are planned to be made to the Company's internal documents in the near future.</p>
<b>2.5</b>	<b>The Chairman of the Board of Directors contributes to the most efficient implementation of the functions assigned to the Board of Directors</b>			
2.5.1	<p>An independent director is elected chairman of the Board of Directors or a senior independent director is appointed from among the elected independent directors, who coordinates the work of independent directors and interacts with the chairman of the Board of Directors</p>	<p>1. The Chairman of the Board of Directors is an independent director or a senior independent director is appointed among the independent directors <sup>5</sup>.</p> <p>2. The role, rights and obligations of the Chairman of the Board of Directors (and, if applicable, the senior independent director) are properly defined in the internal documents of the Company</p>	<p><input type="checkbox"/> observed</p> <p><input checked="" type="checkbox"/> partially observed</p> <p><input type="checkbox"/> not observed</p>	<p>1. Not observed.</p> <p>The Chairman of the Board of Directors of the Company is not an independent director. The Chairman of the Board of Directors may not always be an independent director. In accordance with the internal documents and established practice of the Company, the Chairman of the Board of Directors is elected by the members of the Board of Directors of the Company from among them by a majority of votes of</p>

			<p>the total number of members of the Board of Directors, and the Board of Directors has the right to re-elect the Chairman of the Board of Directors at any time by a majority of votes of the total number of members of the Board of Directors of the Company.</p> <p>According to clause 3.12 of the Regulations on the Board of Directors of the Company, it is possible to elect a senior independent director, and also establishes his role, rights and obligations in the activities of the Board of Directors of the Company. At the same time, the Board of Directors of the Company has not appointed a Senior Independent Director due to the lack of initiative by members of the Board of Directors to elect a senior independent director.</p> <p>At present, the absence of a senior independent director does not entail additional risks for the Company and its interested parties.</p> <p>A senior independent director may be elected upon the appearance of the indicated initiative from the members of the Board of Directors, as determined by the current Regulations on the Board of Directors of the Company.</p> <p>2. Observed.</p> <p>The role, rights and obligations of the Chairman are defined in the internal</p>
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				documents of the Company (Articles 17, 18 of the Charter of the Company, Article 2 of the Regulations on the Board of Directors of the Company, etc.)
2.5.2	The Chairman of the Board of Directors ensures a constructive atmosphere for holding meetings, free discussion of issues included in the agenda of the meeting, control over the implementation of decisions taken 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-evaluating) the quality of the work of the Board of Directors in the reporting period	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
2.5.3	The Chairman of the Board of Directors takes the necessary measures to timely provide members of the Board of Directors with the information necessary for making decisions on agenda items.	1. The obligation of the Chairman of the Board of Directors to take measures to ensure the timely provision of complete and reliable information to the members of the Board of Directors on the agenda of the meeting of the Board of Directors is enshrined in the internal documents of the Company	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>2.6</b>	<b>Members of the Board of Directors act in good faith and reasonably in the interests of the company and its shareholders on the basis of sufficient information, with due care and diligence</b>			
2.6.1	Members of the Board of Directors make decisions taking into account all available information, in the absence of a conflict of interest, taking into account equal treatment of the company's shareholders, within the framework of normal business risk	1. The internal documents of the company establish that a member of the Board of Directors is obliged to notify the Board of Directors if he or she has a conflict of interest in relation to any item on the agenda of a meeting of the Board of Directors or a committee of the board of directors, prior to the	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed	1. Observed 2. Observed 3. Partially observed The Company's internal documents do not provide for a procedure allowing members of the Company's Board of Directors to receive professional advice on issues within its competence at the Company's expense.

		<p>discussion of the relevant agenda item.</p> <p>2. The internal documents of the company provide that a member of the Board of Directors must abstain from voting on any issue in which he has a conflict of interest.</p> <p>3. The company has established a procedure that allows the Board of Directors to receive professional advice on issues within its competence, at the expense of the Company</p>		<p>The Regulation on the Board of Directors of PJSC "ROSSETI South" provides members of the Board of Directors of the Company with a wide range of rights and tools that allow for a full assessment of the issues submitted for consideration by the Board of Directors of the Company. In particular, according to the Regulations, members of the Company's Board of Directors are entitled to receive any information, including that which is a commercial secret of the Company, about the Company's activities. The Board of Directors of the Company has the right to request documents and information on issues related to the competence of the Board of Directors of the Company.</p> <p>Over a long period of time, this practice has shown its effectiveness. The Company does not plan to implement the considered procedures due to the lack of expediency, taking into account the established practice described above.</p>
2.6.2	The rights and obligations of members of the Board of Directors are clearly formulated and enshrined in the internal documents of the Company	1. The Company adopted and published an internal document that clearly defines the rights and obligations of members of the Board of Directors	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
2.6.3	Members of the Board of Directors have enough time to	1. Individual attendance at meetings of the Board and	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially	

	fulfill their duties	<p>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. In accordance with the internal documents of the company, members of the Board of Directors are required to notify the board of directors of their intention to join the management bodies of other organizations (other than organizations controlled by the Company), as well as the fact of such appointment</p>	<p>observed</p> <p><input type="checkbox"/> not observed</p>	
2.6.4	All members of the Board of Directors have equal access to the Company's documents and information. Newly elected members of the Board of Directors are provided with sufficient information about the Company and the work of the board of directors as soon as possible	<p>1. In accordance with the internal documents of the Company, members of the Board of Directors have the right to receive information and documents necessary for the members of the Board of Directors of the Company to fulfill their duties regarding the company and its controlled organizations, and the executive bodies of the Company are obliged to ensure the provision of relevant information and documents.</p> <p>2. The Company implements a formalized program of</p>	<p>■ observed</p> <p><input type="checkbox"/> partially observed</p> <p><input type="checkbox"/> not observed</p>	



		familiarization activities for newly elected members of the Board of Directors		
<b>2.7</b>	<b>Meetings of the Board of Directors, preparation for them and participation of members of the Board of Directors in them ensure the efficient operation of the Board of Directors</b>			
2.7.1	Meetings of the Board of Directors are held as necessary, taking into account the scale of activities and the tasks facing the company in a certain period of time	1. The Board of Directors held at least six meetings during the reporting year	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
2.7.2	The internal documents of the Company establish the procedure for preparing and holding meetings of the Board of Directors, which provides members of the Board of Directors with the opportunity to properly prepare for it	<p>1. The company approved an internal document that defines the procedure for preparing and holding meetings of the Board of Directors, which, among other things, establishes that notification of a meeting must be made, as a rule, at least five days before the date of its holding.</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 conference and video conferencing</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
2.7.3	The form of the meeting of the Board of Directors is determined taking into account the importance of the agenda items.	1. The Charter or internal document of the Company provides that the most important issues (including those listed in	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed	1. Partially observed. According to Art. 6.12 of the Regulations on the Board of Directors of the Company, approved in 2020, the

	The most important issues are resolved at meetings held in person	recommendation 168 of the Code) should be considered at meetings of the Board of Directors in person		<p>most important issues should be resolved at meetings held in person. Such issues include those provided for in recommendation 168 of the Code, with the exception of:</p> <ul style="list-style-type: none"> <li>- submitting for consideration by the general meeting of shareholders issues of reorganization (including determination of the conversion factor for the company's shares) or liquidation of the company;</li> <li>- issues related to the increase in the authorized capital of the company (including the determination of the price of property contributed as payment for additional shares placed by the company).</li> </ul> <p>The Company plans to make appropriate changes to the Regulations on the Board of Directors of the Company, in terms of the implementation of recommendation 168 of the Code, at the AGM of Shareholders in 2023.</p>
2.7.4	Decisions on the most important issues of the company's activities are made at a meeting of the Board of Directors by a qualified majority or by a majority vote of all elected members of the Board of Directors.	1. The charter of the company provides that decisions on the most important issues, including those set out in recommendation 170 of the Code, must be made at a meeting of the board of directors by a qualified majority, not less than 3/4 of the votes, or by a majority vote of all elected	<input type="checkbox"/> observed <input type="checkbox"/> partially observed <input checked="" type="checkbox"/> observed	<p>1. Not observed.</p> <p>According to clause 18.8 of the Charter, decisions are made by a three-quarters majority of the members of the Board of Directors of their total number on certain issues, but not set out in recommendation 170 of the Code.</p> <p>According to clause 18.7 of the Charter, decisions at a meeting of the Board of</p>

		members of the Board of Directors		<p>Directors of the Company are made by a majority vote of the members of the Board of Directors of the Company participating in the meetings, and not by all elected members of the Board of Directors of the Company.</p> <p>The Company strives to implement this recommendation, in connection with which it plans to make appropriate changes to the Company's Charter at the AGM of Shareholders in 2023.</p>
<b>2.8</b>	<b>The Board of Directors creates committees for preliminary consideration of the most important issues of the company's activities</b>			
2.8.1	For preliminary consideration of issues related to control over the financial and economic activities of the company, an Audit Committee was created, consisting of independent directors	<p>1. The Board of Directors has formed an Audit Committee consisting exclusively of independent directors.</p> <p>2. The internal documents of the company define the tasks of the Audit Committee, including the tasks contained in recommendation 172 of the Code.</p> <p>3. At least one member of the Audit Committee, who is an independent director, has experience and knowledge in the preparation, analysis, evaluation and audit of accounting (financial) statements.</p> <p>4. Meetings of the Audit Committee were held at least once a quarter during the reporting period</p>	<p><input checked="" type="checkbox"/> observed</p> <p><input type="checkbox"/> partially observed</p> <p><input type="checkbox"/> not observed</p>	
2.8.2	For preliminary consideration of issues related to the formation	1. The Board of Directors has established a Remunerations	<p><input type="checkbox"/> observed</p> <p><input type="checkbox"/> partially</p>	Criteria 1 and 2 are not met, criterion 3 is partially met.

	<p>of an effective and transparent remuneration practice, a Remunerations Committee has been created, consisting of independent directors and headed by an independent director who is not the Chairman of the Board of Directors</p>	<p>Committee, which consists only of independent directors.  2. The Chairman of the Remunerations Committee is an independent director who is not the Chairman of the Board of Directors  3. The internal documents of the company define the tasks of the Remunerations Committee, including, but not limited to, the tasks contained in recommendation 180 of the Code, as well as the conditions (events) upon the occurrence of which the Remunerations Committee considers the issue of reviewing the company's policy on remuneration of members of the Board of Directors, executive bodies and other key executives</p>	<p>observed  ■ observed</p>	<p>The Personnel and Remunerations Committee includes only one independent director - V.Yu. Zarkhin  The remaining members of the Personnel and Remunerations Committee are not independent, but the people elected to the Personnel and Remunerations Committee have sufficient professionalism, experience and independence to form their own position, are able to make objective and conscientious judgments, independent of the influence of the executive bodies of the Company, certain groups of shareholders of the Company and other interested parties.  The Chairman of the Personnel and Remunerations Committee is not an independent director. However, the Chairman of the Personnel and Remunerations Committee has the greatest number of competencies and professional qualities required for this position.  Full implementation by the Company of this recommendation to a greater extent depends on the will of the shareholders of the Company and their agreement in principle to replace their representatives in the Personnel and Remunerations Committee with independent directors.  The Company is taking and will</p>
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			<p>implement in 2023 measures, including by informing the shareholders of the Company, on the formation of the Personnel and Remunerations Committee from independent directors. If the Board of Directors of the Company makes a decision to form the Personnel and Remunerations Committee exclusively from independent directors, this criterion will be observed in full.</p> <p>Regulations on the Personnel and Remunerations Committee of the Board of Directors of PJSC "IDGC of the South" were approved by the decision of the Board of Directors of the Company on July 31, 2014 (Minutes No. 140 dated August 04, 2014). The tasks of the Committee are defined in the Regulations on the Committee. However, due to the fact that this version of the document was approved in 2014, it does not contain all the norms listed in the recommendations of the Code, namely, in part 6 of recommendation 180 of the Code on the development of recommendations to the Board of Directors of the Company on determining the amount of remuneration and principles of remuneration of the Corporate Secretary of the Company, etc.</p> <p>To implement the recommendations of</p>
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				the Code (clause 180), the Company plans to prepare appropriate proposals when making changes and additions to internal documents. Estimated completion date: 3rd quarter of 2023.
2.8.3	For preliminary consideration of issues related to the implementation of personnel planning (succession planning), the professional composition and efficiency of the Board of Directors, a nominating committee (appointment, personnel) was created, the majority of whose members are independent directors	<p>1. The Board of Directors has established a nominating Ccommittee (or its tasks specified in recommendation 186 of the Code are carried out within the framework of another committee <sup>6)</sup>, the majority of whose members are independent directors.</p> <p>2. The internal documents of the Company define the tasks of the Nominating Committee (or the relevant committee with combined functions), including, but not limited to, 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 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 major shareholders, in in</p>	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed	<p>1 and 2. Partially observed.</p> <p>The Company does not have a nominating committee. However, the Company has established the Personnel and Remunerations Committee of the Board of Directors of the Company and other committees. The number of members of the Committee is determined by the resolution of the Board of Directors and consists of 3 persons.</p> <p>The HR and Compensation Committee includes only one independent director V.Yu. Zarkhin. The professional experience and skills of each member of the Personnel and Remunerations Committee allow them to fully perform the functions assigned to them by internal regulatory documents. Considering that the Company has clearly defined goals, objectives, principles of decision-making within its competence, the absence of a sufficient number of independent directors in the Personnel and Remunerations Committee does not affect the objectivity of the decisions made. All decisions of the Personnel and</p>

		the context of the selection of candidates for the Board of Directors of the company		<p>Remunerations Committee are consistent with the strategy followed by the company, its priorities, goals and objectives. These conclusions are reflected in the reports generated as part of ongoing internal and external audits. Full implementation by the Company of this recommendation, to a greater extent, depends on the position of the Company's shareholders and their agreement in principle to replace their representatives in the Personnel and Remunerations Committee with independent directors. The Company is taking and will implement in 2023 measures, including by informing the shareholders of the Company, on the formation of the Personnel and Remunerations Committee from independent directors. If the Board of Directors of the Company makes a decision to form the Personnel and Remunerations Committee exclusively from independent directors, this criterion will be observed in full.</p> <p>3. Observed</p>
2.8.4	Taking into account the scope of activities and the level of risk, the board of directors of the company made sure that the composition of its committees fully meets the goals of the	1. In the reporting period, the Board of Directors of the Company considered the issue of compliance of the structure of the Board of Directors with the scale and nature, business objectives and	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

	company's activities. Additional committees were either formed or were not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, health, safety and environment committee, etc.)	needs, and the risk profile of the Company. Additional committees were either formed or were not deemed necessary.		
2.8.5	The members of the committees are determined in such a way that it allows for a comprehensive discussion of the issues under preliminary consideration, taking into account various opinions.	<p>1. The Audit Committee, the Remunerations Committee, the Nominating 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 nominating committee (or the relevant committee with combined functions) and the remuneration committee can attend committee meetings only at the invitation of the chairman relevant committee</p>	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed	<p>1. Partially observed.</p> <p>As of December 31, 2022, the Chairman of the Audit Committee of the Board of Directors is an independent director - M.V. Korotkova</p> <p>This principle is not observed with regard to the Personnel and Remunerations Committee, since the Committee includes one independent director, but he was not elected by the Chairman of the Committee.</p> <p>This practice does not prevent the committees from making informed decisions that meet the strategic goals and objectives of the Company's activities. Positive decisions were made by the Company's Board of Directors on a significant part of the issues preliminary considered by the committees. Full implementation by the Company of this recommendation, to a greater extent, depends on the position of the Company's shareholders and their agreement in principle to replace</p>



				<p>their representatives in the Company's committees with independent directors.</p> <p>The Company takes and will take measures in 2023, including by informing the Company's shareholders, to form the Company's committees of independent directors. If the Company's Board of Directors decides to form the Company's committees exclusively from independent directors, and also elects an independent director as the chairman, this criterion will be observed in full.</p> <p>2. Observed.</p>
2.8.6	Chairmen of the Committee regularly inform the Board of Directors and its Chairman about the work of their committees	1. During the reporting period, the Chairmen of the Committees regularly reported on the work of the committees to the Board of Directors	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	<p>Reports on the work of all committees of the Board of Directors of the Company for the 2021-2022 corporate year were considered at a meeting of the Board of Directors of the Company on July 12, 2022 (Minutes No. 490/2022).</p>
<b>2.9</b>	<b>The Board of Directors ensures that the performance of the Board of Directors, its committees and members of the Board of Directors is assessed</b>			
2.9.1	Conducting an assessment of the quality of the work of the Board of Directors is aimed at determining the degree of efficiency of the work of the Board of Directors, committees and members of the Board of Directors, the compliance of	<p>1. The internal documents of the company define the procedures for assessing (self-assessment) the quality of the work of the Board of Directors.</p> <p>2. Assessment (self-assessment) of the quality of the work of the Board of Directors, carried out in</p>	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed	<p>1. Observed</p> <p>2. Observed.</p> <p>3. Partially observed</p> <p>The results of the report on the evaluation of the work of the Board of Directors and Committees of the Board of Directors of PJSC "ROSSETI South" for the 2021-2022 corporate year,</p>

	their work with the needs of the company's development, activating the work of the board of directors and identifying areas in which their activities can be improved	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. 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		prepared by an independent organization VTB Registrar JSC, were considered at an absentee meeting of the Board of Directors of the Company on June 03, 2022 (Minutes No. 484/2022). When assessing the performance of the Board of Directors of the Company in 2023, the Company plans to consider the results of the assessment at an in-person meeting of the Board of Directors of the Company. The final decision on the form of the meeting is made by the Chairman of the Board of Directors of the Company.
2.9.2	Evaluation of the work of the Board of Directors, committees and members of the Board of Directors is carried out on a regular basis at least once a year. An external organization (consultant) is involved to conduct an independent assessment of the quality of the work of the board of directors at least once every three years	1. For an independent assessment of the quality of work of the Board of Directors during the last three reporting periods, the company involved an external organization (consultant) at least once	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>3.1</b>	<b>The Corporate Secretary of the Company ensures effective current interaction with shareholders, coordination of the Company's actions to protect the rights and interests of shareholders, support for the effective work of the Board of Directors</b>			
3.1.1	The Corporate Secretary has the knowledge, experience and qualifications sufficient to perform the duties assigned to	1. Biographical information about the Corporate Secretary (including information about age, education, qualifications, experience), as well	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

	him, an impeccable reputation and enjoys the trust of shareholders	as information about positions in the management bodies of other legal entities held by the Corporate Secretary for at least than the last five years		
3.1.2	The Corporate Secretary has sufficient independence from the executive bodies of the Company and has the necessary powers and resources to perform the tasks assigned to him	<p>1. The Company adopted and disclosed an internal document - the regulation on the Corporate Secretary.</p> <p>2. The Board of Directors approves a candidate for the position of Corporate Secretary and terminates his powers, considers the issue of paying him additional remuneration.</p> <p>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</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>4.1</b>	<b>The level of remuneration paid by the company is sufficient to attract, motivate and retain persons who have the competence and qualifications necessary for the Company. Payment of remuneration to members of the Board of Directors, Executive Bodies and other key executives of the Company is carried out in accordance with the remuneration policy adopted by the Company</b>			
4.1.1	The level of remuneration provided by the Company to members of the Board of Directors, Executive Bodies and other key executives creates sufficient motivation for their effective work, allowing the	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	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

	Company to attract and retain competent and qualified specialists. At the same time, the Company avoids a higher than necessary level of remuneration, as well as an unreasonably large gap between the levels of remuneration of these persons and employees of the Company.	comparable companies		
4.1.2	The Company's remuneration policy was developed by the Remunerations Committee and approved by the Company's Board of Directors. The Board of Directors, with the support of the Remunerations Committee, ensures control over the introduction and implementation of the remuneration policy in the Company, and, if necessary, reviews and makes adjustments to it	1. During the reporting period, the Remunerations 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).	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
4.1.3	The Company's remuneration policy contains transparent mechanisms for determining the amount of remuneration for members of the Board of Directors, executive bodies and other key executives of the Company, and also regulates all types of payments, benefits and privileges provided to these	1. The remuneration policy (policies) of the Company contains (contains) transparent mechanisms for determining the amount of remuneration for members of the Board of Directors, Executive Bodies and other key executives of the Company, and also regulates (regulates) all types of payments, benefits and	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

	persons	privileges provided to these persons		
4.1.4	The Company determines the policy of reimbursement (compensation), specifying the list of expenses subject to reimbursement, and the level of service that members of the Board of Directors, Executive Bodies and other key executives of the Company can claim. Such a policy may be an integral part of the Company's remuneration policy.	1. The policy (policies) on remuneration or other internal documents of the company establishes the rules for reimbursement of expenses of members of the Board of Directors, Executive Bodies and other key executives of the Company	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>4.2</b>	<b>The remuneration system for members of the Board of Directors ensures that the financial interests of directors are aligned with the long-term financial interests of shareholders</b>			
4.2.1	The Company pays a fixed annual remuneration to members of the Board of Directors. The Company does not pay remuneration for participation in individual meetings of the board or committees of the Board of Directors. The Company does not apply forms of short-term motivation and additional material incentives in relation to 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 forms of short-term motivation, additional material incentives, the payment of which depends on the results (indicators) of the Company's activities, to members of the Board of Directors. No remuneration was paid for participation in individual meetings of the board or committees of the Board of	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

		Directors		
4.2.2	Long-term ownership of the Company's shares to the greatest extent contributes to the convergence of the financial interests of members of the Board of Directors with the long-term interests of shareholders. At the same time, the Company does not condition the rights to sell shares on the achievement of certain performance indicators, and members of the Board of Directors do not participate in option programs	1. If the internal document (documents) - policy (policies) on remuneration of the company - provides for (provide) the provision of shares of the Company to members of the Board of Directors, clear rules for the ownership of shares by members of the Board of Directors should be provided and disclosed, aimed at stimulating long-term ownership of such shares	<input type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	The assessment of compliance with the criterion in this paragraph cannot be given, since the internal document (documents) - the policy (policies) for remuneration of members of the Board of Directors of the Company does not provide (do not provide) for the provision of shares of the Company to members of the Board of Directors.
4.2.3	The company does not provide for any additional payments or compensation in case of early termination of the powers of members of the Board of Directors due to the transfer of control over the company or other circumstances	1. The company does not provide for any additional payments or compensation in case of early termination of the powers of members of the Board of Directors due to the transfer of control over the Company or other circumstances	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>4.3</b>	<b>The remuneration system for members of the Executive Bodies and other key executives of the Company provides for the dependence of remuneration on the result of the Company's work and their personal contribution to achieving this result</b>			
4.3.1	The remuneration of members of the Executive Bodies and other key executives of the Company is determined in such a way as to ensure a reasonable and justified ratio of the fixed part of the remuneration and	1. During the reporting period, annual performance indicators approved by the Board of Directors were used in determining the amount of variable remuneration for members of the executive bodies	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed	1. Observed. 2. Partially observed. Due to the fact that the composition of the Executive Bodies (the Management Board, the Sole Executive Body) and other key executives of the Company are balanced, including in terms of their

	<p>the variable part of the remuneration, depending on the results of the Company's work and the employee's personal (individual) contribution to the final result</p>	<p>and other key executives of the Company.  2. In the course of the last assessment of the remuneration system for members of Executive Bodies and other key executives of the Company, the Board of Directors (Remunerations Committee) made sure that the Company uses an effective ratio of the fixed part of remuneration and the variable part of remuneration.  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 to make excessively risky management decisions</p>	<p>qualifications, experience, knowledge and business qualities, enjoy the trust of the Board of Directors of the Company, the evaluation of the remuneration system for these persons in 2022 was not held by the Board of Directors and the Company does not need to certify the effectiveness of the current remuneration system.  Members of the Management Board of the Company are included in the category of top managers of the Company. The determination of the amount of the variable part of the remuneration of members of the Executive Bodies and other key executives of the Company is carried out in accordance with the Regulations on material incentives and the social package of top managers of OJSC "IDGC of the South" in a new edition, approved by the resolution of the Board of Directors of the Company on June 14, 2011 (Minutes No. 67 /2011).  Motivation of the members of the Management Board is carried out:</p> <ul style="list-style-type: none"> <li>• by establishing, by order of the Director General of the Company, a personal allowance in the amount of up to 15% of the official salary established for the top manager;</li> <li>• paying quarterly and annual remuneration to members of the</li> </ul>
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				<p>Management Board (as top managers) for meeting the relevant key performance indicators.</p> <p>The list of key performance indicators (KPIs) of the Director General of the Company and their weights are defined in the Methodology for calculating and evaluating the fulfillment of key performance indicators of the Director General of PJSC "ROSSETI South".</p> <p>Reports on the results of meeting the KPI target values of the Director General of the Company are considered by the Board of Directors of the Company, top managers of the Company - by the Director General on a quarterly basis, with the establishment of specific weights and target values of indicators for each of the top managers by decision of the Director General of the Company.</p> <p>3. Observed</p>
4.3.2	<p>The Company has implemented a long-term motivation program for members of the executive bodies and other key executives of the Company using the Company's shares (options or other derivative financial instruments, the underlying asset for which are the Company's shares)</p>	<p>1. If the Company has implemented a long-term motivation 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</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> observed</li> <li><input type="checkbox"/> partially observed</li> <li><input type="checkbox"/> not observed</li> </ul>	<p>An assessment of compliance with the criterion cannot be given in this paragraph, since the Company does not have a long-term motivation program for top managers using the Company's shares (financial instruments based on the Company's shares).</p> <p>The Company is considering the possibility of introducing a long-term motivation program for top managers using the Company's shares (financial</p>



		three years from the date of their acquisition. At the same time, the right to sell the shares is conditioned by the achievement of certain indicators of the Company's activities.		instruments based on the Company's shares), based on market conditions, state regulation and the policy of the Rosseti group of companies on this issue.
4.3.3	The amount of compensation ("golden parachute") paid by the Company in case of early termination of powers to members of the Executive Bodies or key executives at the initiative of the Company and in the absence of dishonest actions on their part, does not exceed twice the amount of the fixed part of the annual remuneration	1. The amount of compensation ("golden parachute") paid by the Company in case of early termination of powers to members of the Executive Bodies or key executives at the initiative of the Company and in the absence of dishonest actions on their part, in the reporting period did not exceed the double amount of the fixed part of the annual remuneration	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>5.1</b>	<b>The Company has established an effectively functioning risk management and internal control system aimed at providing reasonable confidence in achieving the goals set for the Company</b>			
5.1.1	The Board of Directors of the Company determined the principles and approaches to the organization of the risk management and internal control system in the Company	1. The functions of various management bodies and divisions of the Company in the risk management and internal control system are clearly defined in the internal documents / relevant policy of the company approved by the Board of Directors	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
5.1.2	The Executive Bodies of the Company ensure the creation and maintenance of the functioning of an effective risk management and internal	1. The Executive Bodies of the Company ensured the distribution of duties, powers, responsibilities in the field of risk management and internal control between the	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

	control system in the Company	heads (heads) of divisions and departments accountable to them		
5.1.3	The risk management and internal control system in the Company provides an objective, fair and clear idea of the current state and prospects of the Company, the integrity and transparency of the Company's reporting, the reasonableness and acceptability of the risks taken by the Company	1. The Company has approved an anti-corruption policy. 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 the facts of violation of the law, internal procedures, code of ethics of the Company	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
5.1.4	The Board of Directors of the Company takes the necessary measures to make sure that the risk management and internal control system in place in the company complies with the principles and approaches to its organization determined by the Board of Directors and functions effectively	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 risk management and internal control system. 2. In the reporting period, the Board of Directors reviewed the results of assessing the reliability and efficiency 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	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>5.2</b>	<b>For a systematic independent assessment of the reliability and effectiveness of the risk management and internal control system, and corporate governance practices, the Company organizes an internal audit</b>			
5.2.1	To conduct internal audit in the	1. To conduct internal audit in the	<input checked="" type="checkbox"/> observed	

	Company, a separate structural unit has been created or an independent external organization has been involved. Functional and administrative accountability of the internal audit unit are separated. Functionally, the internal audit unit reports to the Board of Directors	Company, a separate structural unit of internal audit has been created, functionally accountable to the Board of Directors, or an independent external organization has been involved with the same principle of accountability	<input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
5.2.2	The internal audit division assesses the reliability and effectiveness of the risk management and internal control system, as well as assesses corporate governance, applies generally accepted standards of internal audit activity	<p>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.</p> <p>2. In the reporting period, as part of the internal audit, an assessment was made of the practice (certain practices) of corporate governance, 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 interested parties</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>6.1</b>	<b>The Company and its activities are transparent for shareholders, investors and other interested parties</b>			
6.1.1	The Company has developed and implemented an information policy that ensures effective information interaction between the Company,	1. The Board of Directors of the Company approved the information policy of the company, developed taking into account the recommendations of the Code.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

	shareholders, investors and other interested parties	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 interested parties and the advisability (necessity) of revising the information policy of the Company		
6.1.2	The Company discloses information on the system and practice of Corporate Governance, including detailed information on compliance with the principles and recommendations of the Code	<p>1. The Company discloses information about the Corporate Governance system in the Company and the general principles of Corporate Governance applied in the Company, including on the Company's website on the Internet.</p> <p>2. The Company discloses information on the composition of the Executive Bodies and the Board of Directors, the independence of the Board members and their membership in committees of the Board of Directors (in accordance with the definition of the Code).</p> <p>3. If there is a person controlling the Company, the Company publishes a memorandum of the controlling person regarding the plans of such a person in relation</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

		to Corporate Governance in the Company		
<b>6.2</b>	<b>The Company promptly discloses complete, up-to-date and reliable information about the Company to enable the shareholders of the Company and investors to make informed decisions.</b>			
6.2.1	The Company discloses information in accordance with the principles of regularity, consistency and efficiency, as well as the 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 organized 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 company shares, then during the reporting year information was disclosed not only in Russian, but also in one of the most common foreign languages</p>	<p>■ observed</p> <p>□ partially observed</p> <p>□ not observed</p>	<p>1. Observed.</p> <p>2,3. Compliance with the criterion in these paragraphs cannot be assessed, since the Company's securities are not traded on foreign organized markets, and foreign shareholders do not own a significant number of the Company's shares.</p>
6.2.2	The Company avoids a formal approach when disclosing information and discloses significant information about its activities, even if disclosure of such information is not required	1. The information policy of the company defines approaches to the disclosure of information about other events (actions) that have a significant impact on the value or quotations of its	<p>■ observed</p> <p>□ partially observed</p> <p>□ not observed</p>	

	by law	<p>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 on factors related to the environment (including environmental factors and factors related to changes in</p>		
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		climate), company (social factors) and corporate governance, except for the report of the issuer of equity securities and the annual report of the joint-stock company		
6.2.3	The annual report, being one of the most important tools for information interaction with shareholders and other interested parties, contains information that allows you to evaluate the results of the Company's activities for the year	<p>1. The Company's annual report contains information on the results of the Audit Committee's assessment 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>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>6.3</b>	<b>The Company provides information and documents at the request of shareholders in accordance with the principles of equal accessibility and ease</b>			
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 shareholder to provide information about organizations</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	

		controlled by the Company, the Company makes the necessary efforts to obtain such information from the relevant organizations controlled by the Company		
6.3.2	When the Company provides information to shareholders, a reasonable balance is ensured between the interests of specific shareholders and the interests of the Company itself, which is interested in maintaining the confidentiality of important commercial information that can have a significant impact on its competitiveness	<p>1. During the reporting period, the Company did not refuse to satisfy shareholders' requests for information, or such refusals were justified.</p> <p>2. In cases determined by the information policy of the Company, shareholders are warned about the confidential nature of the information and assume the obligation to maintain its confidentiality</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>7.1</b>	<b>Actions that significantly affect or may affect the share capital structure and financial condition of the Company and, accordingly, the position of shareholders (significant corporate actions) are carried out on fair terms that ensure the observance of the rights and interests of shareholders, as well as other interested parties</b>			
7.1.1	Reorganization of the Company, acquisition of 30 or more percent of voting shares of the Company (takeover), conclusion by the Company of significant transactions, increase or decrease in the authorized capital of the Company, listing and delisting of the Company's shares, as well as other actions that may lead to a significant change in the rights of the	<p>1. The Charter of the Company defines the list (criteria) of transactions or other actions that are significant corporate actions. Decision-making in relation to significant corporate actions is assigned by the Company's charter to the competence of the Board of Directors. In cases where the implementation of these corporate actions is directly attributed by law to the competence of the</p>	<input type="checkbox"/> observed <input checked="" type="checkbox"/> partially observed <input type="checkbox"/> not observed	<p>Partially observed</p> <p>The Charter of the Company do not contain the concept of a "Significant Corporate Action".</p> <p>At the same time, the Charter of the Company assigns a significant number of issues to the competence of the Board of Directors and the General Shareholders' Meeting of the Company, which, taking into account the recommendations of 303 of the Code, relate to significant corporate actions</p>



	<p>shareholders or violation of their interests are considered significant corporate actions. The Charter of the Company defines the list (criteria) of transactions or other actions that are significant corporate actions, and such actions are referred to the competence of the Board of Directors of the Company</p>	<p>general meeting of shareholders, the Board of Directors provides shareholders with appropriate recommendations</p>	<p>(for example, reorganization of the Company, increase / decrease in the authorized capital of the Company, splitting and consolidation of shares, adoption decisions on the Company's participation in other organizations, on the acquisition, alienation and encumbrance of their shares and stakes, changing the share of participation in the authorized capital of these organizations; making decisions on filing an application for the delisting of the Company's shares and (or) equity securities of the Company convertible into shares of the Company; preliminary approval of decisions on the Company's transactions related to the gratuitous transfer of the Company's property or property rights (claims) to itself or to a third party; transactions related to the release from property obligations to oneself or to third parties, in cases (amounts) determined by separate decisions of the Board of Directors of the Company, and making decisions on the conclusion of these transactions by the Company in cases where the above cases (amounts) are not determined; preliminary approval of decisions on commission by the Company: a) transactions, the subject of which are non-current assets of the Company in</p>
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				<p>the amount of more than 10 percent of the book value of these assets of the Company according to the accounting (financial) statements as of the last reporting date;</p> <p>b) transactions (including several related transactions) related to the acquisition, alienation or the possibility of alienation of property constituting fixed assets, intangible assets, construction in progress, the purpose of which is the production, transmission, dispatching, distribution of electrical and thermal energy in cases (sizes), determined by separate decisions of the Board of Directors of the Company, or, if the specified cases (amounts) are not determined by the Board of Directors of the Company;</p> <p>c) transactions (including several related transactions) related to the acquisition, alienation or the possibility of alienation of property constituting fixed assets, intangible assets, construction in progress, the purpose of which is not the production, transmission, dispatching, distribution of electrical and thermal energy in cases (sizes) determined by separate decisions of the Board of Directors of the Company, or, if the specified cases (amounts) are not determined by the Board of Directors of the Company;</p>
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				<p>d) preliminary approval of transactions, the subject of which is the real estate of the Company, including land plots, as well as objects of construction in progress in cases determined by separate decisions of the Board of Directors of the Company (for example, by determining the size and / or list), as well as any of the above transactions with real estate, including land plots, as well as objects of construction in progress, if such cases (sizes, list) are not defined;</p> <p>e) transactions for a period of more than 5 years for the transfer into temporary possession and use or for temporary use of real estate, electric grid facilities or for the acceptance into temporary possession and use or for temporary use of real estate, in cases (amounts) determined by separate decisions of the Board of Directors of the Company or, if the indicated cases (amounts) are not determined by the Board of Directors of the Company;</p> <ul style="list-style-type: none"><li>- preliminary approval of one or more related transactions of the Company related to the transfer or possibility of transfer by the Company to trust management of property in the amount of more than 1,000,000,000 (one billion) rubles;</li><li>- preliminary approval of one or more</li></ul>
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				<p>interrelated transactions of the Company related to the receipt or possibility of receipt by the Company of bank guarantees for which the Company acts as a principal, in the amount of more than 1,000,000,000 (one billion) rubles, etc.)</p> <p>When any issues are submitted for consideration by the General Shareholders' Meeting, including those related to significant corporate actions, the Board of Directors provides shareholders with relevant recommendations.</p> <p>Due to the lack of a unified approach to understanding "significant corporate actions", no changes are planned to be made to the Company's internal documents in the near future.</p>
7.1.2	<p>The Board of Directors plays a key role in making decisions or making recommendations on significant corporate actions, the Board of Directors relies on the position of the independent directors of the Company</p>	<p>1. The Company has a procedure in accordance with which independent directors declare their position on significant corporate actions before their approval</p>	<p><input type="checkbox"/> observed</p> <p><input checked="" type="checkbox"/> partially observed</p> <p><input type="checkbox"/> not observed</p>	<p>The Charter of the Company do not contain the concept of a "Significant Corporate Action".</p> <p>However, the Company's internal documents do not prohibit independent directors from forming their position on material corporate actions prior to their approval.</p> <p>The Company ensures the right of a member of the Board of Directors of the Company to form a position in advance in relation to significant corporate actions prior to their approval. According to the practice established in</p>

				the Company, the position received from a member of the Board of Directors of the Company on any issue on the agenda, including in terms of significant corporate actions, is brought to the attention of the other members of the Board of Directors of the Company. This procedure is planned to be included in 2023 in the Regulations on the Board of Directors of the Company.
7.1.3	When significant corporate actions are taken that affect the rights and legitimate interests of shareholders, equal conditions are provided for all shareholders of the company, and if the mechanisms provided for by law aimed at protecting the rights of shareholders are insufficient, additional measures are provided to protect the rights and legitimate interests of shareholders of the Company. At the same time, the Company is guided not only by compliance with the formal requirements of the law, but also by the principles of Corporate Governance set forth in the Code	1. The Charter of the Company, taking into account the specifics of its activities, the competence of the board of directors includes the approval, in addition to those provided for by law, of other transactions that are essential for the Company. 2. During the reporting period, all significant corporate actions were approved before they were carried out.	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
<b>7.2</b>	<b>The Company ensures such a procedure for performing significant corporate actions that allows shareholders to receive full information about such actions in a timely manner, provides them with the opportunity to influence the performance of such actions and guarantees the observance and adequate level of protection of their rights when performing such actions</b>			
7.2.1	Information on the performance	1. If the Company took significant	<input checked="" type="checkbox"/> observed	

	of significant corporate actions is disclosed with an explanation of the reasons, conditions and consequences of such actions.	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	<input type="checkbox"/> partially observed <input type="checkbox"/> not observed	
7.2.2	The rules and procedures related to the implementation by the Company of significant corporate actions are fixed in the internal documents of the Company	<p>1. The internal documents of the Company define the cases and procedure for engaging an appraiser to determine the value of property alienated or acquired under a major transaction or a transaction of interest.</p> <p>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.</p> <p>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</p>	<input checked="" type="checkbox"/> observed <input type="checkbox"/> partially observed <input type="checkbox"/> notobserved	

		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		
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