

# CORPORATE GOVERNANCE REPORT



# THE MEMO OF THE CONTROLLING STOCKHOLDER (PAO ROSSETI) WITH REGARD TO THE CONTROLLED GRID COMPANY



## Goals of stockholding and plans with regard to the controlling stakes

Public Joint-Stock Company Federal Grid Company — Rosseti (PAO Rosseti) is a public joint-stock company, with 77.02% of the charter capital owned by the government\*. PAO Rosseti has controlling stakes in 17 regional grid companies: PAO Rosseti Lenenergo, PAO Rosseti Moscow Region, PAO Rosseti Volga, PAO Rosseti North West, PAO Rosseti North Caucasus, PAO Rosseti Siberia, PAO Rosseti Ural, PAO Rosseti Center, PAO Rosseti Center and Volga, PAO Rosseti South, PAO Rosseti Tomsk, AO Rosseti Tyumen, AO Rosseti Yantar, AO Rosseti Sibir Tyvaenergo, AO Chechenenergo, AO RES, AO Elektromagistral.

PAO Rosseti considers its controlling stakes strategic and does not plan to divest from the assets.

## Primary objectives regarding management of the assets

The key objective of PAO Rosseti with regard to the management of the subsidiaries is to coordinate their activities in the implementation of technical, financial and economic policies, and investment planning, as well as to oversee the execution of the development strategy.

PAO Rosseti has outlined the following strategic priorities:

- Creation of the unified grid complex of the Russian Federation by consolidating grid assets to be managed by the Rosseti's Group
- Enhancement of the efficiency of the grid complex
- Facilitation of the implementation of the Russian Federation's national projects
- Provision of a reliable and easy-of-access electricity supply
- Provision of the technological sovereignty

## Corporate Governance Principles

PAO Rosseti administers the group in compliance with the single corporate standards focused on the efficiency of business processes, quality control, minimization of all types of corporate risks. PAO Rosseti, as a controlling shareholder, fully understands the importance of improving corporate governance in the Group, strives to foster transparency and to implement recommendations of the Corporate Governance Code into business practices. Following the best corporate governance practices, PAO Rosseti ensures that the boards of directors of the Group's listed companies have as much independent directors as required to comply with the listing rules and corporate governance principles.

To ensure independence and neutrality of the boards of directors of the Group's companies, the number of independent directors in the boards of directors is slated not to be lower than the present number. Rosseti's representatives also take part in annual general meetings of stockholders of the Group's companies to build a dialog with minority stockholders regarding business prospects. PAO Rosseti guarantees compliance of the Group's operations with market-based principles. PAO Rosseti, as a controlling stockholder, supports initiatives of the Group's companies on protection of rights and interests of minority stockholders.

The dividend policy of the Rosseti Group is based on strict respect for rights of shareholders, stipulated by the Russian laws, and is focused on the enhancement of investment attractiveness of the Group's listed companies. The size of dividends recommended for payout is set by the Board of Directors of the Group's companies with respect to financial results, incl. IFRS.

\* Taking into account outstanding shares of additional issue (1-01-65018-D-109D dated 21.08.2023), date of the state registration of the Additional Issue Report: 25.02.2026