

Memorandum of PJSC Rosseti, the Controlling Shareholder, on the Power Grid Companies Under Control

PJSC Rosseti is a public holding company with a state share of 88.04% in the authorised capital. The Company was established under Presidential Decree No. 1567 dated November 22, 2012 to improve the efficiency and development of the power grid complex of the Russian Federation and to coordinate works on the management of this complex through subsidiaries and affiliates.

PJSC Rosseti holds majority shares in 15 distribution grid companies (Rosseti Kuban, Rosseti Lenenergo, Rosseti Moscow Region, Rosseti Volga, IDGC of North-West, Rosseti North Caucasus, Rosseti Siberia, IDGC of Urals, IDGC of Centre, IDGC of Center and Volga Region, Rosseti South, TDC, Rosseti Tumen, Yantarenergo, Tyvaenergo) and one transmission grid company (PJSC FGC UES). Disposing of these assets is not considered.

PJSC Rosseti has defined the strategic development priorities for the companies of the Group:

- reliable, stable and affordable electricity supply to consumers;
- further improvement in the efficiency of the core business of power transmission;
- promotion of legislative initiatives for development;
- maintenance of the balance of interest for all parties: state, consumers, shareholders, investors;
- development of new business areas (non-tariff services and consumer services) through the digital transformation to ensure the Company's resilience to changes in the sector;
- promotion of energy and environmental safety.

Rosseti manages the companies of the Group according to the unified corporate standards aimed at ensuring the efficiency of business processes, monitoring their quality, minimising all types of corporate risks, and maintaining the disclosure and transparency of their activities.