

Pursuant to the Regulations on the Board of Directors' Audit Committee⁵² arrangement, efficiency evaluation and enforcement of independency and neutrality of internal audit fall within the remit of the Board of Directors' Audit Committee. The Audit Committee's feedback is delivered to the head of the internal audit unit through the head's interaction with the Committee, incl. analysis of resolutions/recommendations of the Committee on matters falling under the competence of the internal audit unit and questionnaire survey of the Committee members. Satisfaction of the Audit Committee with the performance of the internal audit unit (average weighted total points from the questionnaires / quantity of votes of the Committee members) in 2023 corresponds with "full compliance" estimation value in line with the Guarantee and Enhanced Quality of Internal Audit Program.

Pursuant to the Guarantee and Enhanced Quality of Internal Audit Program, the quality of the Company's internal audit is evaluated by independent external expert at least once in 5 years. External independent evaluation of the IA's performance was carried out by AO KPMG in 2019. After the evaluation, AO KPMG presented a report, certifying general compliance of the Company's internal audit performance with the International Professional Internal Audit Standards, Ethics Code, Internal Audit Policy, and issued recommendations regarding improvements of internal audit practices. Using feedback from the Audit Committee's questionnaires regarding areas of improvement and recommendations from the external independent expert, the Company has prepared and enforces the action plan on the development and improvement of the Company's internal audit performance⁷². Pursuant to the action plan on the development and improvement of the Company's internal audit performance we prepared the action plan on professional development of internal auditors for 2021-2024⁷³.

BOARD OF INTERNAL AUDITORS

Financial and economic performance of the Company is overseen by the Board of Internal Auditors, as stated by the Charter⁷⁴. The competence of the Board, as envisaged by the Charter⁷⁵ includes:

- Validation of data presented in the Company's annual report, annual financial statements, profit and loss account
- Analysis of Company's financial position, detection of reserves to improve Company's financial position and preparation of recommendations to Company's management bodies
- Arrangement and conduct of the audit, namely
 - Audit of financial, accounting, payment and other documents with regard to Company's financial and economic operations to evaluate compliance with laws of Russia, Company's charter, bylaws and other documents
 - Oversight whether property, plant and equipment are protected and used in a proper manner
 - Oversight whether bad debt writing-offs comply with the established procedure
 - Oversight whether Company's monetary resources are spent in a manner compliant with the approved business plan and budget of the Company
 - Oversight how Company's reserve fund and other funds are generated and used
 - Oversight whether dividends, bond interest, yield on other securities are calculated and paid in a proper manner
 - Oversight whether orders, issued earlier to eliminate exposed violations and problems, are executed
 - Other audit-related activities

Pursuant the Regulations on the Board of Internal Auditors⁷⁶ the Board's functionality is:

- Oversight of financial and economic performance of the Company
- Independent evaluation of authenticity of data presented in the Company's annual report and annual financial statements
- Approval of authenticity of data presented in the Company's report on related-party transactions

As stated by the Charter, the Board of Internal Auditors consists of 5 members. There were 2 compositions of the Board of Internal Auditors during 2023.

The present composition of the Board was elected by the Annual General Meeting⁵¹:**Anton
Sergeyevich
ULYANOV**

Born in 1979

Educational background:

GOUVPO Moscow State Law Academy (2004)
 Institute of Internal Auditors Association
 (professional retraining, 2021)
 OOO Educational Center IVA (professional
 retraining, 2021)
 OOO KUMTs APR (professional
 retraining, 2021)

Working experience:

2022 – present day: PAO Rosseti's Internal Audit Director –
 Head of Internal Audit Department
 2021–2022: PAO FSK UES' Internal Control and Risk
 Management Director – Head of Internal Control
 and Risk Management Department
 2021–2022: PAO Rosseti's Internal Control and Risk
 Management Director – Head of Internal Control
 and Risk Management Department (as a second job)
 2021–2021: PAO Rosseti's Chief Advisor in the Office
 of the General Director
 2017–2021: Deputy Head of Directorate – Head of Section,
 Office of the Prosecutor General of the Russian Federation

**Viktor
Vladimirovich
TSARKOV**

Born in 1977

Educational background:

Moscow Institute of Economics, Management
 and Law (2005)
 Russian Academy of State Service at the
 President of the Russian Federation (2007)
 Self-regulated Auditor Organization Russian
 Auditors Union (Association)
 Educational and Methodological Center of
 Russian Auditor Union Intrekon-Intellekt (2017)
 Institute of Internal Auditors Association (2023)

Working experience:

2017 – present day: PAO Rosseti's First Deputy Head
 of Internal Audit (prior to 12.10.2022: PAO FSK UES)
 2020–2022: PAO Rosseti's First Deputy Head of Internal Audit
 (as a second job)

**Svetlana
Mikhailovna
TRISHINA**

Born in 1979

Educational background:

Amur State University (2001)
 International Academy of Expertise
 and Appraisal (professional retraining, 2018)
 International Academy of Expertise
 and Appraisal (skills upgrade, 2021)
 OOO Enterprise Reform Center (2021).

Working experience:

2017 – present day: PAO Rosseti's Head of Financial
 Audit Section; Head of Financial Audit, Methodology
 and Reporting Section; Head of Corporate Audit and Control
 in SACs Section; Deputy Head of Internal Audit Department –
 Head of Corporate Audit and Control in SACs Section
 (prior to 12.10.2022: PAO FSK UES)
 2020–2022: PAO Rosseti's Deputy Head of Internal
 Audit Department – Head of Corporate Audit and Control
 in SACs Section (as a second job).

**Gayane
Rovertovna
ANDRIASOVA**

Born in 1977

Educational background:

Rostov State Academy
 of Economics (1997)
 Institute of Internal Auditors
 Association (2022)

Working experience:

2017 – present day: PAO Rosseti's Leading expert
 of Corporate Audit and Control in SACs Section;
 Chief expert of Corporate Audit and Control in SACs Section;
 Head of Corporate Audit and Control in SACs Section,
 Deputy Head of Corporate Audit and Control in SACs
 Directorate of Internal Audit Department
 (prior to 12.10.2022: PAO FSK UES)
 2020–2022: PAO Rosseti's Deputy Head of Corporate Audit
 and Control in SACs Directorate of Internal Audit Department
 (as a second job)

**Olga
Viktorovna
OSTROUKHOVA**

Born in 1975

Educational background:

Moscow State Mining University (1996)
 Moscow State Mining University (1998)
 Moscow State University of Economics,
 Statistics and Computer Science (2001)
 Institute of Internal Auditors
 Association (2022)

Working experience:

2023 – present day: PAO Rosseti's Chief expert of Corporate
 Audit and Control in SACs Section of Internal Audit Department
 2020–2022: PAO FSK UES' Chief expert of Corporate Audit
 and Control in SACs Section of Internal Audit Department
 (since 12.10.2022: PAO Rosseti) (as a second job)
 2019–2023: PAO Rosseti's Chief expert of Internal Audit
 Department, Chief expert of Corporate Audit and Control
 in SACs Directorate of Internal Audit Department

The Board of Internal Auditors, serving between 18.06.2022 and 09.06.2023, was elected by the General Meeting of Stockholders⁸³:

**Svetlana
Nikolayevna
KOVALEVA**
Born in 1980

Educational background:

Academy of Civil Aviation (2002)
FGBOU VO NIU MEI (2019)

Working experience:

2017–2022: PAO Rosseti’s Internal Audit Director,
Head of Internal Audit Department (prior to 12.10.2022:
PAO FSK UES)
2020–2022: PAO Rosseti’s Internal Audit Director –
Head of Internal Audit Department (as a second job)

**Svetlana
Mikhailovna
TRISHINA**
Born in 1979

Educational background:

Amur State University (2001)
International Academy of Expertise
and Appraisal (professional retraining, 2018)
International Academy of Expertise
and Appraisal (skills upgrade, 2021)
OOO Enterprise Reform Center (2021).

Working experience:

2017 – present day: PAO Rosseti’s Head of Financial
Audit Section; Head of Financial Audit, Methodology
and Reporting Section; Head of Corporate Audit and Control
in SACs Section; Deputy Head of Internal Audit Department –
Head of Corporate Audit and Control in SACs Section
(prior to 12.10.2022: PAO FSK UES)
2020–2022: PAO Rosseti’s Deputy Head of Internal
Audit Department – Head of Corporate Audit and Control
in SACs Section (as a second job).

**Viktor
Vladimirovich
TSARKOV**
Born in 1977

Educational background:

Moscow Institute of Economics, Management
and Law (2005)
Russian Academy of State Service at the
President of the Russian Federation (2007)
Self-regulated Auditor Organization Russian
Auditors Union (Association)
Educational and Methodological Center of
Russian Auditor Union Intrekon-Intellekt (2017)
Institute of Internal Auditors Association (2023)

Working experience:

2017 – present day: PAO Rosseti’s First Deputy Head
of Internal Audit (prior to 12.10.2022: PAO FSK UES)
2020–2022: PAO Rosseti’s First Deputy Head of Internal Audit
(as a second job)

**Maksim
Gennadyevich
KORMILTSEV**
Born in 1988

Educational background:

Moscow State Industrial University (2010)
The Institute of Professional Financial
Managers (2019)
Association Institute of Internal
Auditors (2022)

Working experience:

2016 – present day: PAO Rosseti’s Chief expert of Corporate
Audit and Control in SACs Directorate (prior to 12.10.2022:
PAO FSK UES).
2020–2022: PAO Rosseti’s Chief expert of Corporate Audit
and Control in SACs Directorate (as a second job).

**Yekaterina
Aleksandrovna
BARMINA**
Born in 1984

Educational background:

Astrakhan State Technical University (2004),
Candidate of technical sciences

Working experience:

2018–2021: PAO Rosseti’s Chief expert of IC&RMS Directorate
of Internal Control and Risk Management Department
2020–2021: PAO FSK UES’ Chief expert of IC&RMS Directorate
of Internal Control and Risk Management Department
(as a second job)
2022 – present day: PAO Rosseti’s Chief expert of IC&RMS
Directorate of Internal Control and Risk Management Department

Members of the Board of Internal Auditors do not have shares of PAO Rosseti Ural or its affiliates. There were no transactions between the Company and Board's members in 2023. The Company has not brought civil actions against Board's members.

Based on the analysis of questionnaires completed by the Board's members, the Company deems that:

- Members of the Board of Internal Auditors do not have close family ties (spouses, parents, children, adoptive parents, adoptees, siblings, grandparents, grandchildren) with members of the Board of Directors, members of the collegiate executive body or entity serving (functioning) as the sole executive body of PAO Rosseti Ural;
- Members of the Board of Internal Auditors were not held administratively liable for infringements in finance, taxes and levies, insurance and securities market or criminally liable (or had previous criminal records) for economic crimes or crimes against state;
- Members of the Board of Internal Auditors have not occupied positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation⁷⁷.

2023 progress report of the Board of Internal Auditors.

In 2023, the Board of Internal Auditors has conducted the audit of the Company's 2022 performance. The audit included: evaluation of authenticity of the accounting (financial) statements prepared as of 31.12.2022, analysis of the Company's financial condition and status as of 31.12.2022, evaluation of authenticity of the FY2022 annual report, inspection whether related-party transaction procedures comply with the Russian laws, scrutiny of the Company's activities related to the arrangement of technological and price audits of investment program progress reports and measures to eliminate violations and weaknesses exposed in experts' reports that came out of the technological and price audits of investment program progress reports, analysis of the roll-out of IC&RM system, inspection of finance management (liquidity and treasury operations), inspection of execution of remedial action plans adopted after previous inspections of the Company, other items on circumstances exposed during the audit.

The BoIA's report, approved by the Company's Board of Internal Auditors⁷⁸, expressed opinion on the authenticity of information contained in the FY2022 annual report, FY2022 accounting (financial) statements in all material respects. No evidence of misrepresentation of information contained in the 2022 report on related-party transactions has been found. The report was included into the list of materials to be disseminated among Company's shareholders during preparation of the Annual General Meeting in 2023.

Remuneration of the Board of Internal Auditors

The amount of remuneration due to the Board of Internal Auditors and payout procedure is stipulated by the Regulations on remunerations and compensations due to the Board of Internal Auditors⁷⁹. Remuneration is charged for a member's corporate year service, depending upon the degree of member's involvement in the Board's activities. Member's remuneration is based on the fixed component, set upon the annual RAS revenues. In 2023, the Board of Internal Auditors received RUB 792 thousand (incl. taxes) as remunerations and compensations.

EXTERNAL AUDITOR

In 2023, the Company's auditor was 000 TsATR – Auditor Services. PAO Rosseti has conducted an open tender for the right to conclude a contract on a mandatory annual audit of the FY2023 statements⁸⁰. 000 TsATR – Auditor Services was acknowledged as the winner. The auditor candidate for 2023 was approved by the general meeting of stockholders⁵¹. In 2023, the Company has paid a RUB 4,095 thousand remuneration to 000 TsATR – Auditor Services for the audit of the FY2023 statements. 000 TsATR – Auditor Services rendered no non-auditor services to the Company during 2023.

MANAGEMENT OF SUBSIDIARIES AND AFFILIATES

As of 31.12.2023, PAO Rosseti Ural has invested in 5 firms operating in various industries, incl. grid management:

Stakes of 50%+:

- AO Yekaterinburg Electric Grid Company (Interest: 91.04%), core lines of activities: electricity transmission and connection
- AO Yekaterinburgenergosbyt (Interest: 91.04%), core lines of activities: electricity sales

Stake of <2%:

- PAO Lenenergo (Interest: 1.2054%), core lines of activities: electricity transmission and connection
- PAO OGK-2 (Interest: 0.000168%), core lines of activities: Production of thermal power and electricity
- AO Energosbyt Plus (Interest: 0.0077%), core lines of activities: Purchase and sale of electricity on wholesale and retail markets

The Company also participates in 2 non-commercial organizations:

- NChOU DPO Training Center of IDGC of Urals (Interest: 100%), core lines of activities: educational services
- NDOU Ryzhiki (Interest: 100%), core lines of activities: educational services