

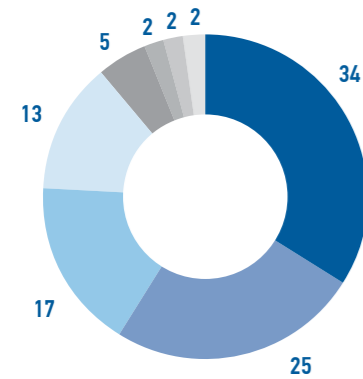
PERFORMANCE OF THE BOARD OF DIRECTORS



44 meetings

In 2022, a total meetings of the Board of Directors were conducted, three of those were in a mixed format (in person and absentia), and the rest – in absentia (by polling).

STRUCTURE OF ISSUES REVIEWED BY THE BOARD OF DIRECTORS OF THE COMPANY IN 2022 (%)



- Reports on the Company's activities
- Plans and internal documents
- Convening and holding of the General Meeting of Shareholders
- HR issues and remuneration
- Management of subsidiaries and affiliates
- Settlement of transactions
- Sponsorship and charity
- Other issues

The structure of the issues reviewed by the Board of Directors corresponds to its role in the management of the Company. The following topics are of highest importance in the structure of the issues reviewed:

- Convening and holding the General Meeting of Shareholders
- Approving plans and by-laws
- Reviewing management reports on various aspects of the Company's activities
- Reviewing HR issues and remuneration

ACTIVITY OF THE BOARD OF DIRECTORS

| Indicator | 2020 | 2021 | 2022 |
|---|------|-------|------|
| Number of the Board meetings held | 42 | 47 | 44 |
| • Including in person (in mixed format) | 2 | 4 | 3 |
| Number of issues discussed | 153 | 184 | 162 |
| • Including decisions taken | 153 | 184 | 162 |
| Number of tasks given to the Company's executive bodies | 21 | 26 | 34 |
| Average attendance of the Board meetings by the Board members (%) | 95.2 | 87.7% | 99.2 |

KEY RESOLUTIONS MADE BY THE BOARD OF DIRECTORS OF ROSSETI KUBAN, PJSC IN THE REPORTING YEAR

| | |
|--|--|
| The following long-term Company plans and programmes were approved | <ul style="list-style-type: none"> • Updated Digital Transformation Programme for 2020–2030 • Updated programme for the renovation of power grid facilities • Plan for the development of the production asset management system and resource plan for its implementation • Forecasted figures of the business plan • Energy saving and energy efficiency improvement programme • Roadmap for the development of additional (non-tariff) services • Action plan for the transition to the predominant use of domestic software • Internal audit quality assurance and improvement programme • Information security programme |
| The following annual and quarterly plans and programmes of the Company were approved | <ul style="list-style-type: none"> • Business Plan • Time-phased-action plan to reduce overdue receivables for electricity transmission services and to resolve disputes • Procurement plan • Non-state pension scheme for the Company's employees • Insurance coverage programme • Target KPIs for the General Director, Head and employees of the Company's internal audit function |
| The following internal documents of the Company were approved | <ul style="list-style-type: none"> • Scheme for the development of the Company's communication network, • Collective bargaining agreement • New revisions of the following documents: <ul style="list-style-type: none"> – Regulations on information policy – Regulations on insurance coverage – Regulations on uniform communication policy • Amendments to: <ul style="list-style-type: none"> – Regulations on uniform technical policy in the power grid sector of Rosseti as an internal document of the Company – Regulations on the Audit Committee of the Board of Directors – Methodology for Calculating and Evaluating KPIs of the General Director |
| The following resolutions were taken | <ul style="list-style-type: none"> • On the Company's adherence to the amendments to the Uniform Procurement Standard of Rosseti, PJSC (Procurement Regulations) • On the approval of the Company's listing prospectus |
| The following documents were reviewed | <ul style="list-style-type: none"> • Reports of the General Director on various aspects of the Company's financial and business activities and the implementation of the Board's resolutions • Draft revised Regulations on the Auditing Committee, distribution of profits for 2021, amount of dividends for 2021 and 9 months of 2022 (proposed for approval by the General Meeting of Shareholders of the Company) |

At meetings held in mixed format during the reporting year, the Board of Directors did as follows:

- Reviewed the progress report on the business plan for 2021, Q1 and H1 2022
- Reviewed the progress report on the investment programme for Q1 and H1 2022
- Approved time-phased-action plan to reduce overdue receivables for electricity transmission services rendered and to resolve disputes
- Reviewed the report on the Company's use of financial support

PARTICIPATION OF THE BOARD MEMBERS OF ROSSETI KUBAN, PJSC IN MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES IN 2022

| Full name | Number of meetings attended by a Board member (from those he/she was able to attend) ¹ | | | | | |
|--|---|-----------------------|-----------------|--------------------|--------------------------------------|---------------------------|
| | Board of Directors | Reliability Committee | Audit Committee | Strategy Committee | Personnel and Remuneration Committee | Grid Connection Committee |
| Daniel Krainskiy, Chairman of the Board of Directors | 44 of 44 | – | – | 22 of 22 | – | – |
| Grigory Gladkovskiy | 44 of 44 | – | – | – | – | – |
| Yuri Goncharov | 44 of 44 | – | 9 of 9 | – | – | – |
| Alexander Kazakov | 44 of 44 | – | 15 of 15 | – | 13 of 13 | – |
| Madina Kaloeva | 44 of 44 | – | 6 of 6 | 7 of 7 | – | – |
| Konstantin Kravchenko | 44 of 44 | – | – | – | – | – |
| Mikhail Medvedev | 44 of 44 | – | – | 22 of 22 | – | – |
| Alexey Molskiy | 44 of 44 | – | – | – | – | 8 of 8 |
| Alexey Polinov | 36 of 44 | – | – | – | – | – |
| Boris Ebzeev | 44 of 44 | – | – | – | – | – |
| Viktor Yavorskiy | 44 of 44 | – | 15 of 15 | – | – | – |

The Work Plan for the 2022/2023 corporate year was approved by the Board of Directors on 29 September 2022. It covers the following focus areas:

- Strategic development of the Company
- Mid-term and short-term planning of the Company's operations
- Workflow management of the Board of Directors

- Follow-up on the resolutions of the Board of Directors and the General Meeting of Shareholders

The plan includes:

- Essential issues to be considered at the Board meetings
- Deadline for consideration of issues accurate to within a month

- Format of meetings (with the right to define the final format of the meeting by the Chairman of the Board of Directors, in accordance with para. 6.12 of the Regulations on the Board of Directors)
- List of people (Company's executive bodies) responsible for the preparation of issues to be considered at the meetings of the Board of Directors

¹ Information on the participation of the Board's members in committees work is given only for the period when those persons were sitting on the Board of Directors.

Performance assessment of the Board of Directors

In the reporting year, the Board of Directors and its committees carried out a self-assessment of their performance for the 2021/2022 corporate year, rating their work and organisation fairly highly (overall average score of 4.7 with a maximum score of 5).

RESULTS OF THE SELF-ASSESSMENT OF THE BOARD PERFORMANCE

| S. No. | Assessment criteria | Performance assessment – average score ¹ | Assessment statement |
|--------|---|---|---|
| 1 | The Board performing key functions in the management of the Company: <ul style="list-style-type: none"> Shaping and overseeing the implementation of the strategy Ensuring the establishment of the internal control and risk management system and overseeing its effectiveness Evaluating the performance of senior management, implementing an effective incentive system | 4.5 | The track record of the Company's Board of Directors is fairly highly rated by the majority of Board members The Board of Directors is actively involved in the work of the executive bodies, assessing their work and shaping their incentive system |
| 2 | Ensuring the safeguarding of assets | 5 | Track record of the Board of Directors in: <ul style="list-style-type: none"> Ensuring competitive procurement and monitoring the implementation of the procurement policy Controlling over material controlled entities is highly rated by members of the Board of Directors <p>The Board of Directors' expanded authority to analyse and approve material transactions gives it more control over the safeguarding of the Company's assets.</p> |
| 3 | Composition and structure of the Board of Directors | 4.8 | The main competencies required for effective operation are evenly distributed among the members of the Company's Board of Directors. Members of the Board of Directors have expertise in accounting and corporate finance, strategic management, corporate governance, risk management, as well as in areas specific to the Company's business. Independent directors are able to create their own opinions based on their professional qualifications, experience, and independence. They are also able to make fair and unbiased decisions without consulting the Company's executive bodies, certain shareholder groups, or other stakeholders. |
| 4 | Organisation of the work of the Board of Directors, including: <ul style="list-style-type: none"> Management of the Board activity Infrastructural support Interaction of the Board of Directors with the Company's management Interaction of the Board of Directors with Board Committees | 4.9 | Track record of organising the work of the Board of Directors of Rosseti Kuban in: <ul style="list-style-type: none"> Organisational, legal, informational and infrastructural support Interaction of the Board of Directors with the Board Committees and the management of the Company as a whole is effective |

Minutes of the meetings of the Board of Directors of Rosseti Kuban are published on the Company's website in the About the Company / Management / Board of Directors section.

¹ The maximum score is 5.

THE BOARD'S PROGRESS REPORT ON THE COMPANY'S KEY FOCUS AREAS

To pursue the Development Strategy of the Power Grid Complex of the Russian Federation as well as other strategies and programmes, the Company herein states its priorities.

