

Approved:
at the annual General Meeting of Shareholders of
Rosseti Northern Caucasus, PJSC May 28, 2025
(Minutes No. 28 dd. May 28 2025)

Pre-approved:
by decision of the Board of Directors
of Rosseti Northern Caucasus, PJSC dd. April 28, 2025
(Minutes No. 580 dd. May 05, 2025)

**The data presented in the Annual Report has been
proved to be reliable:**
by the decision of the Auditing Commission
of Rosseti Northern Caucasus, PJSC dd. April 15, 2025
(Minutes No. 3 dd. April 15, 2025)

ANNUAL REPORT
OF PUBLIC JOINT-STOCK COMPANY
ROSSETI NORTHERN CAUCASUS
for 2024

General Director
Rosseti Northern Caucasus, PJSC

R. A. Levchenko

On Annual Report

Brief Information about the Report

Please find below the Annual Report of Rosseti Northern Caucasus, PJSC (until March 24, 2020 – IDGC of the Northern Caucasus, PJSC; hereinafter referred to as “IDGC of the Northern Caucasus”, the “Company”, “IDGC of the Northern Caucasus, OJSC”, “Rosseti Northern Caucasus, PJSC”, “Rosseti Northern Caucasus”) for 2024. This Annual Report is intended first of all for our actual and potential investors and is focused on them. The Annual Report is prepared in accordance with the requirements of the **Russian law** on the securities market. However, we believe that other groups of stakeholders exert significant influence on the sustainable development of the Company, namely: state authorities (federal and regional), regional population, consumers and clients, Company personnel, suppliers, and mass media. In view of the above, we considered it necessary not to be limited to the requirements of the Russian law, having also included additional information in the Annual Report, taking into account the recommendations of the Corporate Governance Code, approved by the decision of the Board of Directors of the Bank of Russia on March 21, 2014 and recommended for use by the letter of the Bank of Russia No. 06-52/2463 dated April 10, 2014 (hereinafter referred to as the Corporate Governance Code of the Bank of Russia), and best practices.

Scope of the Report

We believe that the **material aspects of the Annual Report** are those that describe the creation of value for each group of stakeholders, as well as factors that may substantially influence the result of such process, namely: business model and position in the industry, strategy, macroeconomic factors of development, analysis of the corporate governance quality, management statement with respect to the financial and economic standing of the Company, business risk assessment.

When preparing the Annual Report, **we made every effort to take into account all information inquiries of concerned parties that we were aware of. No public hearing of the Annual Report took place**, since, in our opinion that would have resulted in unreasonable increase in the Company’s controlled costs. In the short-run we plan to keep the existing practice. We are open for the communication with stakeholders on the contents of the statements and are willing to improve the same so that the Annual Report becomes an effective tool for attracting investments and strengthening the business reputation of the Company.

This Annual Report has substantial differences from certain reports issued previously. Thus, reports for 2013 and 2014 were prepared to a large extent with due regard for business parameters of the subsidiary of Rosseti Northern Caucasus, PJSC, being Dagenergoset, OJSC, and in certain cases (for the period up to May 1, 2013) – the organization that operated electricity grid property in the Republic of Ingushetia. This Annual Report, as in the 2016–2022 reports, contains individual parameters of the performance of Rosseti Northern Caucasus, PJSC (Company’s branches). The specified **scope** of this Annual Report may substantially impact the compatibility with previous reports and/or other similar organizations.

New Items in the Report

The Annual Report for 2024 has not undergone significant changes compared to the Annual Report for 2023. The report still pays great attention to disclosing topics on sustainable development management, taking into account ESG factors in the Company's activities and decision-making processes.

In particular, the Report contains information about:

- policies and procedures for sustainable development management;
- assignment of responsibility for sustainable development issues among management bodies, members of the executive bodies of the Company, as well as within the organizational structure and their accountability on such issues;
- consideration of issues of sustainable development and ESG factors by Committees of the Board of Directors of the Company;
- taking into account issues of sustainable development, ESG factors in the formation and adjustment of the remuneration system for members of the Company's management bodies;
- taking into account issues of sustainable development, ESG factors in the Company's information policy;
- consideration of issues related to the ESG agenda of the Company, the Board of Directors of the Company.

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Introduction by the Chairman of the Board of Directors

Dear shareholders, partners, colleagues,

Please see below the annual report of Rosseti Northern Caucasus, PJSC for 2024. This report incorporates the work done, achievements and challenges we faced in the past year.

In the reporting year, the management bodies and management of Rosseti Northern Caucasus, PJSC continued to implement strategic initiatives aimed at modernizing and developing electrical grid in the Northern Caucasus Federal District. Reliability of power supply, reduction of losses and cost optimization were the main priorities. To achieve these goals, the Board of Directors and executive management bodies of the Company resolved issues related to the financial stabilization of Rosseti Northern Caucasus Group, the implementation of the energy efficiency policy, the improvement of payment discipline of consumers, and the preservation of advanced corporate governance practices and their development.

The achievement of the strategic development goals of Rosseti Northern Caucasus Group is facilitated by the implementation of the Company Development Plan, which provides for the provision of financial support from Rosseti, PJSC. This document includes activities aimed at maintaining and improving the power grid infrastructure of the Northern Caucasus Federal District, creating the necessary conditions for the social and economic growth of regions of presence.

Rosseti Northern Caucasus, PJSC is a socially responsible company. Issues of occupational safety, ecology, implementation of social programs, and sustainable development are among the most important areas of the Company's activities. Particular attention is paid to maintaining and developing the talent capacity, creating a cohesive, socially protected, creative and economically motivated team, improving working and leisure conditions, and ensuring employee occupational safety. To achieve and maintain the status of a modern highly efficient company the strategic development of the Company is based on implementation of the social policy measures.

In the reporting year, the Board of Directors of the Company paid special attention to the integration of sustainable development issues related to the environment, society, and corporate governance factors (ESG factors) into the strategy and corporate governance system of the Company. In 2024, the Board of Directors of Rosseti Northern Caucasus, PJSC approved the Environmental Policy of Rosseti Northern Caucasus, PJSC (Minutes No. 551 dated April 3, 2024) and the Antimonopoly Compliance Policy of Rosseti Northern Caucasus, PJSC (Minutes No. 559 dated June 10, 2024).

The result of these efforts was confirmation by Expert RA (RAEX) rating agency of the management quality rating of Rosseti Northern Caucasus, PJSC at the level of "A++.gq" (the highest level). This assessment means that the management quality system to the highest possible extent promotes the respect for and protection of the stakeholders' rights.

I am sure that in 2025, the decisions of the Board of Directors of the Company, the achievements of the team and management of Rosseti Northern Caucasus, PJSC will contribute to the effective development of the distribution integrated power grid of the Northern Caucasus and will ensure reliable and high quality power supply to consumers in the regions of presence.

Sincerely yours,

Chairman of the Board of Directors

of Rosseti Northern Caucasus, Public Joint-Stock Company

Aleksey Valeryevich Molsky

Introduction by the General Director

Dear shareholders, partners, colleagues,

In 2024, Rosseti Northern Caucasus, PJSC continued its systematic work to improve the reliability of power supply and develop the power grid infrastructure of the regions of the Northern Caucasus Federal District.

One of the key events of the reporting year was the creation, from January 1, 2025, in each region of a single center of responsibility for the reliability of electricity supply – a backbone territorial grid company. Rosseti Northern Caucasus, PJSC has been designated as a BTGC in all regions of the district (in the Chechen Republic, it is Chechenenergo, JSC managed by Rosseti Northern Caucasus, PJSC). The above will make it possible to implement a common technical and operational policy and will accelerate the introduction of modern Russian technologies into the macro-region's grid facilities.

As part of the Program for Maintenance and Repair of Energy Facilities, the energy complex of NCFD was prepared for operation under low temperatures and maximum loads. We have repaired more than 3 thousand km of power transmission lines, 665 35–110 kV substations, about 2.7 thousand transformer substations and 1 thousand transformers, and cleared 479 hectares of power transmission line openings. 3.9 billion rubles has been allocated for these purposes, which is 12% more than in 2023.

Financing of the investment program in 2024 amounted was more than 7.5 billion rubles including VAT. The company has commissioned approximately 377 km of power transmission lines and more than 349 MVA of capacity.

As part of the implementation of the Strategy for the Development of the Electric Grid Complex of the Russian Federation, we took over the management of 81.7 km of abandoned power transmission lines and 179 0.4–10 kV transformer substations with a total capacity of 34.8 MVA. We ensured uniform principles of operational and technological management, technical and operational policies for this infrastructure.

In 2024, Rosseti Northern Caucasus, PJSC consistently addressed the priority task of increasing the availability of electric grid infrastructure. During the reporting period, we connected more than 15.1 thousand consumers to the power grid with a total capacity of over 410 MW. Including socially significant facilities: 14 kindergartens and schools, 10 medical organizations, 2 heating and water supply systems, 8 cultural institutions.

The scope of production programs to ensure energy security are directly dependent on payments for supplied electricity. In 2024, consumers of Kabardino-Balkaria, Karachay-Cherkessia, Ingushetia, Dagestan and North Ossetia paid for 84.4% of the total volume of electricity supplied to them by Rosseti Northern Caucasus Group. This is 1.4% more than in 2023.

Rosseti Northern Caucasus, PJSC pays special attention to improving the qualifications and training of personnel: the principles of “safety consciousness” are being introduced, and the occupational safety system is being improved. Traditionally, priority tasks include preventing electrical injuries to third parties and supporting social programs.

In 2025, ensuring reliable power supply, upgrade and construction of power grid infrastructure remain the key tasks for the Company. Rosseti Northern Caucasus, PJSC will continue to work for the development of regions for the benefit of the district residents with the support of shareholders

and the Board of Directors. I am sure that we will be able to improve internal efficiency, demonstrating sustainable growth and high performance.

Sincerely yours,
General Director
Rosseti Northern Caucasus, PJSC

Roman Alekseevich Levchenko

1.1. Company Profile

1.1.1. Company Presentation and Structure

Rosseti Northern Caucasus, PJSC is an Interregional Distribution Grid Company functioning in the Russian electricity power industry sector. The Company is a natural monopoly, and tariffs for its services are set by regulatory bodies.

The core activity is power transmission and technical connection to distribution power grids. The company also buys and sells electricity and power in the wholesale market for electricity and power, and sells electricity and power in the retail market of the Republic of Ingushetia, North Ossetia – Alania Republic, Republic of Dagestan, Karachay-Cherkess Republic and Kabardino-Balkarian Republic.

Legal entity year of incorporation:

2006

Industry:

electricity power industry

Region:

Northern Caucasus Federal District, Russian Federation

Part of the Rosseti Group of Companies

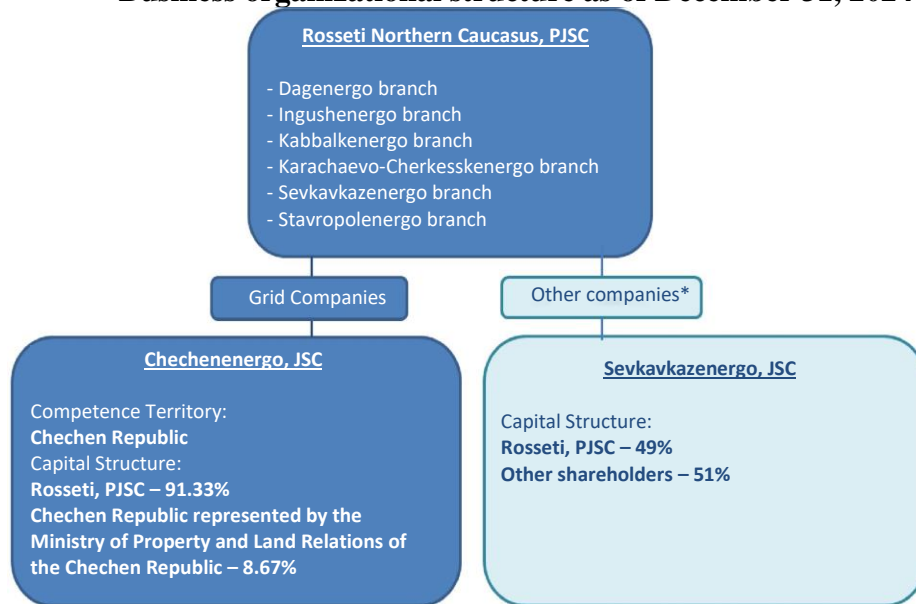
Covers about 1% of the territory and about 7% of the population of Russia

Manages one grid company

Shares are traded at the stock market of the Moscow Stock Exchange

Ownership structure: Federal Grid Company Rosseti, Public Joint-Stock Company) (98.58%), other shareholders (1.42%)¹

Business organizational structure as of December 31, 2024



¹ Taking into account the actually placed additional shares as of August 10, 2023 No. 1-01-34747-E-009D. As of December 31, 2024, placement of specified additional shares was not completed.

Comment. All the companies are governed by Rosseti Northern Caucasus, PJSC.

* In 2020 the Supervisory Board of the Association “NP Market Council” made a decision of deprivation of Sevkavkazenergo, JSC of the status of a participant in the wholesale market for electricity and power. In accordance with the requirements of the applicable law, Rosseti Northern Caucasus, PJSC took over the functions of a last resort provider in the Republic of North Ossetia – Alania from April 1, 2020 (Order of the Russian Ministry of Energy No. 236 dated March 24, 2020).

** The share capital structure of Chechenenergo, JSC is indicated taking into account the actually placed additional shares of the current issue of Chechenenergo, JSC.

Key changes to the structure and business scale of Rosseti Northern Caucasus, PJSC:

- from the date of incorporation (August 2006) to March 2008 the Company (when established – SGC, OJSC) was only dealing with management of regional power companies;
- from September 2006 six North Caucasus power supply companies were transferred under control of SGC, OJSC (agreements were terminated at the end of 2011);
- at the end of March 2008, as a result of the merger of grid companies (which became branches of the Company) with the Company, the Company began power transmission activities;
- in September 2008 the Company transferred the electricity grid property of the Ingush branch to the republican grid company Ingushenergoholding, OJSC;
- in April 2010, the Company leased the electricity grid property of the Dagestanoenergoholding branch to its 100% subsidiary Dagestanoenergoholding, OJSC;
- in May 2013 in connection with the expiration of the electricity grid property lease agreement between the Company and Ingushenergoholding, OJSC, the Ingush branch (currently – Ingushenergo branch) commenced its power transmission activities;
- from July 2015 to June 2020, it functioned as a distribution grid company, Dagestan Grid Company, JSC (100% subsidiary of Rosseti Northern Caucasus, PJSC), the electricity grid property of the Dagestanoenergoholding branch was leased by Dagestan Grid Company, JSC;
- in August 2015 six North Caucasian power supply companies were transferred under control of Rosseti Northern Caucasus, PJSC;
- from July 4, 2016 in accordance with the judgment of the Arbitration Court of the Chechen Republic on opening of bankruptcy proceedings, the Company did not perform functions of the sole executive body of Nurenergo, OJSC. By the Resolution of the Arbitration Court of the North Caucasian Federal District dated January 26, 2017, the specified judgment of the Arbitration Court of the Chechen Republic was canceled. From January 26, 2017, the Company continues to perform functions of the sole executive body of Nurenergo, OJSC. On October 27, 2017, in accordance with the judgment of the Arbitration Court of the Chechen Republic, the monitoring procedure against Nurenergo was terminated, and the bankruptcy proceedings were opened against Nurenergo;
- from July 6, 2017, in accordance with the judgment of the Arbitration Court of the Republic of Dagestan on holding bankruptcy proceedings against Dagestanoenergoholding, Rosseti Northern Caucasus, PJSC does not perform the functions of the sole executive body of the aforementioned company;
- from May 23, 2018, in accordance with the judgment of the Arbitration Court of the Republic of Ingushetia on holding bankruptcy proceedings against Ingushenergo, JSC, Rosseti Northern Caucasus, PJSC does not perform the functions of the sole executive body of the aforementioned company;
- on May 8, 2020, the Board of Directors of Rosseti Northern Caucasus, PJSC made a decision to define the maintenance of business continuity of the local grid operator in the Republic of Dagestan as a priority area of the Company’s activity, and also approved the Roadmap for maintenance of activity of the local grid operator in the Republic of Dagestan (Minutes No. 421 dated May 12, 2020). The power transmission activities of Dagestan Grid Company, JSC were terminated in June 2020, after which the operational activities of Dagestanoenergoholding Branch of Rosseti Northern Caucasus, PJSC, began;

- from March 15, 2022, in accordance with the judgement of the Arbitration Court of the Karachay-Cherkess Republic on the introduction of bankruptcy proceedings against Karachaev-Cherkesskenergo, JSC, Rosseti Northern Caucasus, PJSC does not perform the functions of the sole executive body of the said joint-stock company;
- from April 21, 2022, in accordance with the judgment of the Arbitration Court of the Republic of Kalmykia on holding bankruptcy proceedings against Kalmenergosbyt, JSC, Rosseti Northern Caucasus, PJSC does not perform the functions of the sole executive body of the aforementioned company;
- from August 21, 2022, in accordance with the judgment of the Arbitration Court of the Kabardino-Balkarian Republic on holding bankruptcy proceedings against Kabbalkenergo, JSC, Rosseti Northern Caucasus, PJSC does not perform the functions of the sole executive body of the aforementioned company;
- from December 15, 2022, in accordance with the judgement of the Arbitration Court of the Republic of Dagestan on the introduction of bankruptcy proceedings against Dagestan Grid Company, JSC, Rosseti Northern Caucasus, PJSC does not perform the functions of the sole executive body of the said joint-stock company;
- from December 15, 2023, in accordance with the judgement of the Arbitration Court of the Republic of Dagestan on the introduction of bankruptcy proceedings against Dagestan Energy Supply Company, PJSC, Rosseti Northern Caucasus, PJSC does not perform the functions of the sole executive body of the said joint-stock company;

1.1.2. Geographic Reach

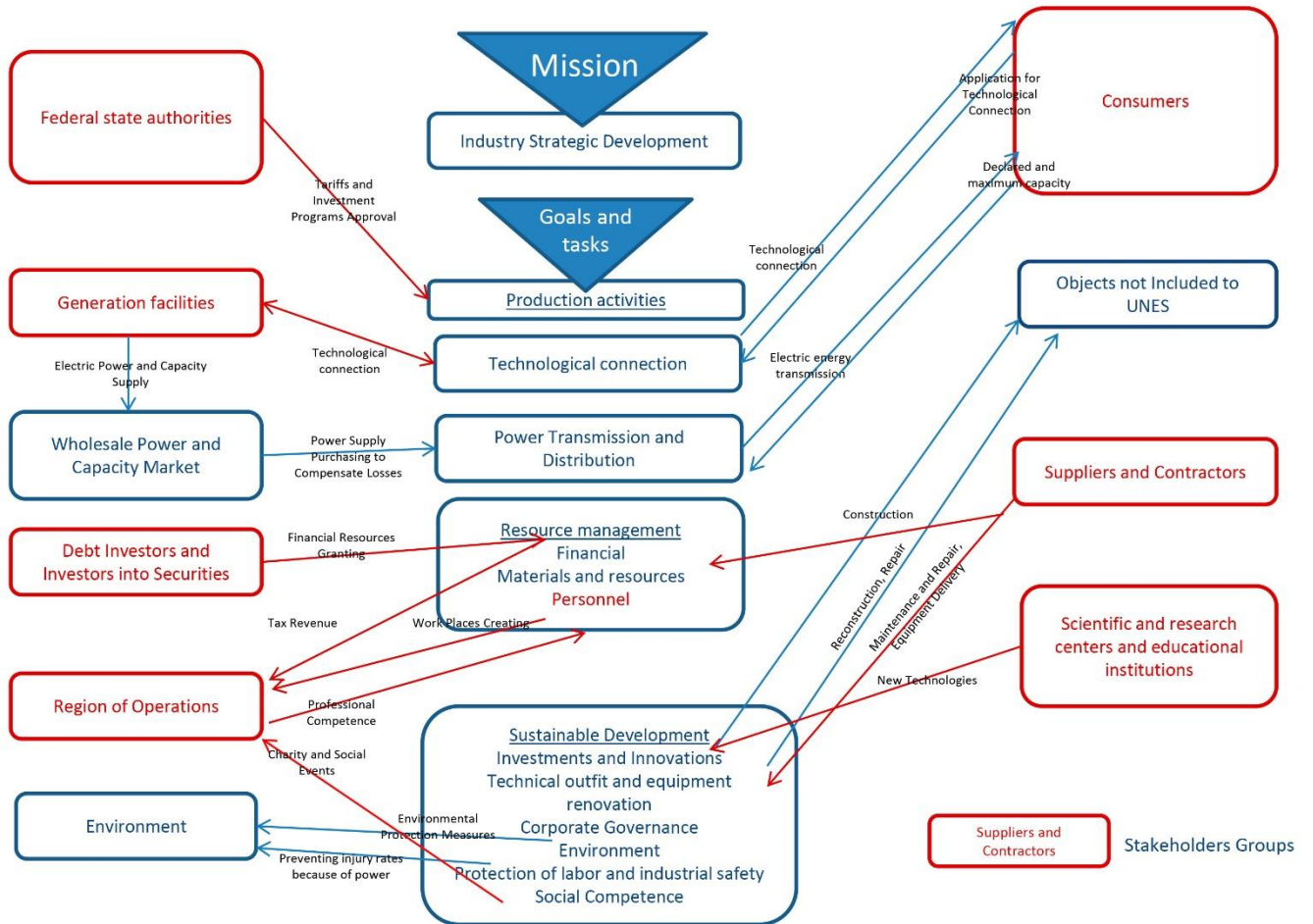
**Area of operations – Northern Caucasus Federal District, Russian Federation
(seven constituent entities of the Russian Federation)**



1.1.3. Business Model

Our primary goal is to ensure in the long run the reliable, quality and affordable power supply to consumers in entire territory of the North Caucasian Federal District at the stage of power distribution by organization of the maximum effective infrastructure.

The way Rosseti Northern Caucasus, PJSC creates value



Interaction with stakeholders

Business of Rosseti Northern Caucasus, PJSC is arranged in such a manner as to meet the needs of stakeholders to the maximum possible extent.

Process of transformation of resources into values for the stakeholders of Rosseti Northern Caucasus, PJSC

Stakeholder	Provided resources	Area of the business model affected by the stakeholder, description of the impact	Created values
State and Region			

Stakeholder	Provided resources	Area of the business model affected by the stakeholder, description of the impact	Created values
Federal state authorities			
<p>Government of the Russian Federation / Russian Ministry of Energy</p> <p>Principles of cooperation are also set forth in the by-laws of Rosseti Northern Caucasus, PJSC:</p> <ul style="list-style-type: none"> • Corporate Code of Ethics and Business Conduct (see the section of the website “For Shareholders and Investors/Charter and By-laws”); • Policy in the field of sustainable development of Rosseti, PJSC (see the section of the website “Shareholders and investors / Charter and internal documents”); • Provisions of Rosseti, PJSC “On Unified Technical Policy in the Electric Power Grid Complex”. <p>Cooperation with the stakeholder in the reporting year is disclosed in Sections “Development Strategy”, “Key Operational Risks and Risk Management System”, “Tariff Policy”, “Investment Activity” and “Information Disclosure, Public Relations, State Authorities and Mass Media Relations”.</p>	<p>Strategic development benchmarks</p> <p>Approved investment programs</p>	<p>Mission (determines the mission of the Company through the mission of the integrated power grid and strategic benchmarks)</p> <p>Determines the key areas of the Company’s investment through the approval of investment programs</p>	<p>Creation of a catalyst for the growth of cities, the population and the economy in general through the construction of power grids</p> <p>Maintenance of the social well-being</p> <p>Ensuring of the operation of the economy and the social sector through the supply of the necessary resource</p> <p>Budget and tax receipts for the development of the economy and the social sector</p>
<p>Federal Antimonopoly Service</p> <p>Principles of cooperation are also set forth in the by-laws of Rosseti Northern Caucasus, PJSC:</p> <ul style="list-style-type: none"> • Corporate Code of Ethics and Business Conduct (see the section of the website of Rosseti Northern 	<p>Approved tariffs for power transmission and technical connection of consumers</p>	<p>Production activities: technical connection, power transmission and distribution (set parameters of the Company’s activities and determine the</p>	<p>Support of the industry competitiveness through the application of a reasonable and economically feasible tariff</p> <p>Ability to effectively regulate tariffs and monitor their use through constructive cooperation</p>

Stakeholder	Provided resources	Area of the business model affected by the stakeholder, description of the impact	Created values
<p>Caucasus, PJSC “For Shareholders and Investors/Charter and By-laws”);</p> <ul style="list-style-type: none"> Policy in the field of sustainable development of Rosseti, PJSC (see the section of the website “Shareholders and investors / Charter and internal documents”). <p>Cooperation with the stakeholder in the reporting year is disclosed in the sections “Development Strategy”, “Tariff Policy”, “Information Disclosure, Public Relations, State Authorities and Mass Media Relations”.</p>		<p>formation of funding sources by establishing a socially just and economically feasible amount of payment for the Company’s services)</p>	
Region of operations			
<p>Regional authorities</p> <p>Principles of cooperation are also set forth in the by-laws of Rosseti Northern Caucasus, PJSC:</p> <ul style="list-style-type: none"> Corporate Code of Ethics and Business Conduct (see the section of the website of Rosseti Northern Caucasus, PJSC “For Shareholders and Investors/Charter and By-laws”); Anti-Corruption Policy (see the section of the website of Rosseti Northern Caucasus, PJSC “Company/Anti-Corruption Policy”); Partnership Program between Rosseti Northern Caucasus, PJSC, and small and medium-sized enterprises (see the section of the website of Rosseti Northern Caucasus, PJSC “Procurement”); 	<p>Management decisions (assistance in consolidation of power grid assets, improvement of the payment discipline)</p>	<p>Production activities – power transmission and distribution (participate in joint inventory audit of the power grid complex to identify and register abandoned power grid assets, establish joint working groups to assess the effectiveness of territorial grid companies, develop mechanisms for consolidation of inefficient companies)</p>	<p>Budget and tax receipts for the development of the economy and the social sector</p> <p>Maintenance of the social well-being</p>

Stakeholder	Provided resources	Area of the business model affected by the stakeholder, description of the impact	Created values
<ul style="list-style-type: none"> Policy in the field of sustainable development of Rosseti, PJSC (see the section of the website “Shareholders and investors / Charter and internal documents”); <p>Cooperation with the stakeholder in the reporting year is disclosed in the sections “Tariff Policy”, “Investment Activity”, “Information Disclosure, Public Relations, State Authorities and Mass Media Relations”.</p>			
<p>Generation facilities</p> <p>Principles of cooperation are also set forth in the by-laws of Rosseti Northern Caucasus, PJSC:</p> <ul style="list-style-type: none"> Corporate Code of Ethics and Business Conduct (see the section of the website of Rosseti Northern Caucasus, PJSC “For Shareholders and Investors/Charter and By-laws”); Policy in the field of sustainable development of Rosseti, PJSC (see the section of the website “Shareholders and investors / Charter and internal documents”); Provisions of Rosseti, PJSC “About the Unified Technical Policy in the Integrated Power Grid”. <p>Cooperation with the stakeholder in the reporting year is disclosed in the sections “Investment Activity”, “Production Performance and Improving the Reliability of the Integrated Power Grid”.</p>	Power supply and capacity	Production activities: technical connection, power transmission and distribution (apply for connection of generation facilities)	<p>Provision of consumers with access to large cost-effective generators</p> <p>Reduction in generating capacity reserves, which consumers otherwise would have to maintain to ensure the reliability of power supply</p>

Stakeholder	Provided resources	Area of the business model affected by the stakeholder, description of the impact	Created values
<p>Suppliers and contractors</p> <p>Principles of cooperation are also set forth in the by-laws of Rosseti Northern Caucasus, PJSC:</p> <ul style="list-style-type: none"> • Corporate Code of Ethics and Business Conduct (see the section of the website of Rosseti Northern Caucasus, PJSC “For Shareholders and Investors/Charter and By-laws”); • Anti-Corruption Policy (see the section of the website of Rosseti Northern Caucasus, PJSC “Company/Anti-Corruption Policy”); • Policy in the field of sustainable development of Rosseti, PJSC (see the section of the website “Shareholders and investors / Charter and internal documents”); • Provisions of Rosseti, PJSC “About the Unified Technical Policy in the Integrated Power Grid”. <p>Cooperation with the stakeholder in the reporting year is disclosed in the sections “Procurement Activities”, “Anti-Corruption Policy and Ensuring the Security of Economic Activity”.</p>	<p>Equipment; maintenance, repair, construction (materials, competences, saved time and labor resources)</p>	<p>Resource management: logistics</p> <p>Sustainability: investments and innovations, technical equipment and renovation of equipment, occupational health and safety (ensure the supply of equipment and materials, the performance of works by contract, the proper level of quality of works and materials through the fulfillment of the stated requirements of the customer)</p>	<p>Financial resources for business development</p> <p>Maintenance of the level of employment and adequate standard of living for employees of suppliers and contractors</p> <p>Improvement of competences through the implementation of new projects of the customer</p>
<p>Scientific and research centers and educational institutions</p> <p>Principles of cooperation are also set forth in the by-laws of Rosseti Northern Caucasus, PJSC:</p> <ul style="list-style-type: none"> • Corporate Code of Ethics and Business Conduct (see the 	<p>Advanced technologies, human resources</p>	<p>Resource management – personnel</p> <p>Sustainability: investments and innovations, technical equipment and renovation of equipment</p>	<p>Financial resources</p> <p>Improvement of competences through the development and elaboration of new projects</p> <p>Employment of graduates of educational institutions</p>

Stakeholder	Provided resources	Area of the business model affected by the stakeholder, description of the impact	Created values
<p>section of the website of Rosseti Northern Caucasus, PJSC “For Shareholders and Investors/Charter and By-laws”);</p> <ul style="list-style-type: none"> Policy in the field of sustainable development of Rosseti, PJSC (see the section of the website “Shareholders and investors / Charter and internal documents”); Provisions of Rosseti, PJSC “About the Unified Technical Policy in the Integrated Power Grid”. <p>Cooperation with the stakeholder in the reporting year is disclosed in the sections “Innovation Activities”, “Sustainable Development”.</p>		(ensure the delivery and introduction of advanced technologies, supply of human resources)	
<p>General public</p> <p>Principles of cooperation are set forth in the by-laws of Rosseti Northern Caucasus, PJSC:</p> <ul style="list-style-type: none"> Corporate Code of Ethics and Business Conduct (see the section of the website of Rosseti Northern Caucasus, PJSC “For Shareholders and Investors/Charter and By-laws”); Policy in the field of sustainable development of Rosseti, PJSC (see the section of the website “Shareholders and investors / Charter and internal documents”); Anti-Corruption Policy (see the section of the website of Rosseti Northern Caucasus, PJSC 	Independent assessment of activities	Sustainability: occupational health and safety, environmental protection, social competences (carry out constant assessment of the reputation, the importance of projects for the regional economy, level of competence, impact on the environment of the region, social responsibility of business through the public censure or approval)	<p>Ensuring of the power supply reliability</p> <p>Maintenance of the level of employment of the population</p> <p>Charity and sponsorship projects</p> <p>Confidence in the environmental sustainability</p>

Stakeholder	Provided resources	Area of the business model affected by the stakeholder, description of the impact	Created values
<p>“Company/Anti-Corruption Policy”);</p> <ul style="list-style-type: none"> • Provisions on Information Policy of Rosseti Northern Caucasus, PJSC (see the section of the website of Rosseti Northern Caucasus, PJSC “For Shareholders and Investors/Charter and By-laws”); • Regulation on the Implementation of a Unified Communication Policy of Rosseti Northern Caucasus, PJSC. <p>Cooperation with the stakeholder in the reporting year is disclosed in the section “Information Disclosure, Public Relations, State Authorities and Mass Media Relations”.</p>			
Shareholders and investors (debt investors, equity investors)			
<p>Principles of cooperation are also set forth in the by-laws of Rosseti Northern Caucasus, PJSC:</p> <ul style="list-style-type: none"> • see documents in the section of the website of Rosseti Northern Caucasus, PJSC “For Shareholders and Investors/Charter and By-laws”); • Provisions on the Credit Policy. <p>Cooperation with the stakeholder in the reporting year is disclosed in the section “Report on Corporate Governance”.</p>	<p>Money, securities, other things, ownership rights or other rights having a monetary value</p> <p>Innovations and technologies of the corporate governance</p> <p>Competences</p>	<p>Production activities – power transmission and distribution (assist in the creation of a center of responsibility for reliable power supply to consumers in the region, consolidation of grids through the contribution of electricity grid property to the authorized capital)</p> <p>Resource management: financial resources</p>	<p>Interest (for the use of borrowed funds)</p> <p>Income from stock exchange difference</p> <p>Opportunity to sell shares at any time in the liquid securities market</p> <p>Absence of legal risks (violation of legal rights and interests) when investing in shares through a transparent corporate governance mechanism</p>

Stakeholder	Provided resources	Area of the business model affected by the stakeholder, description of the impact	Created values
		<p>(ensure the cash inflow for the implementation of projects through the acquisition of the Company's securities and granting of loans to the Company)</p> <p>Sustainability: investments and innovations, corporate governance (stimulate the introduction of advanced corporate governance practices in the Company through the requirements for the investment target)</p>	
Customers and clients			
<p>Principles of cooperation are also set forth in the by-laws of Rosseti Northern Caucasus, PJSC:</p> <ul style="list-style-type: none"> • Corporate Code of Ethics and Business Conduct (see the section of the website of Rosseti Northern Caucasus, PJSC "For Shareholders and Investors/Charter and By-laws"); • Policy in the field of sustainable development of Rosseti, PJSC (see the section of the website "Shareholders and investors / Charter and internal documents"); • Consumer Service Quality Standard of Rosseti Northern Caucasus, PJSC; • Unified Procurement Standard of Rosseti, PJSC, Partnership 	Financial resources	Production activities: technical connection, power transmission and distribution (determine the stability of the Company's cash flow creating opportunities for planning of the activities and development of the region)	Power for the operation of a production facility, business, household

Stakeholder	Provided resources	Area of the business model affected by the stakeholder, description of the impact	Created values
<p>Program between Rosseti Northern Caucasus, PJSC, and small and medium-sized enterprises (see the section of the website of Rosseti Northern Caucasus, PJSC “Procurement”);</p> <ul style="list-style-type: none"> • Anti-Corruption Policy (see the section of the website of Rosseti Northern Caucasus, PJSC “Company/Anti-Corruption Policy”); • Provisions of Rosseti, PJSC “About the Unified Technical Policy in the Integrated Power Grid”. <p>Cooperation with the stakeholder in the reporting year is disclosed in the sections “Investment Activity”, “Production Performance and Improving the Reliability of the Integrated Power Grid”, “Technical Connection”, “Anti-Corruption Policy and Ensuring the Security of Economic Activity”.</p>			
Personnel			
<p>Principles of cooperation are also set forth in the by-laws of Rosseti Northern Caucasus, PJSC:</p> <ul style="list-style-type: none"> • Corporate Code of Ethics and Business Conduct (see the section of the website of Rosseti Northern Caucasus, PJSC “For Shareholders and Investors/Charter and By-laws”); • Collective agreement; • Policy in the field of sustainable development of Rosseti, PJSC (see the section of the website 	<p>Professional competences, management decisions, ideas</p>	<p>Resource management: personnel</p> <p>Sustainability: investments and innovations, social competences (ensures the operation of the power grid complex through the attraction of human resources, ensures the development of the integrated power grid of the</p>	<p>Ensuring of the employment</p> <p>Adequate salary level</p> <p>Comfortable working conditions</p> <p>Opportunity for self-actualization</p> <p>Improvement of professional competences</p> <p>Maintenance of the adequate standard of living for employees and their families</p>

Stakeholder	Provided resources	Area of the business model affected by the stakeholder, description of the impact	Created values
<p>“Shareholders and investors / Charter and internal documents”);</p> <ul style="list-style-type: none"> • Anti-Corruption Policy (see the section of the website of Rosseti Northern Caucasus, PJSC “Company/Anti-Corruption Policy”); • Provisions of Rosseti, PJSC “About the Unified Technical Policy in the Integrated Power Grid”. <p>Cooperation with the stakeholder in the reporting year is disclosed in the sections “Innovation Activities”, “Anti-Corruption Policy and Ensuring the Security of Economic Activity”, “Sustainable Development”.</p>		region through the use of new management solutions, the inflow of necessary professional competences)	

1.1.4. Key Indicators and Main Events of the Reporting Year

Revenue according to Russian Accounting Standards, M RUB

2024	54,371.2	2024 variation vs 2023 12.1 %
2023	48,501.1	
2022	41,301.7	

Net loss according to Russian Accounting Standards, M RUB

2024	-17,093.2	2024 variation vs 2023 44.4 %
2023	-11,837.0	
2022	-11,265.9	

Performance indicators

Indicator	Unit of measurement	Period			Change, 2024/2023, %
		2022	2023	2024	
Number of substations (SS, TS, DS)	pcs	26,497	27,225	27,826	2.2
Power of substations (SS, TS, DS)	thousand MVA	16,67	16,802	17,721	5.5
Length of PTL by circuits	km	124,889	125,615	126,149	0.4

Key corporate events of 2024

On August 23, the Bank of Russia registered amendments to the document containing the terms of the placement of the Company's ordinary shares (registration number of the additional issue 1-01-34747-E-009D). See additional information in the "Equity Capital" section of this Annual Report.

On October 9 Expert RA (RAEX) rating agency confirmed the management quality rating of Rosseti Northern Caucasus, PJSC at the level of A++.gq (the highest level of management quality). This assessment means that the management quality system to the highest possible extent promotes the respect for and protection of the stakeholders' rights.

1.1.5. Brief History

Milestone summary	Event description
Creation of a vertically integrated power company	July 1903 Bely Ugol HPP Bely Ugol HPP, the first large hydroelectric power plant in Russia (capacity of 700 kW), was launched on the Podkumok River (Stavropol Territory). The longest (20 km) power transmission lines with 8 kV voltage at the time were outgoing from it.
	1913 Pyatigorsk TPP A thermal power plant was put into operation in Pyatigorsk. Scientists headed by Mr. M. Shatelen looped the thermal power plant with Bely Ugol HPP (the prototype of the Russian Unified Energy System).
	1992 Unified Energy System of Russia (RAO UES of Russia) The Russian open joint-stock company of power engineering and energy connectivity UES of Russia was established.
Anti-crisis management	August 1, 2001 KEUK, OJSC KEUK, OJSC, a management company, was registered for the energy systems in North Caucasus (Ingush, Kabardino-Balkar, Karachay-Cherkess, and North Ossetian) in Zheleznovodsk (Stavropol Territory).
	March 2005 Rehabilitation and restructuring project The Rehabilitation and Restructuring Project was approved for the AO-energос managed by KEUK, OJSC.
	September 2006 AO-energo management SGC, OJSC received the management functions for joint-stock companies: Kabbalkenergo; Karachaevo-Cherkessenergo; Kalmenergosbyt; Sevkavkazenergo; Dagestan Energy Supply Company; Nurenergo; Ingushenergo; KEUK; Stavropolenergo; Dagenergo.
Electricity power industry reform	April 2006 – September 2007 Disaggregation by activity The grid assets of Kabbalkenergo, OJSC; Karachaevo-Cherkessenergo, OJSC; Sevkavkazenergo, OJSC; and Ingushenergo, OJSC were transferred as payment for additional issue of shares of Open Joint-Stock Company

Milestone summary	Event description
	<p>Caucasian Power Management Organisation (KEUK, OJSC), Kabbalkenergo, OJSC; Karachaevo-Cherkesskenergo, OJSC; Sevkavkazenergo, OJSC; and Ingushenergo, OJSC became energy supply companies, and four network branches were created within the structure of KEUK, OJSC.</p> <p>August 4, 2006 SGC, OJSC State registration of SGC, OJSC was executed (by the decision of the only founder – RAO UES of Russia, OJSC).</p> <p>August 1, 2007 IDGC of the Northern Caucasus SGC, OJSC was renamed as Open Joint-Stock Company Interregional Distribution Grid Company of North Caucasus.</p> <p>December 25, 2007 – April 1, 2008 Consolidation Reorganisation of the Company was completed by taking over Dagenergo, OJSC; KEUK, OJSC; and Stavropolenergo, OJSC. The Company became a unified operating distribution grid company in the North Caucasus.</p> <p>July 1, 2008 IDGC Holding, JSC IDGC Holding, JSC was established by spinning off from the re-organised Unified Energy System of Russia (RAO UES of Russia). It provides corporate governance for operating IDGCs. The title to batch of shares of the Company was transferred to IDGC Holding, JSC.</p>
<p>Work on the investment appeal and the management structure</p>	<p>June 2008 Entering capital markets Commencement of trading of shares of the Company in MICEX and RTS.</p> <p>November 30, 2010 Transition to RAB The Federal Tariff Service approved the transition to RAB tariff regulation for five branches of Rosseti Northern Caucasus, PJSC, from January 1, 2011.</p> <p>January 27, 2010 – February 8, 2011 Dagenergoset, JSC A subsidiary – a grid company Dagenergoset, OJSC – was established and transferred under control of the Company.</p> <p>March 23, 2011 Energoservice, OJSC A subsidiary, energy service company Energoservice, OJSC, was established to increase the power efficiency of grid companies in the region.</p> <p>December 15, 2011 Split-off of energy supply companies The Company had its agreements on delegation of authority of a sole executive body terminated.</p> <p>July 2, 2015 IDGC of Northern Caucasus, OJSC was renamed to IDGC of Northern Caucasus, PJSC.</p> <p>August 21, 2015 Energy supply companies management Six power supply companies are again transferred under control of Rosseti Northern Caucasus, PJSC.</p> <p>March 24, 2020 Amendments to the Company Charter were registered, providing for a change in its name to Rosseti Northern Caucasus, PJSC. In June 2019, at the St. Petersburg International Economic Forum, the Unified Corporate Style Standard of Rosseti Public Joint-Stock Company and organizations of Rosseti Group of Companies approved by the Board of Directors of Rosseti, PJSC on April 29, 2019, was presented. Since then, the companies of the backbone and distribution integrated power grid, including Rosseti Northern Caucasus, PJSC, switched to a unified brand architecture in corporate and marketing communications and began using new names containing the Rosseti trademark and a regional or functional link.</p>

2. Strategic Report

2.1. Industry Overview

The Unified Energy System Russia (UES Russia) consists of regional energy systems, which, in turn, form 7 unified energy systems: of East, Siberia, Urals, mid-Volga Region, South, Center and North-West.

As of January 1, 2025, the total installed capacity of power plants of UES Russia amounted to 263,717.05 MW. During the reporting year, the installed capacity of power plants of the UES Russia increased by 618.40 MW.

In 2024, the power plants of UES Russia generated 1,180.7 billion kWh. Electricity consumption in 2024 amounted to 1,174.1 billion kWh.

In 2024, three UES, 10 territorial energy systems set new values for the historical maximum power consumption, including:

Name of the energy system	Achieved historical maximum power consumption, MW	Date	Previous value of the historical maximum power consumption, MW	Increase value, MW
Republic of Dagestan	1,620	December 16, 2024	1,546	74
Republic of Ingushetia	233	December 15, 2024	166	67

Control of electric power operation modes of energy associations and energy systems located on the territory of 89 constituent entities of the Russian Federation is exercised by branches of SO UES, JSC – united and regional dispatching offices, respectively.

UES of the South

The unified energy system of the South is located on the territory of 19 constituent entities of the Russian Federation, among them: the Republic of Dagestan, the Republic of Ingushetia, the Republic of North Ossetia – Alania, Kabardino-Balkarian Republic, Karachay-Cherkess Republic, Chechen Republic, Stavropol Territory.

It includes 17 regional energy systems, including: the Republic of Dagestan, the Republic of Ingushetia, Kabardino-Balkarian Republic, Karachay-Cherkess Republic, the Republic of North Ossetia, Chechen Republic, Stavropol Territory.

The operating mode of the energy association is managed by the branch of SO UES, JSC, ODU of the South.

The energy complex consists of 321 power plants with a total installed capacity of 43.37 thousand MW (as of January 01, 2025), of which 142 solar power plants and wind farms with an installed capacity of 5.3 thousand MW, 1,871 electrical substations of 110–500 kV and 2,818 110–750 kV power transmission lines with a total length of 80,537.14 km.

Actual and reduced to 2023 temperature conditions dynamics of electricity consumption in the UES of the South

Electricity consumption, billion kWh			Consumption dynamics, %	
2024	2023	(+/-) variation vs 2022	Actual	Under comparable temperature conditions and without February 29
136.5	130	6.4	4.9	3.6

Rosseti Northern Caucasus, PJSC is an interregional distribution grid company operating in the Russian electricity power industry and holds a leading position in the Northern Caucasus Federal District in terms of power transmission services.

The electricity power industry has a decisive influence on the conditions for the economic and social development of the region. The implementation of investment projects, the efficiency of enterprises and organizations, the improvement of the quality of life of the population, the achievement of strategic goals for the development of the economy of the Northern Caucasus Federal District depend on the reliable, balanced and safe functioning of the electricity power industry.

Sources: prepared using data from SO UES, JSC website <https://www.so-ups.ru>.

2.2. Macroeconomic Trends of the Reporting Year, Sectoral (Market) Forecast

The industrial production index for 2024 increased by 4.6% YoY, which is higher than the figure for 2023 (4.3% YoY¹).

Manufacturing was the main source of industrial growth in 2024. Their output increased by 8.5% YoY, despite a high base in 2023, when output increased by 8.7% YoY¹. Thus, the total growth over two years reached almost 18%.

¹ The data were adjusted due to clarification by respondents of previously provided operational data (source: <https://www.economy.gov.ru/>).

The main positive contribution to the dynamics of manufacturing enterprises at the end of 2024 was made by the machine-building complex (contribution to the growth of the manufacturing sector of 3.3 percentage points), providing almost 40% of the total growth in output. The complex's production growth amounted to 19.5% YoY, thereby maintaining the high growth rate that began in 2023 (25.0% YoY). At the same time, in December the growth rate accelerated to 22.7% YoY after 14.2% YoY in November. Compared to the level of two years ago, the rates remain high: 38.8% in December after 51.9% in November.

Within the complex, double-digit growth rates of output in 2024 were demonstrated by the transport engineering industry (29.6% YoY), computer and electronic equipment manufacturing industry (28.8% YoY), and the automotive industry (16.5% YoY).

The mining sector slightly improved its performance in 2024 compared to 2023 – the output dynamics last year amounted to -0.9% YoY after -1.0% YoY¹ a year earlier. At the same time, in December output increased by 1.3% YoY after -1.7% YoY in November. Compared to the level of two years ago, there was also growth of 0.6% after -2.0% a month earlier.

Production in the electricity, gas and steam supply sector grew by 2.3% YoY in 2024 after near-zero growth in 2023. In December 2024, the pace was -2.8% YoY after growing by 1.4% in November amid a record-breaking warm winter. Compared to the level of two years ago: -0.9% after 0.9%.

The dynamics of output in the water supply and sanitation sector at the end of 2024 was close to zero: -0.1% YoY after 0.3% YoY a year earlier. In December, growth was 0.8% YoY after -2.4% YoY in November, compared to the level of two years ago, growth boost to 9.5% YoY after 1.5% YoY a month earlier.

Sources: prepared using data from the websites of the Ministry of Economic Development of the Russian Federation <https://www.economy.gov.ru/>, Rosstat <https://rosstat.gov.ru>.

Regional Development in 2024

The turnover of companies of the federal district for all types of activity in 2024 amounted to 4.76 trillion rubles, or 110.3% as compared to the level of the corresponding period of the previous year.

Industrial production index by types of economic activity “Extraction of minerals”, “Manufacturing”, “Power, gas and steam supply; air conditioning”, “Water supply; water discharge, waste collection and disposal, pollution control activities” as compared to 2023 amounted to 105.4%.

Producer price index for industrial goods¹ made 108.1%.

Agricultural production index compared to 2023 made 99.6%.

The share of the Northern Caucasus Federal District in the gross harvest of agricultural crops in farms of all categories in 2024 amounted to 9%.

¹ December 2024 compared to December 2023

Producer price index for agricultural products¹ made 104.2%.

The amount of work performed in the Construction sector in 2024 amounted to 748.2 billion rubles, or 111.2% of the 2023 level. The District's share in the total Russian scope of work performed using own resources in construction sector amounted to 4.5%.

In 2024, 12.4 million m² of total area of residential and non-residential buildings were commissioned in the Northern Caucasus Federal District, which is 114.36% of the 2023 level.

The consumer price index for construction materials² amounted to 105.22%.

Retail turnover in 2024 increased in commodity weight by 106.1% compared to the same period in 2023 and amounted to 2,775.7 billion rubles.

In 2024, paid services worth 703.2 billion rubles were provided to the population, the quantity index number compared to the corresponding period in 2023 was 103.9%.

Consumer price index³ made 110.18%, including for food products – 113.25%, non-foods products – 106.26%, services – 109.44%.

The wholesale trade turnover of wholesale traders in 2024 amounted to 1.6 trillion rubles and increased in comparison with 2023 by 10.8% in comparable prices.

To develop economics and social sphere of the Northern Caucasus Federal District in 2024 1,167 billion rubles of investments to the fixed capital were used or 113.3% to the respective period of the previous year. Scope of investments to the district made 3.0% of all Russian investments.

Investments in fixed capital in the Northern Caucasus Federal District in January–September 2024 amounted to 664.2 billion rubles.

The amount of taxes, fees and other mandatory payments to the consolidated budget of the Russian Federation in January–November 2024 in the Northern Caucasus Federal District increased by 0.9% compared to the same period in 2023 and amounted to 348 billion rubles.

In the District as a whole⁴ the number of births exceeded the number of deaths by 1.73 times; the natural population growth was 53.9 thousand people.

Work-force size aged 15 and more subject to the work-force sample survey in 2024 made 4.96 million persons or 62.5% of the total population in the district of a respective age group. 402.7 thousand people, or 8.1% of the total work-force, did not have an occupation (in accordance with the methodology of the International Labor Organization, they are classified as unemployed). At the end of December 2024, 64.2 thousand people, or 1.3% of the work-force, were registered with the employment service as unemployed.

¹ December 2024 compared to December 2023

² December 2024 compared to December 2023

³ December 2024 compared to December 2023

⁴ Preliminary data

Population welfare level is first of all determined by population money income that in per capita terms¹ throughout the Northern Caucasus Federal District made 40,603 rubles per month (in whole within Russia – 63,083 rubles per month).

The average monthly nominal accrued salary of companies employees² in 2024 made 47,627 rubles and increased compared to 2023 by 16.6%.

Industrial Production Index

	2024 as a percentage % vs 2023
Russian Federation	104.6
Central Federal District	112.4
Northwestern Federal District	105.3
Southern Federal District	101.5
Northern Caucasus Federal District	105.4
Volga Federal District	105.4
Ural Federal District	100.9
Siberian Federal District	101.4
Far Eastern Federal District	102.7

Source: prepared using Rosstat website data <https://rosstat.gov.ru>

The electricity power industry is quite resistant to external negative factors and geopolitical risks. While, the Company continued to purposefully solve the tasks of the long run of the reliable, qualitative and affordable power supply to consumers of the Northern Caucasus Federal District at the stage of power distribution due to arrangement of the effective infrastructure.

2.3. The Company's Market Standing

Rosseti Northern Caucasus, PJSC occupies a leading position in the Northern Caucasus Federal District in terms of power transmission services.

Branches of Rosseti Northern Caucasus, PJSC transmit electric energy (power) in the territory of the Northern Caucasus Federal District. Core activities of Rosseti Northern Caucasus, PJSC (electricity transmission by distribution grids with voltage from 110 to 0.4 kV, technical connection of consumers to the grid infrastructure) refer to regulated activities.

Rosseti Northern Caucasus, PJSC is a natural monopoly holder. By Order of Federal Tariff Service (FTS Russia) No. 341-e dd. September 08, 2008, Rosseti Northern Caucasus, PJSC is included in the register of natural monopoly holders in the fuel and power sector, to which state regulation and control is exercised.

Rosseti Northern Caucasus, PJSC is a part of the Rosseti energy holding company and follows the overall strategy of the integrated power grid development.

In 2015, in connection with the adoption by the Supervisory Board of the Association “NP Market Council” of a decision of deprivation of Ingushenergo, JSC of the status of a participant in the wholesale market in accordance with the requirements of the applicable law, the status of last resort provider on the territory of the Republic of Ingushetia was assigned to Rosseti Northern Caucasus, PJSC from December 1, 2015 (order of the Russian Ministry of Energy No. 888 dd. November 25, 2015). The status of last resort provider for Rosseti Northern Caucasus, PJSC

¹ Preliminary data

² Preliminary data

in the Republic of Ingushetia is extended annually, including extension for 2024 from January 1, 2024 by order of the Russian Ministry of Energy No. 1221 dated December 26, 2023 until the date of assignment of the status of last resort provider to the winner of the competition in relation to the specified area of activity, but not more than for 12 months.

In 2020, in connection with the adoption by the Supervisory Board of the Association “NP Market Council” of a decision of deprivation of Sevkavkazenergo, JSC, and Dagestan Energy Supply Company, PJSC, of the status of a participant in the wholesale market, in accordance with the requirements of the applicable law, the status of last resort provider on the territory of the Republic of North Ossetia – Alania from April 1, 2020 (order of the Russian Ministry of Energy No. 236 dd. March 24, 2020) and the Republic of Dagestan from July 1, 2020 (order of the Russian Ministry of Energy No. 494 dd. June 25, 2020) was assigned to Rosseti Northern Caucasus, PJSC. The status of last resort provider for Rosseti Northern Caucasus, PJSC in the above territories is extended annually, including extension for 2024 on the territory of the Republic of North Ossetia – Alania from April 1, 2024 (order of the Russian Ministry of Energy No. 279 dated March 28, 2024) and on the territory of the Republic of Dagestan from July 1, 2024 (order of the Russian Ministry of Energy No. 766 dd. June 28, 2024) until the date of assignment of the status of last resort provider to the winner of the competition in relation to the specified area of activity, but not more than for 12 months.

In 2021, in connection with the adoption by the Supervisory Board of the Association “NP Market Council” of a decision of deprivation of Karachaevo-Cherkesskenergo, JSC and Kabbalkenergo, JSC of the status of a participant in the wholesale market, in accordance with the requirements of the applicable law, the status of last resort providers in the territories of the Karachay-Cherkess Republic and Kabardino-Balkarian Republic was assigned to Rosseti Northern Caucasus, PJSC from August 1, 2021 (orders of the Russian Ministry of Energy No. 510 and No. 511, respectively, dd. June 29, 2021). The status of last resort provider for Rosseti Northern Caucasus, PJSC in the above territories is extended annually, including extension for 2024 from August 1, 2024 by orders of the Russian Ministry of Energy No. 924 dd. July 30, 2024 (in the territory of the Karachay-Cherkess Republic) and No. 925 (in the territory of Kabardino-Balkarian Republic), until the date of assignment of the status of last resort provider to the winner of the competition in relation to the specified area of activity, but not more than for 12 months.

In order to perform the functions of a last resort provider, Rosseti Northern Caucasus, PJSC received the status of a wholesale market entity and participates in purchase and sale relations on the wholesale market for electricity and power (WMEP).

Taking into account the status of a last resort provider, Rosseti Northern Caucasus, PJSC has no competitors in terms of functioning in the wholesale market for electricity and power.

Purchase and sale of electricity and power on WMEP was arranged within the framework of a system of contracts that are mandatory for each wholesale market entity. The terms of these contracts are governed by the applicable law on the electricity power industry. Prices for electricity and power in regulated contracts correspond to tariff rates for electricity and power approved for the suppliers of electricity (power) by the federal executive body in the field of state tariff regulation. The procedure for pricing in the free (non-regulated) sectors of the WMEP is determined by Federal Law No. 35-FZ dd. March 26, 2003 “On Electricity Power Industry” and the Rules of the Wholesale Market for Electricity and Power, approved by Decree of the Government of the Russian Federation No. 1172 dd. December 27, 2010, Agreement on accession to the wholesale market trading system.

With the assignment of the status of a wholesale market entity, Rosseti Northern Caucasus, PJSC bears obligations to fulfill current payments on the WMEP.

In connection with the need to resolve the issue of the accumulated debt on WMEP in February 2022, agreements on the procedure for fulfilling obligations (hereinafter referred to as the Agreements) were concluded between Rosseti Northern Caucasus, PJSC and generating companies – creditors (hereinafter referred to as the Agreement), which were extended to 2024 by signing of supplement Agreements in February 2024. The terms and conditions of the Agreements provide for two WMEP settlement options:

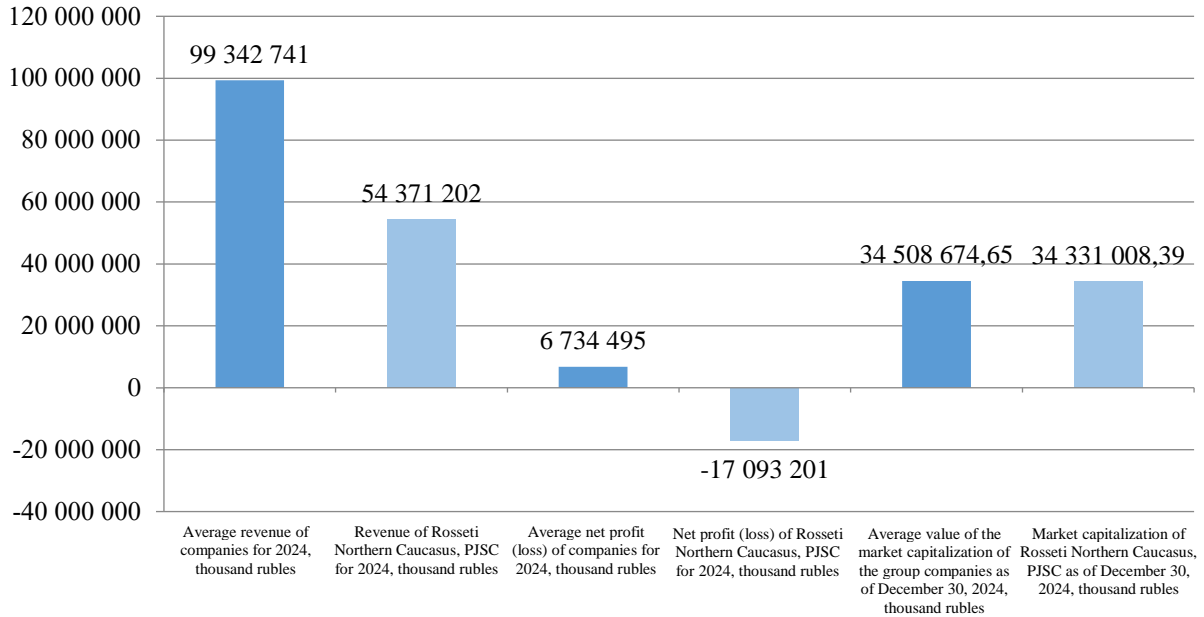
- 1) by bank papers with a 17% discount and their further transfer to counterparties at face value;
- 2) in cash with a deferment of part of the payment in the amount of 17% until 2036 for obligations of 2022 and until 2037 for obligations of 2023, until 2038 for obligations of 2024.

Supplement Agreements for 2024 were signed by 54 generating companies, of which 50 chose payment by bank papers. The settlement option with bank papers assumes the fulfillment of obligations in 2024 by discount (17%) notes on a quarterly basis no later than the 15th day of the second month following the settlement quarter. The settlement option is cash assumes the fulfillment of obligations in 2024 on a quarterly basis no later than the 15th day of the second month following the settlement quarter with a partial deferment of payment in the amount of 17% until 2038.

Based on the results of 2024, Rosseti Northern Caucasus, PJSC made all settlements with bank papers and fully paid the obligations on the WMEP that arose in 2024, in accordance with the terms of the Agreements in relation to generating companies that entered into the Agreements and the requirements of the Regulations on financial settlements on the wholesale market for electricity and power (Appendix No. 16 to the Agreement on Accession to the Wholesale Market Trading System) in relation to generating companies – creditors that decided not to conclude Agreements on debt settlement.

Rosseti Northern Caucasus, PJSC, supplies power to consumers in the territory with the total area of 170.4 thousand km² (1% of the territory of Russia) with the population of 10.3 million people (around 7% of the Russian population).

Comparison of Rosseti Northern Caucasus, PJSC with Russian peer companies, thousand rubles¹



Additional information on the position of Rosseti Northern Caucasus, PJSC in the industry is given in the sections of this Annual Report “About the Company”, “Strategic Report”, “Performance Results for 2024”.

2.4. Strategic Priorities and Development Prospects

The strategic development of Rosseti Northern Caucasus, PJSC corresponds to the goals and objectives defined by the following strategic documents:

- Energy Strategy of the Russian Federation until 2035;
- Strategy for the Social and Economic Development of the Russian Federation with Low Greenhouse Gas Emissions until 2050;
- Decree of the President of the Russian Federation No. 204 dated 07.05.2018 “On national goals and strategic objectives for the development of the Russian Federation for the period up to 2024”;
- Forecast of the social and economic development of the Russian Federation for 2024 and for the target period of 2025 and 2026;
- Other documents of state strategic planning in the electric power industry.

For achieving the strategic development goals, the Company needs to solve, inter alia, the following priority tasks:

- ensuring the reliability and quality of power supply at the target level;

¹ Average values were calculated for the following group of companies: Rosseti Volga, PJSC, Rosseti Lenenergo, PJSC (in terms of capitalization – ordinary shares) Rosseti Yug, PJSC, Rosseti Siberia, PJSC, Rosseti Moscow Region, PJSC, Rosseti North-West, PJSC, Rosseti Tomsk, PJSC (in terms of capitalization – ordinary shares), Rosseti Center and Volga Region, PJSC, Rosseti of Ural, PJSC, Rosseti Center, PJSC, Rosseti Northern Caucasus, PJSC.

- on ensuring accessibility of power supply infrastructure and quality of technical connection to electric power grids.

The corporate values of Rosseti Northern Caucasus, PJSC are:

- reliability. The Company seeks to ensure the most reliable and uninterrupted power supply to satisfy the needs of the Russian Federation economy and social sector by implementing a whole range of all necessary organizational and technical activities ensuring the reliable performance of the power grid infrastructure facilities and taking necessary steps to ensure the safety of power facilities;
- human resources. The key asset of the Company is its employees, owing to whom the Company has been creating, preserving and building up its value and authority over a long span of time;
- efficiency. The Company recognizes its duties towards its shareholders, investors and partners, for which reason the efficiency of its operations is viewed as the basic value;
- safety. The Company employs a strictly regulated and balanced approach to the implementation of safety measures intended to prevent any potential offenses against law;
- social responsibility. Rosseti Northern Caucasus, PJSC is a socially responsible company paying much attention to issues of health, safety, environment protection and social programs.

2.5. Key Performance Indicators

Achievement of the priority development objectives of the Company is assessed by the system of key performance indicators (KPI) and functional key performance indicators (FKPI) applied in the Company.

Since 2023, the system of key performance indicators for Rosseti Group of Companies has been formed in accordance with the Decree of the Government of the Russian Federation No. 3579-r dd. December 28, 2020 (hereinafter referred to as Decree No. 3579-r).

In accordance with Decree No. 3579-r, the system of key performance indicators is divided into two groups of indicators – key performance indicators (hereinafter referred to as KPIs) and functional key performance indicators (hereinafter referred to as FKPIs). At the same time, KPIs are indicators related to the strategic documents of the Company, on the basis of which the effectiveness of the activities of the entire management team of the Company (manager, deputy managers, chief accountant) is assessed. FKPIs are individual indicators established for the Company’s officials personally, taking into account the specifics of the supervised areas of the Company’s activities.

The KPIs and FKPIs system applied in the Company is interconnected with the amount of the variable part of the management remuneration (50% incentive payments for achieving KPIs, 50% incentive payments for achieving FKPIs) – for each of the indicators, a specific weight in the volume of bonuses paid is established; annual bonuses are paid subject to the fulfillment of the corresponding indicators.

In 2024, compared to 2023, the following changes were made in relation to the KPI and FKPI:

1. The FKPI “Net raising of loans and bond issues to cover the deficit in sources of financing the investment program” has been replaced by the FKPI “Debt/EBITDA”;
2. FKPI “Implementation of the Comprehensive Security Plan” has been replaced by FKPI “Safety of the Organization’s Property”;

3. FKPI “Absence of a reservation and/or modified opinion of the Auditor affecting the reliability of the annual accounting (financial) reporting data” has been replaced by FKPI “Number of comments (errors) on accounting in an organization identified by the auditor and the auditing commission during inspections based on the results of the reporting period”;
4. Section “Indicators of bonus cancellation” has been added, including the indicators of bonus cancellation “Maximum amount of disagreements on the volume of losses at the end of the reporting period (year)”, “Violation of the procedure for concluding transactions”, “Timely implementation of corrective action plans (CAP)”, “Violation of the procedure for concluding transactions of Chechenenergo, JSC”;
5. The following FKPIs have been added: “Manning level”, “Timeliness of holding AGMS/AGMP of the Company and subsidiaries”, “Efficiency of transition to the use of domestic radio and electronic products”, “Efficiency of implementation of additional services”.

The KPIs and FKPIs of the Company and their target values for 2024–2026 in accordance with subparagraph 20 of paragraph 15.1 of Article 15 of the Company’s Charter were approved by the decision of the Board of Directors of the Company dated November 29, 2024 (Minutes No. 569 dated December 2, 2024).

Name of indicator	Calculation procedure	Weight in the reward system/ percentage of bonus cancellations for 2024, %	Unit of measurement	Target/ threshold value for 2024	Actual value for 2024 ¹	Assessment of achievement for 2024 (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
ROIC (Return on invested capital) ⁴	The ratio of operating profit adjusted for the amount of impairment/(reversal of impairment) of fixed assets, revenue from the provision of technical connection services and accrual/(recovery) of the provision for expected credit losses to the sum of average capital and long-term loans and borrowings	10	thous. rubles, %	-1,861,046 thousand rubles	-4,039,563 thousand rubles	0%, not achieved	A decrease in marginal income from the sale of electricity and power transmission services by 2.67 billion rubles, which is due to the failure to achieve the planned level of electricity losses by 3.7 percentage points (target: 24.7%, actual: 28.4%), as well as an increase in the cost of services for the transfer of other TGC due to the growth in the volume of services provided through the grids of Alaniaenergoholding PJSC	4.1%	6.3%
Operating profitability	The ratio of operating profit adjusted for the amount of impairment/ (reversal of impairment) of fixed assets and revenue from the provision of technical connection services to revenue excluding revenue from the provision of technical connection services	20	%	-20.2	-25.4%	0%, not achieved	State Unitary Enterprise in connection with the consolidation	-15.7	-14.0
Net profit without	Profit/(loss) adjusted for the amount of impairment/(reversal of impairment) of fixed assets and	20	thous. rubles	-10,851,666	-12,629,137	83%, partially achieved		-8,670,432	-8,312,920

¹ For 2024, the expected level of KPI and FKPI achievement is given, taking into account the timing and procedure for preparing reports, which are the source of information for calculating indicators. The final actual values are approved by the Board of Directors of Rosseti Northern Caucasus, PJSC.

² If the percentage of KPI achievement is more than 120%, then the percentage equal to 120% is indicated; if the percentage of achievement is less than 80%, the percentage of achievement equal to 0% is indicated.

³ The composition and target values of the indicators were approved by the decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated 29.11.2024 (Minutes No. 569 dated 02.12.2024) and are subject to clarification (if necessary) by the decision of the Board of Directors of the Company, taking into account the requirements of the Standard Procedure for Calculating KPIs and FKPIs of the Management Staff of Subsidiaries of Rosseti, PJSC, approved by order of Rosseti, PJSC No. 171 dated 03.04.2025.

⁴ Due to the negative value of the ROIC indicator, the EBIT indicator is shown as the target value for 2024.

Name of indicator	Calculation procedure	Weight in the reward system/ percentage of bonus cancellations for 2024, %	Unit of measurement	Target/ threshold value for 2024	Actual value for 2024 ¹	Assessment of achievement for 2024 (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
impairment and TC	revenue from the provision of technical connection services (including the corresponding income tax)						of electric grid facilities located in the cities of Beslan, Digora, Mozdok and Alagir, an increase in the tariff for expenditure contracts with Kabbalkkommun-energo Municipal Unitary Enterprise and Russian Railways, PJSC and a change in the settlement pattern under the contract with Oboronenergo, JSC.		
Level of power losses	Ratio of the volume of electricity losses in the Company's grid (calculated as the difference between the relation to electricity grid supply and the electricity supplied and auxiliary power consumption), increased by the amount of disagreements for previous periods, settled not in favor of the Company, to the relation to electricity grid supply for the reporting period	15	%	24.74	37.75	0%, not achieved	- Increase in load losses of electricity due to a significant increase in electricity consumption; - High level of unaccounted electricity consumption; - Failure to implement organizational measures to reduce losses (Dagenergo branch and Ingushenergo branch);	24.00	23.87

Name of indicator	Calculation procedure	Weight in the reward system/ percentage of bonus cancellations for 2024, %	Unit of measurement	Target/ threshold value for 2024	Actual value for 2024 ¹	Assessment of achievement for 2024 (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
							- Shifting the deadlines for the implementation of technical measures of the Production Structural Division in Ingushenergo branch.		
Readiness to work during the heating season	An indicator measuring readiness of the Company to work during the heating season based on monthly monitoring conducted by the Russian Ministry of Energy	20	pcs	1	1	100% achieved	-	1	1
Compliance with the facility commissioning schedule	Ratio of the total actual volume of commissioning of fixed assets into operation in the reporting year, determined on the basis of the report on the implementation of the Company's investment program (in monetary terms, based on the date of signing the Acceptance Certificate for the completed construction facility by the acceptance committee) to the planned volume in accordance with the approved investment program and implementation schedule	15	%	93.5	69.2	0%, not achieved	- mass opposition from the population regarding the installation of account metres for loss reduction measures in the Republic of Ingushetia; - failure to implement measures within the framework of the Program for improving the reliability of the integrated power grid of the Republic of Dagestan ("zero" priority), including: - delay in obtaining a report on	95.0	95.0

Name of indicator	Calculation procedure	Weight in the reward system/ percentage of bonus cancellations for 2024, %	Unit of measurement	Target/ threshold value for 2024	Actual value for 2024 ¹	Assessment of achievement for 2024 (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
							<p>conformity and permission to commission the facility (Gunib SS, Derbent-Zapadnaya SS, OL 167);</p> <ul style="list-style-type: none"> - late implementation of trade and procurement procedures and, as a consequence, the impossibility of performing work in the winter period (Yaryksu SS); - long-term process of getting an approval from the Main State Expertise due to the need to conduct additional surveys of the OL routes for avalanche hazard and the likelihood of mudflows (reconstruction of the 110 kV Shamilskoye – Antsukh OL (OL 195), reconstruction of the 110 kV OL, branch to the Gidatl SS from the 		

Name of indicator	Calculation procedure	Weight in the reward system/ percentage of bonus cancellations for 2024, %	Unit of measurement	Target/ threshold value for 2024	Actual value for 2024 ¹	Assessment of achievement for 2024 (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
							110 kV Shamilskoye – Antsukh (OL-110-195); - in the part of the title “Purchase of 15 6/0.4-2x1000 kVA CCTS” (O_dagf332) failure to meet the indicator due to a shortage of sources.		
Maximum amount of disagreement on the amount of losses at the end of the reporting period (year)	The bonus cancellation indicator, the size of which is determined by calculation as the share of disagreements at the end of the reporting period (year) (not settled as of the end of the second month of the year following the reporting year) not covered by the litigation work, to the volume of electricity losses in the Company’s grid	-10	%	3.50	0.00	100% achieved	-	3.50	3.50
Violation of the procedure for making transactions	An indicator assessing absence of violations in the execution of major transactions, interested party transactions, as well as transactions for which getting of an approval is provided for by the Charter of the Company	-10	q-ty	0	0	100% achieved	-	0	0
Timely implementation of corrective action plans (CAP)	An indicator assessing timeliness of the Company’s implementation of corrective action plans in the reporting period, developed and approved by the Company based	-10	%	90	98	100% achieved	-	90	90

Name of indicator	Calculation procedure	Weight in the reward system/ percentage of bonus cancellations for 2024, %	Unit of measurement	Target/ threshold value for 2024	Actual value for 2024 ¹	Assessment of achievement for 2024 (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
	on the results of control measures carried out in relation to the Company and inspections carried out by auditing commissions								
Violation of the procedure for concluding transactions in Chechenenergo, JSC	An indicator assessing absence of violations in the execution of major transactions, interested party transactions, as well as transactions for which getting of an approval is provided for by the Charter of Chechenenergo, JSC	-10	q-ty	0	0	100% achieved	-	0	0
Implementation of the Company Development Plan	When calculating the indicator, the number of events of the Company Development Plan approved by the Board of Directors of Rosseti, PJSC that were not implemented in the reporting period is taken into account	-50	%	0	Not summed up	-	The results for 2024 will be summed up by a separate decision of the Board of Directors of Rosseti Northern Caucasus, PJSC based on the results of consideration by the Board of Directors of Rosseti, PJSC of reports on the implementation of development plans of subsidiaries of Rosseti, PJSC for 2024 in accordance with the Methodology for Calculating and Assessing the implementation of KPIs of the	0	0

Name of indicator	Calculation procedure	Weight in the reward system/ percentage of bonus cancellations for 2024, %	Unit of measurement	Target/ threshold value for 2024	Actual value for 2024 ¹	Assessment of achievement for 2024 (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
							General Director of Rosseti Northern Caucasus, PJSC, approved by decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated 28.12.2023 (Minutes No. 546 dated 29.12.2023).		
Achievement of factor “Efficiency of Electrical Connection Procedures” of the National Investment Climate Rating	The indicator is determined based on the degree of achievement of the benchmark indicators of the factor “Efficiency of Electrical Connection Procedures” of the National Investment Climate Rating in the constituent entities of the Russian Federation included in the area of operational responsibility of the Company	Indicative figure	%	100.0	95.1	95.1%, partially achieved	A significant increase in the timeframes for the implementation of measures for technical connection of applicants (directly involved in the calculation of indicator A5.1 and correlates with indicator A5.3) due to an acute shortage of sources of financing for measures in the “preferential category” up to 150 kW.	100.0	100.0

Indicator name	Calculation procedure	Official responsible for achieving the FKPIs	Unit of measurement	Target value in 2024	Actual value for 2024 ¹	Achievement assessment (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
EBITDA (Operating profit)	Calculated as pre-tax profit/(loss) before depreciation expenses and interest payable, adjusted for the amount of impairment/(reversal of impairment) of fixed assets and revenue from the provision of technical connection services	Deputy General Director for Economy and Finance	thous. rubles	-8,466,926	-9,983,813	0%, not achieved	A decrease in marginal income from the sale of electricity and power transmission services by 2.67 billion rubles, which is due to the failure to achieve the planned level of electricity losses by 3.7 percentage points (target: 24.7%, actual: 28.4%), as well as an increase in the cost of services for the transfer of other TGC due to the growth in the volume of services provided through the grids of Alaniaenergaset State Unitary Enterprise in connection with the consolidation of electric grid facilities located in	-7,423,694	-7,136,095

¹ For 2024, the expected level of KPI and FKPI achievement is given, taking into account the timing and procedure for preparing reports, which are the source of information for calculating indicators. The final actual values are approved by the Board of Directors of Rosseti Northern Caucasus, PJSC.

² If the percentage of FKPI achievement is more than 100%, then the percentage equal to 100% is indicated; if the percentage of achievement is less than 90%, the percentage of achievement equal to 0% is indicated.

³ The composition and target values of the indicators may be adjusted by decision of the Board of Directors of the Company.

Indicator name	Calculation procedure	Official responsible for achieving the FKPIs	Unit of measurement	Target value in 2024	Actual value for 2024 ¹	Achievement assessment (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
							the cities of Beslan, Digora, Mozdok and Alagir, an increase in the tariff for expenditure contracts with Kabbalkkommun-energo Municipal Unitary Enterprise and Russian Railways, PJSC and a change in the settlement pattern under the contract with Oboronenergo, JSC.		
Obtaining a certificate of readiness for the heating season	A certificate of readiness for operation during the heating season shall be received by the Company by November 5 of the reporting year in accordance with the Rules for Assessing the Readiness of Electric Power Industry Entities for operation during the heating season, approved by Decree of the Government of the Russian Federation No. 543 dated May 10, 2017	General Director First Deputy General Director – Chief Engineer DGD for relations with state authorities and civil society institutions	pcs	1	1	100% achieved	-	1	1
Absence of significant accidents in electrical	When calculating the indicator, accidents in the Company's electrical grid classified by the Rostechnadzor commission	First Deputy General Director – Chief Engineer	pcs	0	0	100% achieved	-	0	0

Indicator name	Calculation procedure	Official responsible for achieving the FKPIs	Unit of measurement	Target value in 2024	Actual value for 2024 ¹	Achievement assessment (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
grids investigated by Rostechnadzor	according to paragraph 4 of the Rules for Investigating the Causes of Accidents in the Electric Power Industry (approved by RF Government Resolution No. 846 dd. 28.10.2009) are taken into account								
Efficiency of innovative activities	The integral indicator of the innovation activity efficiency measures the degree of fulfillment of three component indicators: the indicator of R&D costs, the indicator of purchase of innovative products, the indicator of the quality of the development (updating) of design and survey work/implementation of design and survey work	First Deputy General Director – Chief Engineer	%	98.0	Not summed up	Not estimated ¹	-	98.0	98.0
Increase in the labor efficiency as compared to 2022	Ratio of added value for all types of services to the average annual number of employees. Comparison with base 2023	Deputy General Director for Economy and Finance	%	10.0	30.57	100% achieved	-	15.0	20.0

¹ FKPI "Efficiency of Innovation Activity" (target value $\geq 98\%$) is not assessed due to the absence of an approved Innovative Development Program of Rosseti Northern Caucasus, PJSC for 2023, which is a source of information for calculating the actual value of the innovative KPI. While, Rosseti Northern Caucasus, PJSC carries out activities to implement projects and activities of the Innovative Development Program of Rosseti, PJSC to the extent required. Based on paragraph 1.13 of the Procedure for calculating the KPIs and FKPIs of the management team of Rosseti Northern Caucasus, PJSC approved by the decision of the Board of Directors of the Company dated December 28, 2023 (Minutes No. 546 dated December 29, 2023), if it is impossible to calculate the actual value of any KPI or FKPI in the reporting period (absence of the facilities and/or financial and economic transactions in the Company required for calculating the actual value), the specific weight of such KPI or FKPI is redistributed to the remaining KPIs and FKPIs (KPIs are distributed to the remaining KPIs, FKPIs to the remaining FKPIs) of the reporting period pro rata their specific weights in the remuneration system of the management team of the Company.

Indicator name	Calculation procedure	Official responsible for achieving the FKPIs	Unit of measurement	Target value in 2024	Actual value for 2024 ¹	Achievement assessment (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
		Deputy General Director – Head of the Office Deputy General Director for Interaction with Electricity Market Entities							
Active staff turnover	Ratio of the total number of Company employees dismissed at their own request in accordance with clauses 3 (termination of an employment contract at the initiative of the employee) and 5 (transfer of employees at their request or with their consent to work with another employer, or transfer to an elective job (position)) of Article 77 of the Labor Code of the Russian Federation, to the average headcount for the reporting period	Deputy General Director – Head of the Office	%	6.5	1,1	100% achieved	-	6.5	6.5
Staffing level	Determined as the ratio of the staff size, reduced by the number of vacant positions, to the staff size according to the Company's staffing schedule at the end of the reporting period	Deputy General Director – Head of the Office	%	95.0	98.0	100% achieved	-	95.0	95.0
Compliance with the timing of technical connection	An integrated indicator that measures the level of quality of technical connection to the grids, consisting of two components – the quality of consideration of	First Deputy General Director Deputy General Director for	rel. units	1.1	2.2	0%, not achieved	Lack of funding sources for the implementation of technical	1.1	1.1

Indicator name	Calculation procedure	Official responsible for achieving the FKPIs	Unit of measurement	Target value in 2024	Actual value for 2024 ¹	Achievement assessment (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
	applications for TC, the quality of execution of contracts for the TC of applicants	Development and Sales of Services					connection activities		
Debt/ EBITDA ¹	The ratio of the sum of long-term and short-term loans and borrowings to EBITDA	Deputy General Director for Economy and Finance	thous. rubles	1,100,872	1,100,872	100% achieved	-	800,320	800,320
Efficiency of transition to the use of domestic software	Determined as the share (percentage) of installed Russian (domestic) software in the total volume of installed software in the Company, implementing its own plan approved by the Board of Directors of the Company for the transition to the predominant use of domestic software	Deputy General Director for Special Projects	%	84.3	87.4	100% achieved	-	88.9	90.0
Efficiency of the transition to the use of domestic electronic products	Determined as the share (percentage) of the Company's purchase of Russian (domestic) electronic equipment in the total volume for the Company, implementing a plan for the transition to the predominant use of domestic electronic products	First Deputy General Director – Chief Engineer	%	77.0	77.0	100% achieved	-	78.0	79.0
Overdue receivables for power transmission services	The actual value of overdue receivables (excluding moratorium debt) at the end of the reporting period does not exceed the target value	First Deputy General Director Deputy General Director for Development and Sales of Services	thous. rubles	6,935,760	8,119,360	0%, not achieved	By the resolution of the Arbitration Court of the Northern Caucasus District dated 19.04.2024, the decision of the Karachay-Cherkess	6,375,080	8,016,747

¹ Due to the negative value of the Debt/EBITDA indicator, the Debt indicator value is specified as the target value.

Indicator name	Calculation procedure	Official responsible for achieving the FKPIs	Unit of measurement	Target value in 2024	Actual value for 2024 ¹	Achievement assessment (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
		Deputy General Director for Corporate Management Deputy General Director for Relations with State Authorities and Civil Society Institutions					Republic Arbitration Court to declare Distribution Grid Company bankrupt was overturned, in connection with which the debt in the amount of 1,348.2 million rubles lost its moratorium status and was transferred to a claim submission status.		
Safekeeping of property of the company	When calculating the indicator, the facts of theft or intentional damage to the Company's property are taken into account	Deputy General Director for Security	pcs	0	0	100% achieved	-	0	0
Ensuring requirements for the protection of insider information	When calculating the indicator, the Company's compliance with the requirements of the Law on Insider Trading and compliance with the deadlines for the Company to provide the Moscow Exchange, PJSC with a list of the Company's insiders are taken into account	Deputy General Director for Security	q-ty	0	0	100% achieved	-	0	0
Maintaining share listings and corporate governance ratings	The indicator is determined provided the simultaneous fulfillment of the following sub-indicators: a) Maintaining the listing of the Company's shares b) Maintaining the Company's corporate governance rating (the	Deputy General Director for Corporate Management	achieved / not achieved	Achieved	Achieved	100% achieved	-	Achieved	Achieved

Indicator name	Calculation procedure	Official responsible for achieving the FKPIs	Unit of measurement	Target value in 2024	Actual value for 2024 ¹	Achievement assessment (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
	sub-indicator is determined based on an independent assessment of corporate governance)								
Corporate governance control Chechen-energo, JSC	To calculate the indicator, penalties imposed by the Bank of Russia for violations of the law on the securities market, the Federal Tax Service of Russia for violations related to the registration of amendments to the constituent documents of Chechenenergo, JSC and the Federal Antimonopoly Service of Russia for failure to submit petitions and notifications related to the execution of transactions by Chechenenergo, JSC with shares (interests), property of commercial organizations, rights in relation to commercial organizations, as well as for violation of the procedure and deadlines for their submission are taken into account	Deputy General Director for Corporate Management	achieved / not achieved	Achieved	Achieved	100% achieved	-	Achieved	Achieved
Timeliness of holding AGMS/AGMP of the Company and its subsidiaries	To calculate the indicator, cases of failure by the Company and its subsidiaries to meet the deadlines for holding AGMS/AGMP, established by the law of the Russian Federation, are taken into account	Deputy General Director for Corporate Management	%	100	0	100% achieved	-	100	100

Indicator name	Calculation procedure	Official responsible for achieving the FKPIs	Unit of measurement	Target value in 2024	Actual value for 2024 ¹	Achievement assessment (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
Share of contracts concluded as a result of completed procedures conducted in electronic form	Calculated as the ratio of the number of procurement procedures carried out electronically, as a result of which agreements associated with spending of funds were concluded, to the total number of procurement procedures (competitive and non-competitive), as a result of which agreement associated with spending of funds were concluded	Deputy General Director for Investment Activities	%	56.0	81.39	100% achieved	-	60.0*	64.0*
The number of comments (errors) on accounting in the organization, identified by the auditor and the auditing commission during inspections based on the results of the reporting period	When assessing the indicator performance, comments (errors) in terms of accounting and reporting, comments re: compliance with the law of the Russian Federation on taxes and fees are taken into account, and the level of materiality established by the standards of auditing activities is also taken into account.	First Deputy General Director Chief Accountant – Head of the Department for Financial and Fiscal Accounting and Reporting	pcs	0	0	100%, achieved	-	0	0
Efficiency of implementation of	The indicator assesses the achievement of target revenue from the sale of additional services of other activities and the	Deputy General Director for Development and Sales of Services	%	100.0	24	24%, not achieved	The deviation is primarily due to the absence of contractual relations with Rosatom	100.0	100.0

Indicator name	Calculation procedure	Official responsible for achieving the FKPIs	Unit of measurement	Target value in 2024	Actual value for 2024 ¹	Achievement assessment (% achieved/not achieved) ²	Reasons for failure to achieve	Target value in 2025 ³	Target value in 2026 ³
additional services	achievement of planned gross profit from the sale of additional services of other activities for the reporting period						Renewable Energy, JSC with which, in turn, it was planned to conclude a construction contract for the performance of construction, installation and commissioning work on facilities within the framework implementation of the Novolakskaya Wind Farm project in the Republic of Dagestan, the estimated cost of which was 900 million rubles.		

* The composition and target values of the indicators were approved by the decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated 29.11.2024 (Minutes No. 569 dated 02.12.2024) and are subject to clarification (if necessary) by the decision of the Board of Directors of the Company, taking into account the requirements of the Standard Procedure for Calculating KPIs and FKPIs of the Management Staff of Subsidiaries of Rosseti, PJSC, approved by order of Rosseti, PJSC No. 171 dated 03.04.2025.

2.6. Key Risks

As part of functioning of the RM&ICS, the Company regularly identifies, assesses and monitors risks, implements activities to reduce the likelihood and potential consequences of risk realization, and also informs shareholders and other stakeholders accordingly.

The preferred risk (risk appetite) of Rosseti Northern Caucasus, PJSC was approved by the decision of the Board of Directors of the Company dd. October 9, 2023 (Minutes No. 540 dated October 11, 2023).

Preferred risk (risk appetite) shall mean the maximum permissible level of risks that Rosseti Northern Caucasus, PJSC considers acceptable in the process of achieving the Company's goals and is ready to sustain.

Target indicators of preferred risk (risk appetite):

1. Rosseti Northern Caucasus, PJSC provides reliable and high-quality power supply.
2. Rosseti Northern Caucasus, PJSC ensures the fulfillment of obligations of the Policy in the field of occupational safety, development and improvement of the occupational safety management system and safety culture.
3. Rosseti Northern Caucasus, PJSC, ensures the development and increase in the availability of the power grid infrastructure.
4. Rosseti Northern Caucasus, PJSC seeks to reduce electricity losses during its transmission and distribution.
5. Rosseti Northern Caucasus, PJSC strives to maintain a stable financial position.
6. Rosseti Northern Caucasus, PJSC seeks to reduce (minimize) the negative impact on the environment.
7. Rosseti Northern Caucasus, PJSC, ensures that the rights of shareholders are observed.
8. Rosseti Northern Caucasus, PJSC opposes the violation of the requirements set forth in the law of the Russian Federation.
9. Rosseti Northern Caucasus, PJSC strives to ensure technological and innovative development through the introduction of scientific research results and technologies.
10. Rosseti Northern Caucasus, PJSC ensures the staff development in the integrated power grid complex and maintains a consistently high level of inflow of operational staff.

In 2024, risks inherent to the Company were assessed according to three levels of materiality, which are a generalized assessment of the likelihood and consequences of risk realization:

Moderate – not having a significant negative impact on financial and economic performance indicators, but requiring continuous monitoring to timely identify a possible increase in the level of risk materiality;

Significant – where the realization of the risk may lead to significant variations in key performance indicators, short-term suspension of activities, a decrease in independent ratings, and negative coverage of activities;

Critical – where the realization of the risk may lead to failure to achieve the goals established by the management bodies, long-term interruptions of activities, negative coverage of activities in the media and a decrease in the market quote of the Company's shares.

The risk register of Rosseti Northern Caucasus, PJSC for 2024 contains 39 corporate-level risks, of which by materiality levels: Critical – 1 risk, Significant – 17 risks, Moderate – 21 risks.

Risk ID	Risk name
Strategic risks	
SR-1	Failure to achieve the indicators of reliability and quality of power supply
SR-2	Deterioration of macroeconomic conditions affecting the Company's activities
SR-3	Failure to achieve the indicators of the Corporate Import Substitution Plan
SR-4	Failure to achieve Digital Transformation Strategy indicators
SR-5	Risks associated with the impact of climate change on the Company's activities
Operating risks	
OR-1	Major accidents at power grid facilities
OR-2	Occupational accidents
OR-3	Failure to achieve the readiness indicator for operation during the heating season
OR-4	Failure to implement the production program (Maintenance and Repair and Renovation Program)
OR-5	Exceeding the set target value of the level of electricity losses (%)
OR-6	Failure to comply with the timing of technical connection
OR-7	Failure to comply with the facility commissioning schedule
OR-8	Failure to achieve the innovation performance indicator
OR-9	Disruption and/or termination of the functioning of critical information infrastructure facilities as a result of computer attacks
OR-10	Unauthorized access to confidential information
OR-11	Failure to achieve the development of labor productivity target
OR-12	Failure to achieve staffing levels
OR-13	Publication in media resources of negative information regarding the Company, management and employees

Risk ID	Risk name
Financial risks	
FR-1	Failure to achieve the planned level of revenue from power transmission services
FR-2	Failure to achieve the planned level of revenue from technical connection services
FR-3	Failure to achieve the planned level of revenue from additional (non-tariff) services
FR-4	Exceeding the planned level of uncontrolled operating expenses: <i>for the purchase of electricity to compensate for losses, for payment of power transmission services through TGC grids, through UNES</i>
FR-5	Exceeding the planned level of other operating (controlled and uncontrolled) expenses
FR-6	Exceeding the planned level of interest expenses
FR-7	Exceeding the target value of overdue accounts receivable from power transmission services
FR-8	Exceeding the planned level of debt burden
FR-9	Limitation/inability to raise the required amount of financing
FR-10	Risk of insufficient liquidity
FR-11	Failure to achieve the target financial performance from the sale of electricity
Risks of violating the law	
LR-1	Violation of antitrust laws
LR-2	Violation of labor laws
LR-3	Violation of occupational safety law
LR-4	Violation of law in the field of industrial and fire safety
LR-5	Violation of environmental law
LR-6	Failure to meet the requirements for carrying out work at electrical grid facilities, including construction work
LR-7	Violation of the law on joint-stock companies and the law on securities
LR-8	Violation of the law on taxes and levies and accounting law
LR-9	Committing a crime of a corrupt nature by employees of the Company
LR-10	Illegal actions of legal entities and individuals, including employees of the subsidiary, causing economic damage, as well as harm to business reputation

Red zone – critical risks are unacceptable for the Company and are subject to priority management

Yellow zone – significant risks that have a significant impact on the Company’s activities and are subject to management

Green zone – moderate risks, do not have a significant impact on the Company’s activities, are subject to periodic monitoring

For risks with a Significant and Critical materiality level, the Risk Management Action Plan of Rosseti Northern Caucasus, PJSC for 2024 has been developed and approved (Minutes of the Company’s Management Board No. 392 dated December 26, 2023).

Risk ID	Risk Name	Risk Management Action
1	2	3
SR-1	Failure to achieve the indicators of reliability and quality of power supply	Timely implementation of technical and organizational activities developed on the basis of investigation of technological faults (accidents).
		Effective arrangement of emergency and recovery works allowing to reduce the duration of interruption of power supply to consumers due to technological faults (accidents).
		Timely fulfillment of the requirements established by the Methodological Guidelines for Calculation of the Level of Reliability and Quality of Supplied Goods and Provided Services for the Company Related to Management of the Unified National (All-Russian) Power Grid and Territorial Grid Companies approved by Order of the Ministry of Energy of the Russian Federation dated November 29, 2016 No. 1256.
OR-1	Major accidents at power grid facilities	Ensuring testing of operability and selective operation of relay protection devices and automation of high voltage connections.
		Ensuring the ongoing readiness of operational personnel to operate power units and eliminate emergency situations.
		Checking the serviceability of fire alarm systems.
		Compliance with the operating instructions and specified settings of protection and automation received from SO UES, JSC.
		Checking the serviceability of lightning protection and surge protection systems.
OR-2	Occupational accidents	Organization of work in the Company in the field of occupational safety within the framework of the implementation of the requirements set out in the Labor Code of the Russian Federation (Federal Law No. 197-FZ dd. 30.12.2001).
		Systematic advanced training of personnel and practical training in the skills and methods of safe performance of work, inter alia aimed at the development of the employees’ skills of safe behavior at work and the prevention of emergency situations.

		Ensuring safe working conditions through the introduction and use of technologies that provide for the safe performance of work and create safe working conditions.
		Ensuring safe working conditions through the compliance with the requirements of regulatory legal acts on technical operation, in the field of occupational safety, fire, industrial and environmental safety, including during design, construction, reconstruction, retrofitting and upgrading.
		Timely delivery of occupational safety briefings and checking the quality of learning.
		Ensuring the effective functioning and continuous improvement of the occupational safety management system.
		Ensuring the fulfillment of the Program's activities to implement the zero injury concept and develop a culture of safety consciousness in the Company.
OR-5	Exceeding the set target value of the level of electricity losses (%)	Monitoring the implementation of technical measures under the loss reduction program. Monitoring the implementation of organizational measures to reduce losses.
FR-1	Failure to achieve the planned level of revenue from power transmission services	Revealing facts of non-contractual and unaccounted electricity consumption.
FR-2	Failure to achieve the planned level of revenue from technical connection services	Monitoring the execution of technical connection agreements.
		Control over the timely provision of inventory items for the purposes of technical connection.
FR-3	Failure to achieve the planned level of revenue from additional (non-tariff) services	Conducting activities aimed at extending contracts and resolving possible disagreements with applicants for additional (non-tariff) services, preventing contract termination.
		Measures to promote additional (non-tariff) services (meetings and online conferences, Internet marketing).
		Monitoring the implementation of business plan target indicators in terms of providing additional (non-tariff) services.
FR-4	Exceeding the planned level of uncontrolled operating expenses: <i>for the purchase of electricity to compensate for losses, for payment of power transmission services through TGC grids, through UNES</i>	Ensuring the achievement of 100% of obligations discharge for power transmission service via grids of TGCs, through UNES, for the purchase of electricity acquired for the purpose of compensating for losses, settlement of emerging disagreements with counterparties, adoption of comprehensive measures to control accounts payable at the stage of execution of legally binding court decisions (settlement agreements, restructuring, etc.), or its write-off, provided there are legal grounds.
FR-5	Exceeding the planned level of other operating (controlled and uncontrolled) expenses	Control over the execution of the expenditure budget in strict accordance with the BP.
		Monitoring compliance with the requirements of the Directive of the Government of the Russian Federation No. 2303p-P13 dated 16.04.2015 on reducing operating expenses (costs) by at least 2–3% annually.
FR-6	Exceeding the planned level of interest expenses	Monitoring the debt capital market.
		Consideration of the possibility of early repayment/refinancing of expensive loans using own and/or borrowed funds.

FR-7	Exceeding the target value of overdue accounts receivable from power transmission services	Ensuring that 100% of overdue accounts receivable for power transmission services are covered by claims and litigation work, as well as their settlement by taking comprehensive measures at the stage of executing legally binding court decisions (settlement agreements, restructuring, etc.), or writing them off, if there are legal grounds.
		Ensuring unconditional compliance with the deadlines for submitting and approving quarterly Schedules of Measures to reduce overdue debt for consideration by the Board of Directors of Rosseti Northern Caucasus, PJSC, approving quarterly Schedules with the aim of reducing the level of overdue accounts receivable, the level of bad debt provision and fulfilling the planned indicators for repayment/reduction of overdue accounts receivable.
FR-8	Exceeding the planned level of debt burden	Compliance with the Company's Credit Policy.
FR-9	Limitation/inability to raise the required amount of financing	Monitoring the debt capital market.
		Analysis of alternative sources of funding for events.
FR-11	Failure to achieve the target financial performance from the sale of electricity	Ensuring the formation and timely sending of payment documents (invoices, proforma invoices) to all served consumers.
		Control over the conclusion of contracts for energy supply, purchase and sale of electrical energy.
		Implementation of organizational and technical measures aimed at reducing the level of losses – identification of cases of unaccounted (non-contractual) consumption. Monitoring their implementation.
LR-4	Violation of law in the field of industrial and fire safety	Conducting inspections of the state of industrial and fire safety as part of the implementation of internal technical control for the purpose of identifying and eliminating violations in the field of industrial and fire safety.
		Conducting periodic training and certification of production personnel on industrial safety.
		Conducting necessary technical measures within the framework of technical inspection of technical devices used at hazardous industrial facilities.
LR-7	Violation of the law on joint-stock companies and the law on securities	
LR-7.2	Violation of the law on joint-stock companies and the law on securities in the field of using insider information and market manipulation	The person in charge of control procedure maintains the list of insiders of the Company and its provision to the market makers through whose mediation operations with financial instruments are effected and to the Bank of Russia upon a written demand (request).
		The person in charge of control procedure notifies the Company insiders of their inclusion in/exclusion from the list on insiders.
		The person in charge of control procedure informs the executive bodies of the Company about the unlawful use of insider information.
		The person in charge of control procedure collects, processes, records, and stores Notices from the Company's insiders about transactions they have performed with the Company's financial instruments.
LR-8	Violation of the law on taxes and levies and accounting law	Selection of personnel in accordance with the qualification requirements set out in job descriptions.

		Material incentives for employees in accordance with paragraph 5 “Principles and Procedure for Awarding Performance Bonuses” of the Regulation on Labor Remuneration of Rosseti Northern Caucasus, PJSC.
		Control of completeness of recording business transactions based on primary documents with subsequent closing of the reporting period in the automated system: “1C: Enterprise”.
LR-9	Committing a crime of a corrupt nature by employees of the Company	Monitoring the signing by the Company’s employees of the Agreement on compliance with the requirements of the Anti-Corruption Policy, initial disclosure of information about the existence of a conflict of interest upon hiring.
		Verification of information on property, income and property-related liabilities of managers (members of their families).
		Verification of an appeal regarding possible facts of corruption.

Risk map of Rosseti Northern Caucasus, PJSC for 2024						
Probability level	Extremely high					OR-2
	High	FR-2 FR-6 FR-3 FR-8 FR-5	FR-11	FR-1 FR-4 FR-7		
	Average			SR-1 OR-1 OR-5 LR-4 LR-8 LR-9		
	Low		SR-4 LR-1 OR-4 LR-2 OR-7 LR-3 OR-12 LR-6 OR-13 LR-10	LR-7		
	Very low	OR-3 SR-3 OR-5 SR-5 OR-8 LR-5 OR-9 OR-10 OR-11		SR-2 FR-10	FR-9	
	Very low	Low	Average	Significant	Critical	
	Level of consequences					

Information on the implementation of critical and significant risks is considered by the management bodies of the Company as part of the report on the organization, functioning and effectiveness of the risk management and internal control system of Rosseti Northern Caucasus, PJSC for 2024.

The Company also takes into account the following risks in its activities:

Risk of information security and cyber threats

For this category, the risk associated with the distortion, theft of “sensitive” information in the process of its receipt, processing, storage, transmission, including the use of modern information technologies, is relevant. In case of risk materialization, unauthorized access to the Company’s information resources is possible through hacker attacks, malicious software, distribution of malicious information and spam (use of cyber threats), as a result of which the integrity, confidentiality and availability of the Company’s information resources may be violated. Which may result in failure of the hardware and software packages of the Company to perform their intended functions, causing material and reputational damage to the Company.

Cyber threats are the spread of malicious information and spam that jeopardize the information security of a person, company, or state. The most significant sources of malicious information are considered to be viruses, spyware and malware, which, in addition to spreading spam, lead to a decrease in the speed of information channels and an increase in traffic. Phishing attacks (creation of a duplicate site to obtain confidential information and use it illegally), operational failures (loss of unsaved data, equipment failure) and DDoS attacks (simultaneous hacker attack from a large number of computers with the aim of causing the operation to fail).

The most effective methods of combating cyber threats are the use of firewalls and anti-virus protection.

In order to minimize this risk, to effectively and reliably protect commercial information, personal data and other types of confidential information, the Company's information resources have the following functions, which are currently operated:

- information security systems in information systems of personal data of the Company;
- data loss prevention systems (DLP-systems) to protect, detect and prevent security leakage from corporate information systems and record the information about illegal actions of users;
- client-server system for encryption and access control to information resources of the corporate information system;
- SIEM information security event monitoring and correlation system;
- secure remote access system;
- anti-virus information protection systems.

During the reporting period, no information security risks of the Company were recorded.

Sustainability risks

- **Environmental risk**

Rosseti Northern Caucasus, PJSC in its activities ensures compliance with the most advanced requirements aimed at reducing environmental impact, has all the necessary mechanisms aimed at minimizing environmental risks.

The environmental policy of the integrated power grid defines dynamic development with the most rational use of natural resources and preservation of a favorable environment as the principle of operation of Rosseti Northern Caucasus, PJSC.

The main directions of the Company environmental policy implementation are:

- compliance with the requirements and regulations established by the environmental legislation of the Russian Federation and international legal acts in the field of environmental protection;
- establishment of unified environmental requirements for the activities of the integrated power grid organizations;

- the priority of taking measures to prevent harmful effects on the environment over the implementation of measures to eliminate the environmental negative consequences of such an impact;
- implementation of a set of measures for saving energy and enhancing energy efficiency.
- use of the best available technologies and innovations in the integrated power grid, ensuring compliance with environmental requirements and minimizing the negative impact on the environment, including the use of cable lines and self-supporting insulated wires in the distribution grid complex;
- replacement of gasoline and diesel fuel with environmentally “clean” types of motor fuel and the use of electric transport in organizations of the integrated power grid;
- development of charging infrastructure and increase in the total share of electric transport in the Russian Federation;
- restriction of production and construction activities in areas of special environmental importance;
- ensuring the conservation of biological diversity and restoration of disturbed lands;
- ensuring environmentally safe handling of production waste;
- ensuring compliance by contractors with the requirements of the law of the Russian Federation and Rosseti Northern Caucasus, PJSC in the field of environmental protection and environmental safety in the process of design, construction, reconstruction and retrofitting and upgrading of electric grid facilities;
- ensuring transparency and accessibility of environmental information, informing all the parties concerned about accidents, their environmental consequences and liquidation measures;
- improvement of the system of industrial environmental control;
- active participation in the improvement of the regulatory framework in the field of environmental protection and environmental safety;
- involvement of personnel in activities aimed at ensuring environmental safety, environmental protection and rational use of natural resources;
- advanced training of personnel serving the facilities of the integrated power grid in the field of environmental protection and environmental safety;
- continuous improvement of the image of Rosseti Northern Caucasus, PJSC as an environmentally oriented company.

Natural and climatic risk

The following natural hazards may occur in the areas where the issuer operates, posing a threat to power grid facilities:

- 1) Floods, highwater:

- Stavropol Territory: Andropovsky, Mineralovodsky and Predgorny regions;
- Republic of Dagestan: Kizlyarsky, Kizilyurtovsky districts;
- Karachay-Cherkess Republic: Cherkessk, Karachaevsky, Khabezsky, Prikubansky districts;
- The Republic of North Ossetia – Alania: the valleys of the Ardon, Ursdon, Fiagdon, Terek, Uruk rivers.

2) Mudflows, landslides:

Kabardino-Balkarian Republic, Tyrnyauz;

- Karachay-Cherkess Republic: Urupsky, Karachaevsky, Ust-Dzhegutinsky, Zelenchuksky, Khabezsky districts;

3) Avalanches: Karachay-Cherkess Republic: Karachaevsky and Zelenchuksky districts;

4) Fires: throughout the Company's service area.

During the reporting period, no cases of hazardous natural phenomena were recorded in the territories of the issuer group's activities.

In order to prevent the occurrence of emergencies caused by the impact of natural factors on facilities, the Company is working to introduce an ice load monitoring system and equipment for ice melting in areas most prone to icing. Also, during the reconstruction or construction of new facilities, work is carried out to develop a project of civil defense engineering and technical measures with due account to measures aimed at prevention of the occurrence of emergencies caused by natural factors. In order to prevent the occurrence of fires under the overhead lines, vegetation is cut down on the routes of passage using the resources of task groups.

Measures to ensure the security of equipment are carried out in accordance with the work plans of the emergency and fire safety committees. The main equipment of the facilities is mainly protected from damaging factors caused by emergencies. Plans for engineering and technical measures have been developed at the facilities to ensure their sustainable operation in accordance with operational orders.

3. 2024 activities results

3.1. Operating results

3.1.1. Production activity results

Results of Production Activities for 2024

Name of the branch of the Company	Power supply to the grid, million kWh	Power supply from the grid to consumers and adjacent TGCs within the limits of the balance and operating responsibility, million kWh	Losses	
			mln kWh	%
Kabbalkenergo	1,927	1,545	382	19.83
Karachaevo-Cherkessskenergo	1,411	1,210	201	14.24
Sevkavkazenergo	1,728	1,426	302	17.48
Stavropolenergo	8,307	7,565	742	8.93
Ingushenergo	1,127	490	638	56.56
Dagenergo	9,079	4,648	4,431	48.81
Total for branches of Rosseti Northern Caucasus, PJSC	23,580	16,884	6,696	28.40

According to business results of Rosseti Northern Caucasus, PJSC, in 2024 the volume of power output from the grid to consumers and adjacent TGC within the borders of balance and operation responsibility amounted to 16,884 million kWh, which is 876 million kWh, or 5.49% more, compared to the 2023 figures (16,006 million kWh).

Actual electric energy losses in 2023–2024

Name of the branch of the Company	Electric energy losses					
	2023 Actual		2024 Actual		Change, 2024/2023	
	mln kWh	%	mln kWh	%	mln kWh	pp
Kabbalkenergo	360	20.52	382	19.83	22	-0.69
Karachaevo-Cherkessskenergo	185	14.46	201	14.24	16	-0.22
Sevkavkazenergo	302	18.30	302	17.48	0	-0.82
Stavropolenergo	714	8.96	742	8.93	28	-0.03
Ingushenergo	510	52.41	638	56.56	128	4.15
Dagenergo	3,881	46.60	4,431	48.81	550	2.21
Total for branches of Rosseti Northern Caucasus, PJSC	5,953	27.11	6,696	28.40	743	1.29

Actual electric energy losses in grids of Rosseti Northern Caucasus, PJSC were 6,696 mln kWh or 28.40% of the grid supply. Compared to the same period of the previous year, with an increase in grid output by 7.38%, the increase in electric energy losses amounted to 743 million kWh, or 1.29 percentage points.

At the end of 2024, an increase in the level of electricity losses is noted in the Dagero branch and Ingushenergo branch.

The main reasons for the increase in the level of losses:

- an increase in load losses due to an increase in relation to electricity grid supply;
- failure to implement organizational measures to reduce losses;
- considerable failure of account metres in the Dagero branch;
- high level of losses in leased grids in Makhachkala and Khasavyurt;
- off-the-meter electricity consumption, incl. “mining”, construction of facilities in the absence of title documents in the Republic of Dagestan.

Financial indicators regarding the level of collection of funds for the power transmission services and electricity supplied to the retail market, settlements with grid operators and electricity suppliers

Indicator	Unit of measurement	Period			Change, 2024/2023, %
		2022 actual	2023 actual	2024 actual	
Level of collection of funds for the power transmission services	%	95.3	94.2	95.6	1.4
Level of settlements with grid operators	%	105.5	101.4	111.1	9.7
The level of collection of funds for electricity supplied on the retail market	%	79.5	82.5	84.3	1.8
Level of settlements with electricity suppliers	%	121.4	93.4	90.8	-2.6

3.1.2. Technical connection

Information on the dynamics of volumes of demand and services rendered for technical connection and the dynamics of revenue from technical connection

In 2024, the power grid branches of Rosseti Northern Caucasus, PJSC received 22,268 applications for technical connection to grids for a total capacity of 1,059.5 MW, which is 8 % more as compared to 2023 (20,673 applications). While, the total capacity for accepted applications in 2024 is 27% less (1,059.5 MW in 2024 and 1,450.9 MW in 2023).

At the end of 2024, compared to 2023, the number of concluded contracts increased by 7% and amounts to 16,079 (15,096 contracts in 2023). While, the volume of connected capacity under the concluded contracts increased by 40% and amounts to 564.3 MW (936.2 MW in 2023).

The number of executed contracts for 2024 amounted to 13,913, with a volume of connected capacity of 424.6 MW (+12% in terms of quantity and -1% in terms of total capacity as compared to 2023: 13,518 fulfilled contracts for a total capacity of 427.2 MW). Increase in the number of executed contracts is due to the growth of applicants to be connected with only installation of metering devices in categories up to 150 kW. The 2024 plan was overfulfilled by 40% in terms of the number of executed contracts, while, in terms of the volume of connected capacity, the overperformance was 4%.

The increase in revenue in 2024 for technical connection services by 11.5% compared to 2023 is due to changes in legislation regarding tariff forming system from July 1, 2022 and an increase in the tariff rate of RUB/kW for applicants to 15 kW every six months. The 2024 revenue target was under fulfilled by 76%, which is explained by the postponement of the deadline for implementation of activities under VGTRK Elbrus technical connection contract in the Kabardino-Balkarian Republic to 2025 with a planned revenue of 1,274 million rubles excluding VAT.

The 2024 plan for the “Cash Proceeds” indicator was exceeded by 42%. The sharp increase in cash proceeds is associated with the receipt of advance payments under newly concluded contracts in the category over 670 kW and amounted to 1,594.5 million rubles VAT inclusive, against the target of 1,123.8 million rubles VAT inclusive.

Information on technical connection of socially significant large and infrastructure facilities

In 2024 experts of Rosseti Northern Caucasus, PJSC performed actions for technical connection of large facilities that are of importance for economic development of constituent entities of the Northern Caucasus Federal District. Socially important facilities were connected: kindergartens, schools, out-patient clinics, polyclinics, other institutions and electric charging stations.

In the Stavropol Territory the following facilities were connected to the power grids: 9 medical institutions and 5 pre-school and school education organizations. A number of them were built and reconstructed as part of the implementation of federal and regional programs. In total, socially significant facilities were provided with almost 0.72 MW of power.

In addition, power receivers of 217 small and medium-sized businesses are connected to the electrical grid. The above include 49 agricultural facilities with a total capacity of 2.43 MW.

In addition, the Trunovskaya wind power plant, which supplies 95 MW to the grid, 8 electric charging stations with a total capacity of 1.2 MW, and more than 2,868 individual housing construction facilities with a total capacity of 30.36 MW were connected to the power grid.

In Kabardino-Balkarian Republic the following facilities were connected to the power grid: 2 healthcare facilities, with a total capacity of 0.415 MW, 8 general education institutions, with a total capacity of 2.094 MW, 4 sports centers, with a total capacity of 0.168 MW, 2 cultural centers, with a total capacity of 0.044 MW.

Also, power receivers of 103 agricultural facilities with a total capacity of 22.9 MW are connected to the electrical grid.

In addition, the following facility is connected to the power grids: a 6 kV CL for power supply of the capital construction project “Construction of PARNIK greenhouse complex for the production of fruit and vegetable products with a capacity of 2 MW, as well as two 6 kV CL for power supply of the pumping units of the second stage of the third lift, the Mokraya Shalushka water intake with a capacity of 1.986 MW, the Dvoretz Teatrov theater center with a maximum capacity of 0.650 kW, 15 electric charging stations with a total capacity of 2.2 MW, 2,431 facilities used by citizens for household needs (not related to commercial activities) with a total capacity of 15.7 MW.

In the Karachay-Cherkess Republic the following facilities are connected to the power supply grids: 12 healthcare institutions and 6 preschool and school education organizations. As part of providing electricity to socially significant facilities, a total capacity of 0.85 MW was provided, 117 tourist infrastructure facilities with a total capacity of 9 MW in the ski resorts of Arkhyz, Teberda and Dombay, more than 152 small and medium-sized businesses, including 59 agricultural facilities with a total capacity of 1.3 MW.

In addition, the following facility was connected to the power grid: the Verkhnekubanskaya small HPP, which supplies 4.9 MW of electricity to the grid, built as part of implementation of the renewable energy sources program, 6 electric charging stations with a total capacity of 0.9 MW, and more than 608 individual housing construction facilities with a total capacity of 4.2 MW.

In North Ossetia – Alania, the following were connected to the power grid: facilities of adjacent TGC with a total maximum capacity of 7.6 MW, the Alania Park ski resort with 6.0 MW, the Mamison Federal Ski Resort with a capacity of 4.48 MW, and in the agricultural sector, the greenhouse complex of TK Alania LLC with 6 MW was connected.

In the Republic of Ingushetia the following facilities were connected to the power grid: 4 pre-school and school education organizations. A number of them were built and reconstructed as part of the implementation of federal and Republican programs. In total, socially significant facilities were provided with almost 0.525 MW of power.

In addition, power receivers of 93 small and medium-sized businesses were connected to the electrical grid. The above include 11 agricultural facilities with a total capacity of 1.075 MW.

In addition, 43 housing construction facilities with a total capacity of 4.7 MW were connected to the power grid.

In the Republic of Dagestan, the following facilities were connected to the power grids: multi-apartment residential complexes with a total maximum capacity of 0.7 MW, sports and fitness facilities, healthcare facilities and comprehensive schools with a total capacity of 0.4 MW, agricultural facilities with a total maximum capacity of 0.3 MW, and tourism facilities (hotels, recreation centers, etc.) with a total maximum capacity of 0.7 MW.

In addition, a waste sorting plant in Makhachkala with a maximum capacity of 0.45 MW was connected to the grid.

In addition, 28 electric charging stations with a total capacity of 6.4 MW and more than 4,376 individual housing construction facilities with a total capacity of 31.7 MW were connected to the electrical grid.

Performance indicators in terms of technical connection services

Indicator	Unit of measurement	Period			Change, 2024/2023, %
		2022	2023	2024	
TC applications accepted	pcs	21,203	20,674	22,268	8
	kW	1,203,182.90	1,450,925.55	1,059,514.32	-27
TC contracts concluded	pcs	17,080	15,096	16,079	7
	kW	718,091.00	936,225.19	564,298.08	-40
TC contracts fulfilled	pcs	15,130	13,518	15,106	12
	kW	331,778.60	427,171.85	424,599.89	-1
Valid TC contracts	pcs	13,157	14,730	16,022	9
	kW	1,115,210.90	1,603,325.37	1,743,256.86	9
The structure of fulfilled contracts by categories of applicants					
Up to 15 kW, inclusive	pcs	14,105	12,444	13,913	12
Above 15 and up to 150 kW, inclusive	pcs	847	875	955	9
Above 150 kW and less than 670 kW	pcs	150	170	179	5
At least 670 kW	pcs	27	24	50	108
Generation	pcs	1	5	9	80

Up to 15 kW, inclusive	kW	123,736.30	97,858.46	113,137.49	16
Above 15 and up to 150 kW, inclusive	kW	57,538.60	55,343.29	60,760.39	10
Above 150 kW and less than 670 kW	kW	47,459.80	59,381.60	64,563.21	9
At least 670 kW	kW	43,044.00	38,588.50	83,238.80	116
Generation	kW	60,000.00	176,000.00	102,900.00	-42
Revenue from technical connection activities by applicant categories					
Up to 15 kW, inclusive	million rubles	45.99	137.96	200.19	45
Above 15 and up to 150 kW, inclusive	million rubles	28.34	45.17	66.25	47
Above 150 kW and less than 670 kW	million rubles	20.56	47.45	57.79	22
At least 670 kW	million rubles	145.96	30.62	110.87	262
Generation	million rubles	21.8	129.22	0.03	-100
The structure of fulfilled contracts by industries					
Individuals	pcs	12,780	11,201	12,536	12
Section A. Agriculture, Forestry, Hunting, Fishing and Fish Farming	pcs	184	180	181	1
Section B. Mining	pcs	4	9	5	-44
Section C. Manufacturing Sectors	pcs	15	20	15	-25
Section D. Providing electricity, gas and steam; air conditioning (35.11 Electricity generation and subsections)	pcs	38	50	48	-4
Section F. Construction	pcs	163	155	147	-5
Section G. Wholesale and retail trade; Repair of Vehicles and Motorcycles	pcs	116	107.0	117	9
Section H. Transportation and Storage	pcs	44	45	17	-62
Section J. Information and Communication Activities	pcs	226	278	403	45
Section P. Education	pcs	37	32	28	-13
Section Q. Health and Social Services Activities	pcs	58	59	53	-10
Other	pcs	1,465.00	1,382.00	1,556	13
Individuals	kW	113,320.40	88,214.85	101,494.1	15
Section A. Agriculture, Forestry, Hunting, Fishing and Fish Farming	kW	9,228.00	25,928.00	38,071.5	47
Section B. Mining	kW	135	1,618	4,500.0	178
Section C. Manufacturing Sectors	kW	9,093.00	3,348.00	4,433.0	32
Section D. Providing electricity, gas and steam; air conditioning (35.11 Electricity generation and subsections)	kW	71,918.80	179,507.00	111,606.9	-38
Section F. Construction	kW	13,831.00	19,880.00	13,511.6	-32
Section G. Wholesale and retail trade; Repair of Vehicles and Motorcycles	kW	3,212.50	4,114.00	7,460.5	81

Section H. Transportation and Storage	kW	454	3,421	331.6	-90
Section J. Information and Communication Activities	kW	1,965.00	3,098.00	4,976.2	61
Section P. Education	kW	3,808.00	3,637.00	4,323.7	19
Section Q. Health and Social Services Activities	kW	6,407.00	1,527.00	14,019.1	818
Other	kW	98,406.00	92,879.00	119,871.7	29

3.1.3. Provision of additional (non-tariff) services

Development of additional (non-tariff) services remains one of the important and promising areas, aimed at increasing the sustainability of the business model, income of Rosseti Northern Caucasus, PJSC and customer centricity.

Based on the results of the activities of Rosseti Northern Caucasus, PJSC for 2024 revenue from other types of activities according to accounting data amounted to 317,683 thousand rubles, with the established target indicator of 1,360,895 thousand rubles, inter alia from the sale of additional (non-tariff) services.

The deviation of the actual figure from the target value is primarily due to the absence of contractual relations with Rosatom Renewable Energy, JSC with which, in turn, it was planned to conclude a construction contract for the performance of construction, installation and commissioning work on facilities within the framework implementation of the Novolakskaya Wind Farm project in the Republic of Dagestan, the estimated cost of which was 900 million rubles.

On the Portal of Rosseti Electric Grid Services портал-тп.рф, consumers can see the extended price list of additional services provided by the Company, or on the official website of Rosseti Northern Caucasus, PJSC in the section “Additional Services”.

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Indicators	Unit of measurement	Period		
		2022 actual	2023 actual	2024 actual
1	2	3	4	5
Revenue from the sale of additional (non-tariff) services related to other activities	million rubles	1,102.189	1,108.803	317.683
The amount of non-tariff revenue from other types of activities	%	11.6	12.2	4

As part of development of road infrastructure in the regions of presence, the Company interacts (has concluded compensation agreements) with the Federal State Institution Kavkaz Office of Public Roads within the construction and reconstruction of sections of the R-217 Kavkaz highway, M-4 Don – Vladikavkaz – Grozny – Makhachkala – border with the Republic of Azerbaijan Republic “Khasavyurt Bypass” in the Republic of Dagestan and “Vladikavkaz Bypass” in the Republic of North Ossetia – Alania.

Also in 2024, the Company entered into an Agreement on compensation for the reconstruction of the 110 kV Arablinka substation, the 110 kV Samur substation with the engineering company Novaya Energiya LLC, an Agreement on compensation for the reconstruction of the 110 kV Komintern substation, the 110 kV Kochubey substation, the 110 kV Yuzhno-Sukhokumskaya substation, and the 110 kV Zaterechnaya substation with Yunigrin Engineering, LLC.

In 2024, revenue in the FOCL-OL direction amounted to 146,573 thousand rubles, which is 35.4% higher than the 2023 figure (in 2023, revenue amounted to 103,244 thousand rubles). Work was actively carried out to legalize the non-contractual placement of FOCL by third parties on the Company's electrical grid property. These measures made it possible to increase the controlled infrastructure and further ensure growth in the Company's income.

As part of the development strategy, a roadmap for the development of additional (non-tariff) services of Rosseti Northern Caucasus, PJSC was developed and submitted for consideration by the Board of Directors of the Company, detailing plans for the development of non-tariff activities of the Company aimed at further increasing revenue and strengthening market positions.

Prospective projects and tasks for 2025–2029 for the Company in the area of development of additional (non-tariff) services are:

- development of electric charging infrastructure;
- implementation of target guidelines in FOCL-OL area;
- conclusion of contracts for the performance of work within the applicant's area of responsibility when implementing technical connection on a turnkey basis.

3.1.4. Interaction with consumers

Rosseti Northern Caucasus, PJSC has 6 branches: Stavropolenergo, Kabbalkenergo, Karachaevo-Cherkessenergo, Sevkvkazenergo, Ingushenergo and Dagenenergo.

Policy pursued by Rosseti Northern Caucasus, PJSC in the field of communication with consumers of the Company's services is customer-oriented and aimed at facilitating interaction between service consumers and the Company. Customer centricity of the Company is implemented by creation and operation of the system for centralized servicing of consumers.

Interaction with consumers of Rosseti Northern Caucasus, PJSC is arranged in accordance with the requirements of the Quality Standards for Providing Services to Consumers of Rosseti Northern Caucasus, PJSC in three forms of providing services to customers: face-to-face service, distance service and interactive service, which can be classified as a form of correspondence service. Information exchange between the Company and service consumers is carried out by means of communication channels.

1. The face-to-face form of service involves direct address of service consumers to the consumer service offices of Rosseti Northern Caucasus, PJSC: CSC (Customer Service Center), located in Makhachkala, and Vladikavkaz, as well as in 106 customer service stations (CSS), organized on the basis of regional and urban power distribution zones of Rosseti Northern Caucasus, PJSC. This form of service was used by 28.9 thousand consumers in 2024.

2. Distance services to customers via telephone communication in the Company are provided through the power engineer hotline "Bright Line 220" at the federal number 8-800-220-0-220. Calling the power engineer hotline "Bright Line 220" is free. Calls to the power engineer hotline "Bright Line 220" at the federal number 8-800-220-0-220 and a single short number 220 are received 24 hours a day, seven days a week, 24×7×365.

In 2024, the power engineer hotline “Bright Line 220” at the federal number 8-800-220-0-220 received 260.8 thousand calls from the service consumers.

3. 15.6 thousand requests from service consumers were received and considered by the office of the Company.

4. Interactive service form

Electronic (interactive) provision of services of the Company’s customers is arranged through the TC Portal, located on the Internet information telecommunications network at the address: <https://портал-тп.рф, и МП., Портал Светлая Страна>.

In 2024, 42.6 thousand requests from customers were received through interactive services.

In 2024, Rosseti Northern Caucasus, PJSC received 569.1 thousand requests from service consumers, the increase in the number of requests compared to 2023 was 60.1%, including:

- 46.89 – applications for the provision of services, of which 22.37 thousand are applications for technical connection, 4 thousand applications for provision of additional services;
- 1,321 complaints from service consumers, which is 1.9% more than in 2023 (1,296 complaints).

Changes implemented in 2024 and planned for 2025.

For improving the quality and availability of services of Rosseti Northern Caucasus, PJSC and for analysis of the consumer satisfaction with the quality of provided services and support, in 2024 a research was performed by surveying consumers using a questionnaire. 1,687 respondents were surveyed. 1,177 respondents expressed overall satisfaction with the activities of the grid company.

The following measures are scheduled for 2025:

- conducting service consumer surveys in writing;
- consumers informing in mass media and via online services to communicate them the required information;
- development of infrastructure for face-to-face services to consumers;
- development of infrastructure for distance services to consumers;
- development of a range of additional paid services provided by Rosseti Northern Caucasus, PJSC.

5. The quality of work with consumers of services of Rosseti Northern Caucasus, PJSC can be assessed based on the results of fulfilling the planned indicator of the quality of services provided under technical connection agreements, established in accordance with the requirements of the applicable law in the field of electric power industry. By the decision of the competent authorities in the field of state regulation of tariffs for the period of 2023–2024, the following planned values of quality of rendered services were established.

Name of the grid company in the constituent entity of the Russian Federation	Year	Level of quality of goods (services) sold	
		Indicator of quality level of implemented TC	Indicator of quality level of consumer care
Stavropolenergo branch	2023	1	Not approved
	2024	1	Not approved
Kabbalkenergo branch	2023	1	Not approved
	2024	1	Not approved
Karachaevo-Cherkesskenergo branch	2023	1	Not approved
	2024	1	Not approved
Sevkavkazenergo branch	2023	1	Not approved
	2024	1	Not approved
Ingushenergo branch	2023	1	0.8975
	2024	1	0.8975
Dagenergo branch	2023	1	Not approved
	2024	1	Not approved

Based on the results of activity of Rosseti Northern Caucasus, PJSC on the achievement of the established planned indicators of reliability and quality of provided services, the following actual results were achieved in the period of 2022–2023:

Name of the grid company in the constituent entity of the Russian Federation	Year	Level of quality of goods (services) sold	
		Indicator of quality level of implemented TC	Indicator of quality level of consumer care
Stavropolenergo branch	2023	1.0146	Not approved
	2024	1.0200	Not approved
Kabbalkenergo branch	2023	1.169	Not approved
	2024	1.1749	Not approved
Karachaevo-Cherkesskenergo branch	2023	1.271	Not approved
	2024	1.392	Not approved
Sevkavkazenergo branch	2023	2.074	Not approved
	2024	1.8966	Not approved
Ingushenergo branch	2023	1.102	0,94681
	2024	1.0746	0.81764
Dagenergo branch	2023	1.662	Not approved
	2024	1.660	Not approved

* The calculations were made in accordance with the calculation procedure approved by Order of the Russian Ministry of Energy No. 1256 dated November 29, 2016.

The indicator of the level of quality of the technical connection for 2024 is set at the level of 1 for all branches, the actual value of the indicator for 2024 was:

- a) Stavropolenergo 1.020, variation vs the established planned indicators is 0.2% with an acceptable variation vs the established values of 25%;
- b) Kabbalkenergo 1.1749 variation vs the established planned indicators is 17.49% with an acceptable variation vs the established values of 25%;
- c) Ingushenergo 1.0746 variation vs the established planned indicators is 7.46% with an acceptable variation vs the established values of 25%;

The indicator of the level of quality of service for customers of Ingushenergo branch for 2024 was set at 0.8975, the actual indicator was 0.81764, the variation vs the established planned values was 8.8% with an acceptable variation of 25%.

d) Dagenergo 1.660, which exceeds the established planned value by 66% with an established acceptable variation of 25%;

e) Sevkvkazenergo 1.896 variation vs the established planned indicators is 89.6% with an acceptable variation vs the established values of 25%;

f) Karachaevo-Cherkesskenergo 1.392 variation vs the established planned indicators is 39.2% with an acceptable variation vs the established values of 25%.

3.1.5. Investment Activity

Investment planning is an integral part of the business planning and budgeting system at Rosseti Northern Caucasus, PJSC. During compilation of investment program, impact of its implementation on the Company's entire economic activity is assessed. In the pursuit of investment policy, the implementation of which is reflected in annual investment programs, the following activities are fulfilled:

- maintaining and operating equipment necessary for sufficient, reliable, and uninterrupted power supply to consumers;
- lowering production costs, in particular, through improvement of equipment efficient performance;
- upgrading main assets;
- ensuring safe operation of equipment;
- commissioning new capacities in case of necessity to cover load deficiency or create capacity margin.
- unconditional measures implementing in connection with consumers technical connection;
- preparation for completion passport receiving by autumn and winter period.

Major investment program indicators for 2024

Name of constituent entity of the Russian Federation	Implementation, million rubles, net of VAT	Adding to FA ¹ , million rubles, net of VAT	Funding, mln RUB, VAT inclusive	New power	
				MVA	km
Stavropol Territory	1,176.23	1,092.19	1,265.55	62.33	99.92
Republic of Dagestan	2,609.93	1,749.82	3,412.69	235.54	48.27
Kabardino-Balkarian Republic	559.10	627.95	1,063.98	20.58	26.77
Republic of North Ossetia – Alania	659.24	744.73	839.67	4.10	53.12
Karachay-Cherkess Republic	648.58	690.94	530.19	5.28	119.15
Republic of Ingushetia	375.20	365.68	466.16	21.50	24.20
Chechen Republic	1.53	39.04	15.68	0.00	5.41
Total for Rosseti Northern Caucasus, PJSC	6,029.80	5,310.35	7,593.92	349.32	376.84

¹ Without taking into account ownerless facilities recognized as fixed assets.

Dynamics of implementation of the investment program in 2022–2024

Indicator	Unit of measurement	Actual			Change 2024/2023, %
		2022	2023	2024	
Amount of financing	million rubles	3,945.55	4,501.70	7,593.92	69
Amount of implementation of capital investment	million rubles	2,650.19	3,506.44	6,029.80	72
Adding to fixed assets	million rubles	3,070.79	3,246.35	5,310.35	64
Adding of transformer capacity to fixed assets	MVA	109.57	66.58	349.32	425
Adding of power transmission lines to fixed assets	km	721.23	287.93	376.84	31

The investment program of Rosseti Northern Caucasus, PJSC for 2024 is approved by Order of the Russian Ministry of Energy No. 47@ dated December 28, 2024.

The amount of financing in 2024 amounted to 7,593.92 million rubles VAT inclusive, 6,029.80 million rubles of capital investments exclusive of VAT were implemented, 5,310.35 million rubles exclusive of VAT, 376.84 km of power transmission lines, 349.32 MVA of transformer capacities were added to fixed assets,

Stavropol Territory: in 2024, capital investments in the amount of 1,176.23 million rubles exclusive of VAT exclusive were implemented, 1,092.19 million rubles exclusive of VAT were added to fixed assets, 1,265.55 million rubles VAT inclusive were financed. Besides, 62.33 MVA of transformer capacities and 99.92 km of transmission lines were put into operation.

Republic of Dagestan: in 2024, capital investments in the amount of 2,609.93 million rubles exclusive of VAT were implemented, 1,749.82 million rubles exclusive of VAT were added to fixed assets, 3,412.69 million rubles inclusive of VAT were financed. Besides, 235.54 MVA of transformer capacities and 48.27 km of transmission lines were put into operation.

Kabardino-Balkarian Republic: based on the results of 2024, capital investments in the amount of 559.10 million rubles exclusive of VAT were implemented, 627.95 million rubles exclusive of VAT were added to fixed assets, 1,063.98 million rubles VAT inclusive were financed. Besides, 20.58 MVA of transformer capacities and 26.77 km of transmission lines were put into operation.

The Republic of North Ossetia – Alania: in 2024, capital investments in the amount of 659.24 million rubles exclusive of VAT were implemented, 744.73 million rubles exclusive of VAT, were added to fixed assets, 839.67 million rubles inclusive of VAT were financed. Besides, 4.10 MVA of transformer capacities and 53.12 km of transmission lines were put into operation.

Karachay-Cherkess Republic: in 2024, capital investments in the amount of 648.58 million rubles exclusive of VAT were implemented, 690.94 million rubles were added to fixed assets, 530.19 million rubles inclusive of VAT were financed. Besides, 5.28 MVA of transformer capacities and 119.15 km of transmission lines were put into operation.

The Republic of Ingushetia: in 2024, capital investments in the amount of 375.20 million rubles exclusive of VAT were implemented, 365.68 million rubles exclusive of VAT were added to fixed assets, 466.16 million rubles inclusive of VAT were financed. Besides, 21.50 MVA of transformer capacities and 24.20 km of transmission lines were put into operation.

Chechen Republic: based on the results of 2024, capital investments in the amount of 1.53 million rubles exclusive of VAT were implemented, 39.04 million rubles exclusive of VAT were added to fixed assets, 15.68 million rubles VAT inclusive were financed. Besides, 5.41 km transmission lines were launched.

Pattern and structure of funding for capital investments

In 2024, Rosseti Northern Caucasus, PJSC, carried out activities targeted at enhancing reliability and non-interruption of electric energy supply to consumers, as well as at increasing installed capacity to enable connection of additional loads and prolonging operation term of power facilities. The amount of investments by areas, including:

- for technical connection in 2024, the actual financing amounted to 2,199.31 million rubles VAT inclusive;
- for the reconstruction, modernization, technical retrofitting of facilities in 2024, the actual financing amounted to 2,539.25 million rubles, VAT inclusive;
- for other newly constructed power grid facilities in 2024, the actual financing amounted to 740.30 million rubles, VAT inclusive;
- for investment projects necessary for carrying out the operational dispatch control in the electricity power industry and the purchase and sale of electric energy, in 2024 the actual financing amounted to 99 million rubles, VAT inclusive;
- for other investment projects in 2024, the actual financing amounted to 2,016.05 million rubles, VAT inclusive.

Stavropol Territory: financing amounted to 1,265.55 million rubles, of which technical connection – 920.60 million rubles, technical retrofitting and reconstruction – 105.72 million rubles, other activities – 239.24 million rubles.

Among the major facilities put in operation in 2024 the following activities may be noted:

- ✓ reconstruction of the 110/35/6 kV Mineralnye Vody-2 substation for technical connection of Stavropolkommunelectro State Unitary Enterprise. Commissioned transformer capacity is 40 MVA.

Republic of Dagestan: financing of capital investments amounted to 3,412.69 million rubles, of which technical connection – 453.02 million rubles, technical retrofitting and reconstruction – 1,794.11 million rubles, other new construction of electric grid facilities – 515.53 million rubles, other activities – 644.91 million rubles, investment projects in the areas of operational dispatch control in the electric power industry and the purchase and sale of electric energy – 5.11 million rubles.

Among the major projects put in operation in 2024 the following may be noted:

- ✓ construction of two 6 kV CL from the 110/6 kV Derbent-Zapadnaya substation (sports palace) with an approximate length of 1.8 km and construction of two 6 kV OL from the boundary of the land plot (sports palace) to the boundary of the land plot of the applicant for the Treatment Facilities. Installation of two reclosers with relay protection and automation functions on the 6 kV OL from the 110/6 Derbent-Zapadnaya substation for the technical connection of power receivers of the sports palace for the technical connection of power receivers of the treatment facilities and the sports palace (contracts No. 16688/2019/DG/DERBGES dated 29.06.2020, No. 27126/2020/DG/DERBGES dated 28.12.2020);
- ✓ purchase of 15 6/0.4-2x1000 kVA CCTS;
- ✓ purchase of special equipment;
- ✓ activities implemented within the framework of the Program of priority activities for technical retrofitting and reconstruction of the integrated power grid of the Republic of Dagestan. Commissioned transformer capacity is 235.5 MVA.

Kabardino-Balkarian Republic: capital investment financing amounted to 1,063.98 million rubles, of which technical connection – 316.18 million rubles, technical retrofitting and reconstruction – 15.88 million rubles, other activities – 688.43 million rubles. Investment projects in the areas of operational dispatch control in the electric power industry and the purchase and sale of electric energy – 43.49 million rubles.

Among the major facilities put in operation in 2024 the following activities may be noted:

✓ reconstruction of the 6 kV F-69 110 kV CRU SS, construction of the second circuit of the 110 kV OL by suspending the wire on the existing supports of the 6 kV F-69 SS of 110 kV CRU, construction of two 110 kV OL to the designed 110 kV Wolfram substation, construction of a 6 kV OL section from the existing 6 kV 110 kV CRU SS OL, reconstruction of two 110 kV reserve linear cells on the I and II 110 kV SS of the 110 kV SS CRU (Technical connection of Elbrus Mining Plant, LLC, TC agreement No. 8484/2020 dated 02.12.2020). The facility was put into operation. The introduced length of the OL is 11.42 km.

Republic of North Ossetia – Alania: financing of capital investments amounted to 839.67 million rubles, of which technical connection – 299.16 million rubles, technical retrofitting and reconstruction – 269.44 million rubles, other new construction of electric grid facilities – 0.13 million rubles, other activities – 258.04 million rubles, investment projects in the areas of operational dispatch control in the electric power industry and the purchase and sale of electric energy – 12.90 million rubles.

Among the major facilities put in operation in 2024 the following activities may be noted:

✓ creation of electricity metering systems within the framework of the Plan (program) for reducing losses of electric energy in the electric grids of Sevkavkazenergo, branch of Rosseti Northern Caucasus, PJSC.

Karachay-Cherkess Republic: capital investment financing amounted to 530.19 million rubles, of which technical connection – 165.98 million rubles, technical retrofitting and reconstruction – 178.64 million rubles, other activities – 156.30 million rubles. Investment projects in the areas of operational dispatch control in the electric power industry and the purchase and sale of electric energy – 29.27 million rubles.

Among the major facilities put in operation in 2024 the following activities may be noted:

✓ creation of electricity metering systems within the framework of the Plan (program) for reducing losses of electric energy in the electric grids of Karachaevo-Cherkessskenergo, branch of Rosseti Northern Caucasus, PJSC.

Republic of Ingushetia: financing of capital investments amounted to 466.16 million rubles, of which technical connection – 44.36 million rubles, technical retrofitting and reconstruction – 175.46 million rubles, other new construction of electric grid facilities – 208.96 million rubles, other activities – 29.14 million rubles, investment projects in the areas of operational dispatch control in the electric power industry and the purchase and sale of electric energy – 8.24 million rubles.

Among the major facilities put in operation in 2024 the following activities may be noted:

✓ construction of a 0.58 km long CL and installation of two 10 MVA transformers to ensure completion of the construction of the Plievo Novaya SS. The facility was put into operation. The introduced transformer length is 0.58 km. Commissioned transformer capacity is 20 MVA.

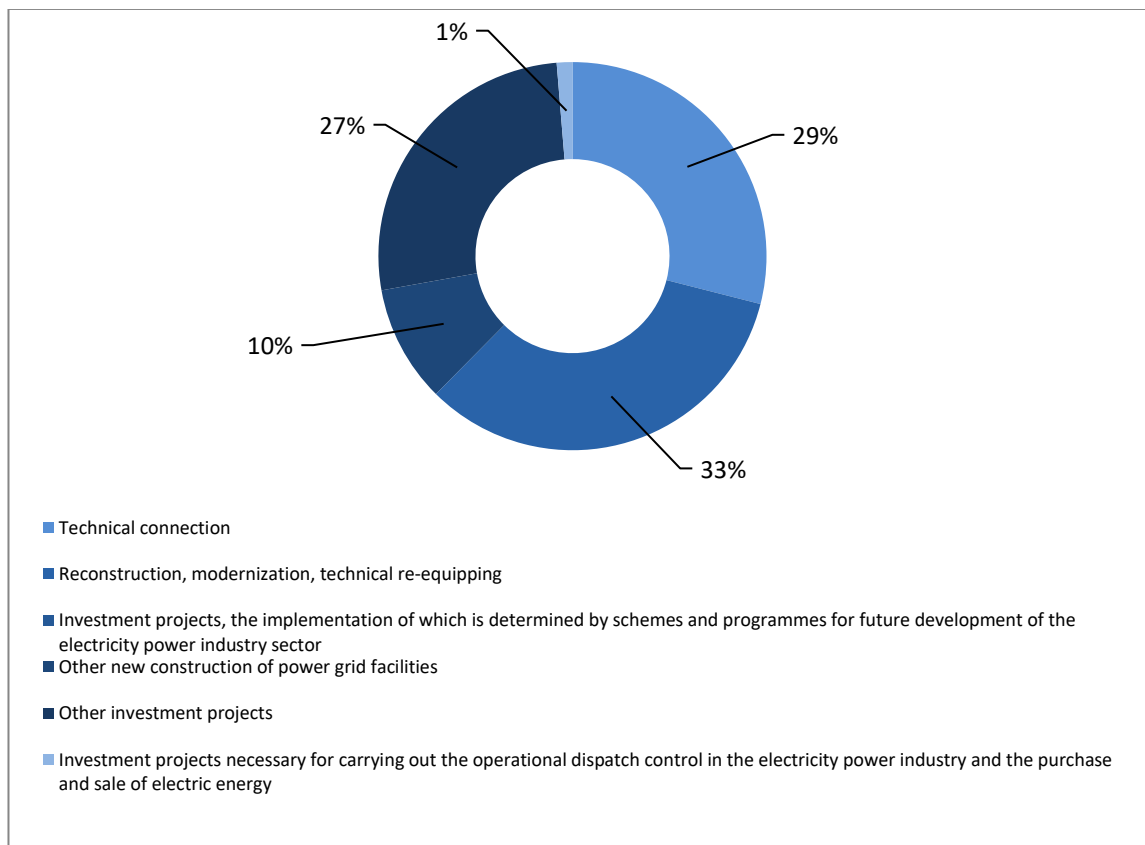
Chechen Republic: capital investment financing amounted to 15.68 million rubles for other new construction of power grid facilities.

Structure of capital investment financing, million rubles, including VAT

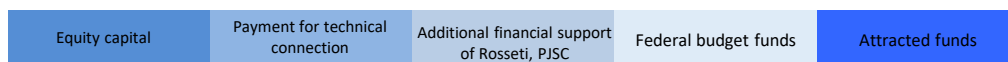
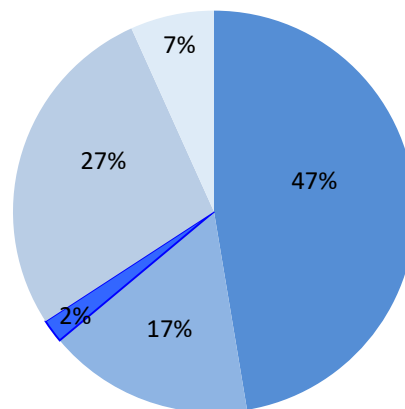
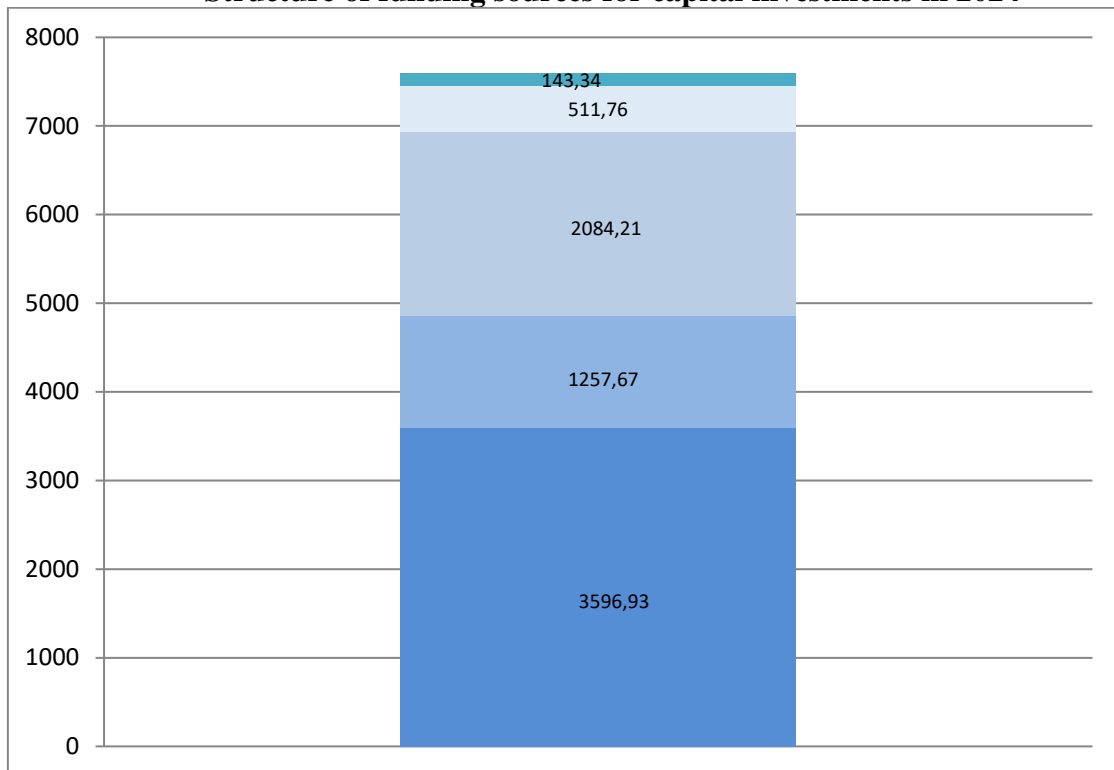
Indicator	2022	2023	2024
Total	3,945.55	4,501.70	7,593.92
Technical connection	1,262.19	1,844.63	2,199.31
Reconstruction, modernization, technical re-equipping	1,614.22	1,529.49	2,539.25
Investment projects, the implementation of which is determined by schemes and programmes for future development of the electricity power industry sector	159.07	0.03	-

Other new construction of power grid facilities	70.00	99.79	740.30
Purchase of land plots for the implementation of investment projects	0.00	0.00	-
Other investment projects	797.94	1,018.56	2,016.05
For investment projects necessary for carrying out the operational dispatch control in the electricity power industry and the purchase and sale of electric energy	42.13	9.19	99.00

Financing structure of Rosseti Northern Caucasus, PJSC for 2024, in %



Structure of funding sources for capital investments in 2024



The financing of Rosseti Northern Caucasus, PJSC in 2024 amounted to 7,593.92 million rubles. Financing in 2024 was provided:

- out of the Company's own funds – 3,596.93 million rubles;
- out of proceeds for technical connection in the amount of 1,257.67 million rubles;
- using funds of additional financial support from Rosseti, PJSC in the amount of 2,084.21 million rubles;
- out of the Company's own funds – 143.34 million rubles;
- out of federal budget funds in the amount of 511.76 million rubles.

Results of investment program implementation in 2024

Information on the results achieved in 2024 through the implementation of activities included in the investment program, in accordance with Order of the Russian Ministry of Energy No. 177 dated March 14, 2017:

- facilities influencing the transformer substation loading efficiency indicator – 84 facilities;
- facilities that affect the indicator assessing the change in the share of the productive power supply generated by power meters included in the data collection and transmission system – 1 facility;
- facilities that affect the indicator assessing the change in the average duration of interruption in the power transmission to service consumers – 1 facility;
- facilities that affect the indicator assessing the change in the average duration of interruption in the power transmission to service consumers – 1 facility;
- indicator of the total number of obligations fulfilled by the grid company within the investment program for the implementation of technical connection made – 9,076 pcs;
- indicator of the maximum capacity of the connected power consumers, power generation facilities, power grid facilities owned by other grid companies or other individuals – 60 MW.

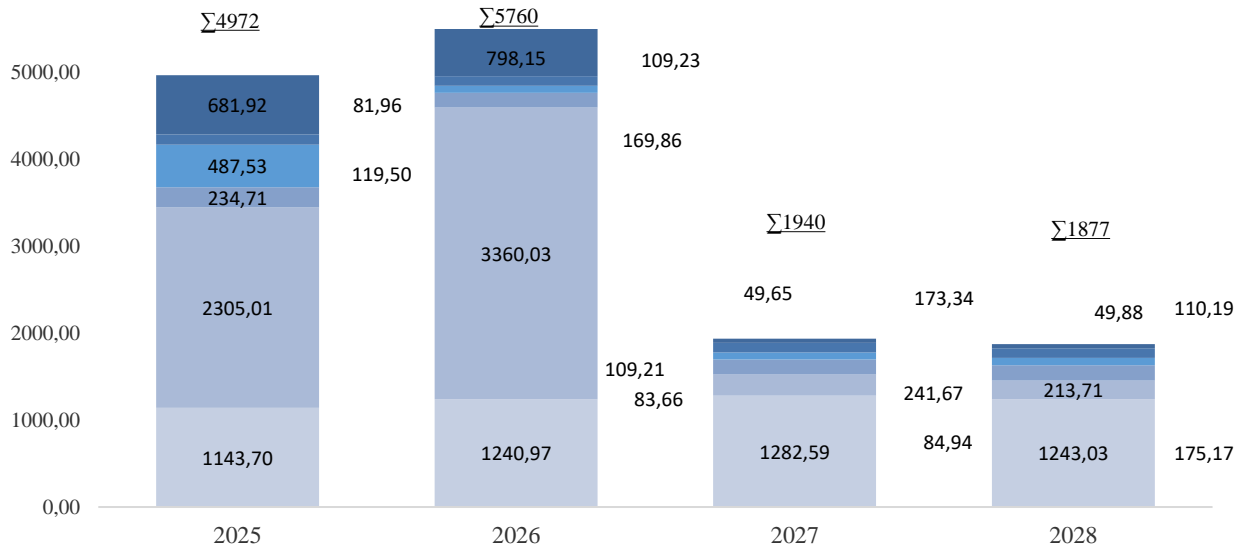
Long term investment program

The draft investment program of Rosseti Northern Caucasus, PJSC was approved by the decision of the Board of Directors of Rosseti Northern Caucasus, PJSC on August 9, 2024 (Minutes No. 563 dated August 12, 2024) and submitted for approval to the Russian Ministry of Energy. The Long Term Investment Program of Rosseti Northern Caucasus, PJSC, for 2025–2028 was approved by Order No. 47@ made by the Russian Ministry of Energy on December 28, 2024 “On Approval of the Investment Program of Rosseti Northern Caucasus, PJSC for 2024–2028 and Amendments Approval Made to the Investment Program of Rosseti Northern Caucasus, PJSC” approved by Order made by the Russian Ministry of Energy No 33@ dated November 25, 2022 as amended by Order No. 30@ of the Russian Ministry of Energy dated December 22, 2023.

Main parameters of the Long Term Investment Program of Rosseti Northern Caucasus, PJSC for 2025–2028

Indicators	Unit of measurement	Plan			
		2025	2026	2027	2028
Amount of financing	million rubles	4,972.37	5,760.21	1,940.13	1,876.93
Amount of implementation of capital investment	million rubles	6,157.65	4,583.04	1,457.23	1,583.67
Adding to fixed assets	million rubles	5,187.46	2,178.85	4,854.34	1,617.89
Adding of transformer capacity to fixed assets	MVA	335.11	78.23	365.46	26.34
Adding of power transmission lines to fixed assets	km	2,400.94	257.68	709.21	108.30

**Amount of financing for the Investment Program for 2025–2028, million rubles,
VAT inclusive**



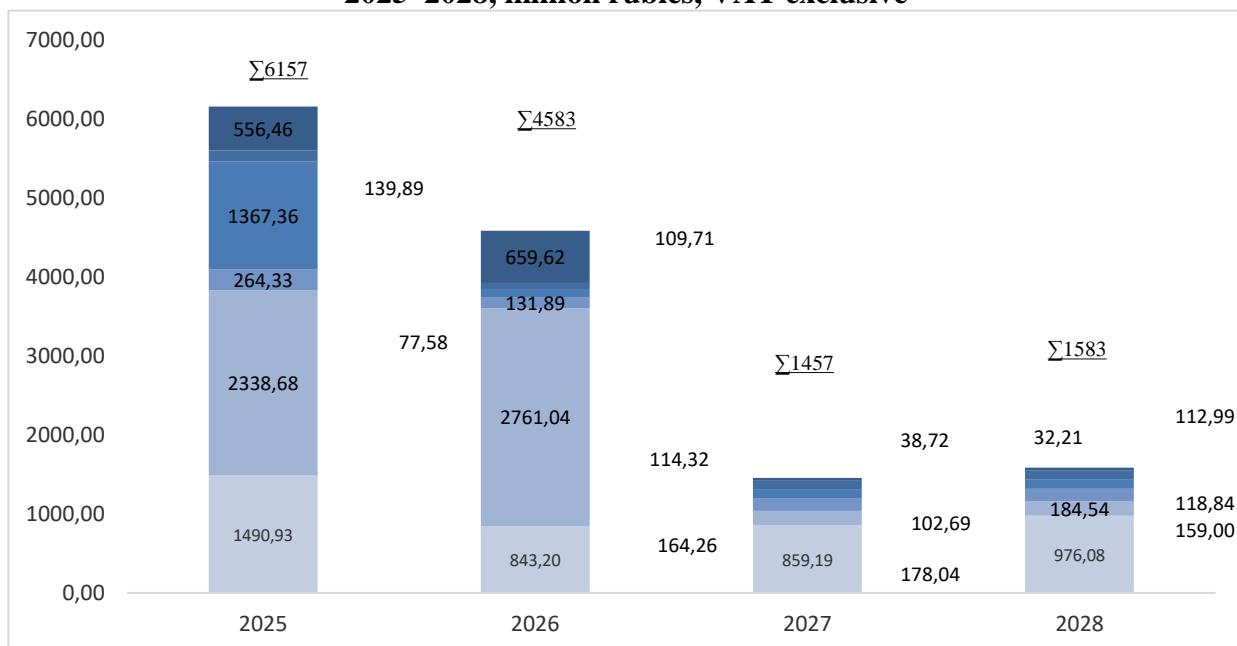
Stavropol Territory	1,143.70	1,240.97	1,282.59	1,243.03
Republic of Dagestan	2,305.01	3,360.03	241.67	213.71
Kabardino-Balkarian Republic	234.71	169.86	173.34	175.17
Republic of North Ossetia – Alania	487.53	81.96	83.66	84.94
Karachay-Cherkess Republic	119.50	109.23	109.21	110.19
Republic of Ingushetia	681.92	798.15	49.65	49.88

Sharp reduction in funding volumes from 2027 is due to the completion of the activities carried out within the framework of the Program for the Upgrade and Improvement of the Reliability of the Integrated Power Grid of the Republic of Dagestan (GIIS “Electronic Budget”), financed from the federal budget.

The Investment Programme of Rosseti Northern Caucasus, PJSC for 2025–2028 was developed taking into account the plans for the development of the territories, the technical condition of the power grids, the importance of power supply facilities, the current economic situation in the Russian economy.

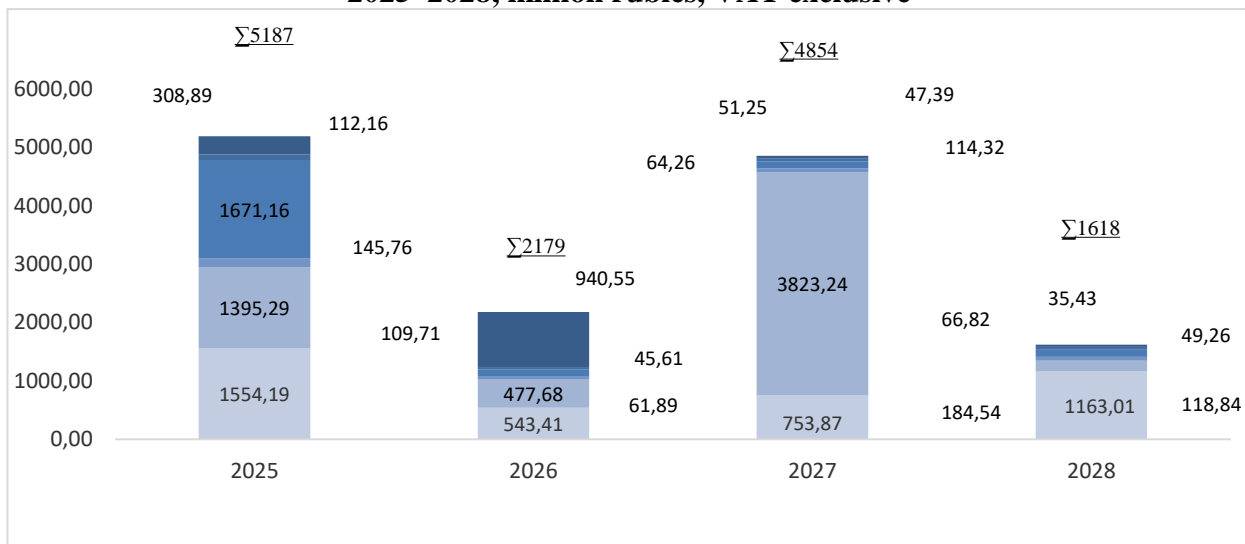
The decisions taken during the development of the investment program comply with the provisions of the applicable law of the Russian Federation.

Amount of planned capital investments in accordance with the Investment Program for 2025–2028, million rubles, VAT exclusive



Stavropol Territory	1,490.93	843.20	859.19	976.08
Republic of Dagestan	2,338.68	2,761.04	178.04	184.54
Kabardino-Balkarian Republic	264.33	131.89	164.26	159.00
Republic of North Ossetia – Alania	1,367.36	109.71	114.32	118.84
Karachay-Cherkess Republic	139.89	77.58	102.69	112.99
Republic of Ingushetia	556.46	659.62	38.72	32.21

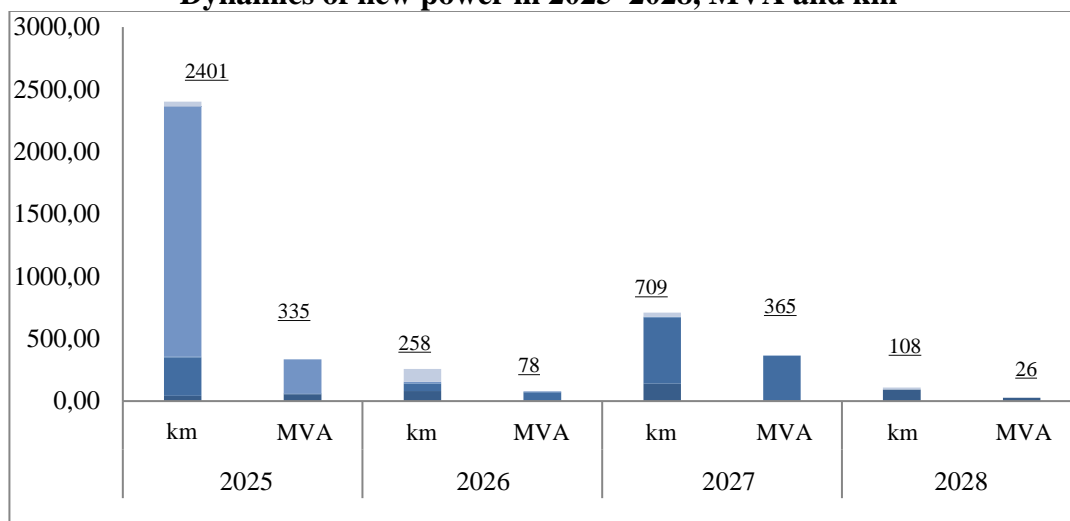
Amount of planned adding to fixed assets in accordance with the Investment Program for 2025–2028, million rubles, VAT exclusive



Stavropol Territory	1,554.19	543.41	753.87	1,163.01
Republic of Dagestan	1,395.29	477.68	3,823.24	184.54
Kabardino-Balkarian Republic	145.76	61.89	64.26	66.82
Republic of North Ossetia – Alania	1,671.16	109.71	114.32	118.84
Karachay-Cherkess Republic	112.16	45.61	47.39	49.26
Republic of Ingushetia	308.89	940.55	51.25	35.43

In 2025, the implementation of capital investments and adding to fixed assets is planned in the amount of 6,157.65 million rubles, VAT exclusive and 5,187.46 million rubles, VAT exclusive, respectively. Among the significant activities planned to be implemented in 2025 are activities within the framework of the Plan (program) to reduce electrical energy losses in the electrical grids, purchase of special machinery and motor vehicles, as well as electrical grid facilities of Alaniaelectroset, JSC.

Dynamics of new power in 2025–2028, MVA and km



Branch	2025		2026		2027		2028	
	km	MVA	km	MVA	km	MVA	km	MVA
Stavropol Territory	41.66	54.92	80.76	6.10	139.92	5.71	94.49	26.34
Republic of Dagestan	307.46	4.81	55.90	65.00	530.10	358.30		
Kabardino-Balkarian Republic	6.00	1.25	6.20	1.25	6.20	1.45		
Republic of North Ossetia – Alania	2,007.52	274.13	13.36	5.88				
Karachay-Cherkess Republic	4.00	0.00	0.00	0.00				
Republic of Ingushetia	34.30	0.00	101.46	0.00	32.49	0.00	13.81	
TOTAL	2,400.94	335.11	257.68	78.23	709.21	365.46	108.30	26.34

3.1.6. Innovation Activities

The Innovation Development Program of Rosseti Northern Caucasus, PJSC (hereinafter referred to as IDP) was developed in 2011 in accordance with decision of the Board of Directors of the Company (Minutes No. 78 dated August 1, 2011). In 2023, the IDP was updated taking into account the new conditions, in accordance with the target model of innovative development and the requirements for innovative development programs. Due to the lack of funding, the IDP was not approved by the Board of Directors.

In 2024, in accordance with the order of Rosseti, PJSC No. 471 dated October 11, 2024, the 2024–2029 IDP was developed with a perspective up to 2035. Documents for submission for approval by the Board of Directors of Rosseti Northern Caucasus, PJSC have been sent to the supervising department.

In connection with the above, the innovative activities of Rosseti Northern Caucasus, PJSC in 2024 were carried out in accordance with the Innovative Development Program of Rosseti, PJSC for the period 2020–2024 with a perspective up to 2030 (approved by the decision of the Board of Directors of Rosseti, PJSC No. 447 dated February 8, 2021, hereinafter referred to as the Program, IDP) and the Innovative Development Policy of Rosseti Northern Caucasus, PJSC (approved by the decision of the Board of Directors of Rosseti Northern Caucasus, PJSC No. 503 dated June 17, 2022), developed with the aim of forming effective mechanisms aimed at modernizing the integrated power grid, intensifying scientific, technical and inventive activities, adapting to the implementation of innovations, improving and developing the innovation system.

The IDP defines and systematizes the innovative and scientific and technical activities of Rosseti Northern Caucasus, PJSC and its structural divisions, establishes measures in the field of scientific, technical, technological and innovative development. The IDP requirements are mandatory for all structural divisions of the Company that carry out activities in the field of organization, execution and control of technological development, innovation, modernization of the integrated power grid, development and automation of control systems.

The purpose of innovation development is the transition to a power grid of a new technological structure with qualitatively new characteristics of reliability, efficiency, accessibility, manageability and customer-orientation of the integrated power grid in general. A power grid of the new technological order is an electricity power system characterized by the following basic properties:

- automatic control of the power grid based on the principles of distributed (multi-agent) control;
- real-time self-diagnostics of parameters and modes of operation of the power system, individual facilities and units of equipment in order to increase the system and consumer reliability, reduce transaction costs, etc.;
- flexible automatic reconfiguration of the grid in response to changing its parameters and topology (including prevention of accidents/self-recovery of the grid after accidents);
- providing specialized services and services to various categories of consumers.

The implementation of the IDP is aimed at creating effective conditions for ensuring the following:

- achievement of target indicators of labor productivity and creation of high-productive workplaces provided for in the Decree of the President of the Russian Federation No. 596 dd. May 7, 2012 “On Long-Term State Economic Policy”;
- development and implementation of a set of measures aimed at refusing to use obsolete and inefficient technologies and introducing modern Russian technologies;
- leadership of the Company in its industry in relation to similar companies, including foreign ones;
- growth of long-term investment in basic and applied research and development;
- linking the innovative development program to approved long-term development programs, the investment program, other documents of the Company, as well as documents of state strategic planning.

Key Areas of Innovation Development

In the field of technological innovation:

- new technologies and solutions – activities in the field of creating new types of materials, insulation, equipment involved in the Company’s core business processes (isolators, materials based on high-temperature superconductivity, new methods of arc suppression, new types of insulation, power electronics, etc.);
- digitization of control and technological processes – transition from analogue to digital control principle of relay protection and emergency automatics, automated process control system, power metering and communication (application of digital metering transformers); digital modeling and design; digitalization of production assets management; introduction of digital systems for monitoring technological processes;
- development of multi-agent systems -development of the principles of interaction in peer-to-peer¹ control systems between power grid elements and systems (introduction of distributed intelligent control systems);
- increase in the performance and adaptability of power grids – development of grid properties for increasing the stability for disturbances in the grid and automatic restoration of the normal operation mode (adaptive elements of relay protection and automatics, control systems, logic automatics, digital online grid model).

In the field of organizational and marketing innovations:

- design of new business processes and systemic reengineering of the existing business processes in terms of end-to-end performance – production assets management, management systems, client services, system life cycle management;
- innovations in HR management – introduction of advanced technologies for human resource management;
- creation of an innovative environment – promotion of creating a wide range of innovative companies, scientific organizations and educational institutions.

The main directions of the IDP of Rosseti, PJSC implemented on the territory of Rosseti Northern Caucasus, PJSC:

- transition to highly automated grids with a distributed intelligent automation and control system;
- transition to integrated effectiveness of business processes and automation of management systems;
- development of a system for the design and implementation of innovative products and technologies, R&D activities;
- staff development and building partnership in the field of education.

The Company’s activities on innovation and scientific and technical development in 2024 were carried out in accordance with the Innovation Development Policy of Rosseti Northern Caucasus, PJSC (approved by decision of the Board of Directors of Rosseti Northern Caucasus, PJSC No. 503 dated June 17, 2022).

¹ Peer-to-peer or decentralized (from English word peer-to-peer, P2P – face-to-face, in private) grids.

Activities within the Innovation Development Program:

Within the framework of IDP of Rosseti, PJSC the following activities were implemented at the facilities of Rosseti Northern Caucasus, PJSC in 2024:

1. Development of a Production Asset Management System (PAMS).

The principal goal for PAMS is raising the company management efficiency. The amount of funding in 2024 was 17.6 million rubles.

The objectives of PAMS development:

- creating the Company's common information space enabling to use all the stored information about the manufacturing process course to make management decisions;
- creating the complex system of maintenance control, diagnostics and technical inspection of power grid equipment;
- arranging the swift and reliable mechanism for document flow;
- maximal automation of routine accounting procedures.

PAMS shall be an integrated software and hardware complex assisting to meet both current and future Company's demands as to data processing. As the typical configuration to create and implement thereof application solutions are used.

In accordance with the Plan for the Development of Production Asset Management System of Rosseti Northern Caucasus, PJSC for 2024–2026, approved by the Minutes of the Board of Directors of Rosseti Northern Caucasus, PJSC No. 568 dated November 14, 2024, in 2024, measures were taken to improve the PAMS:

- Measures were implemented to eliminate defects in the operation of the information systems ACS TRE&R, ACS MRO and related functional modules of the PAMS, which prevent the correct formation of production programs and grid reporting, including the implementation of functional features for automating the formation of XML files according to work plans and their transfer to the Automated System for Collection and Processing of Information.
- Measures are being taken to improve the functional features of PAMS for certification of secondary equipment and planning maintenance and repair activities (hereinafter – MRO) for secondary equipment.
- Measures are being taken to centralize the PAMS information databases on a new platform.

2. Conducting technical training workshops

For the information awareness of personnel of the profile services of the branches and managed companies of Rosseti Northern Caucasus, PJSC in the field of innovation developments of equipment, materials and technologies in 2024 the Technological Development and Innovation Department of the Executive Staff arranged awareness-raising and technical training workshops for the personnel of Stavropolenergo, Kabbalkenergo, Dagenergo, Karachaevo-Cherkesskeno, Sevkvkazenergo, Ingushenergo, as well as Chechenenergo, JSC with the following companies:

- Tavrida Electric, LLC;

- Streamer NPO, JSC;
- RADIUS Automation, JSC;
- ARMATECH, LLC;
- YuAIZ, JSC;
- VOLT-SPB, LLC.

In addition to the regular seminars, meetings, the branches and managed companies of Rosseti Northern Caucasus, PJSC, were provided with distribution materials containing information on new technologies and modern developments of the main manufacturers of electrical equipment and materials.

3. Cooperation with scientific organizations and innovative companies

The company cooperates in educational, scientific and scientific and practical fields, as well as in the field of development of the electric power industry from the point of view of innovation with institutions of higher education.

In 2024, with the participation of the Autonomous Non-Profit Organization of Higher Education “Innopolis University” and the Federal State Budgetary Educational Institution of Higher Education “Omsk State Transport University” the following works were implemented for a total amount of 16.00 million rubles.

- R&D “Digital system for monitoring ice on lightning protection cables and phase wires of 110–220 kV power transmission lines” (agreement No. 127/2023 dated October 25, 2023).

The goal of the project is to reduce the undersupply of electricity to industrial and household consumers.

The purpose of implementing the System is to ensure:

- energy-efficient melting of ice and frost deposits on overhead line wires;
- digital control of the maximum mechanical stress of wires and lightning protection cables of the overhead line;
- determination of the nature and degree of impact of external climatic factors on wires and lightning protection cables of overhead lines.

In 2024 the following was completed:

- 1.1. Development of software and technical documentation.
- 1.2. Manufacturing of the System.
- 1.3. Pilot-industrial operation of the experimental System. The contract is in effect until Q2 2025.

- Research work “Development of smart methods for identifying consumers affecting power quality indicators based on metering systems” (agreement No. 510/23 dated May 22, 2023).

The goal of introducing research work is to develop smart methods for identifying consumers affecting power quality indicators, based on metering systems. The results of the work are planned to be used in the distribution power grids of Rosseti, PJSC.

In 2024, work was carried out on stage 2 of the “Methodology for identifying consumers influencing electricity quality indicators based on metering systems in the integrated power grid of Rosseti, PJSC. Registration of R&D results and results of intellectual activity. Work was completed in 2024.

Indicators for innovation activity of Rosseti Northern Caucasus, PJSC

Indicator	Unit of measurement	Period			Change, 2024/2023, %
		2022 actual	2023 actual	2024 actual	
Amount of innovations	million rubles	0	0	0	-
Amount of R&D	million rubles	11.3	11.65	16.00	37.34

The introduction of innovative products is not possible due to a lack of funding sources.

3.1.7. Indicators regarding the activities of the Digital Transformation Program

Indicator	Unit of measurement	Period			Change, 2024/2023, %
		2022 actual	2023 actual	2024 actual	
The amount of financing the activities of the Digital Transformation Program of subsidiaries and affiliates of Rosseti, PJSC for the reporting year	million rubles	26.13	106.2	72.84	31.4
Share of managers, specialists and employees trained in digital competencies in accordance with accepted corporate standards or, in their absence, in accordance with orders of the Ministry of Economic Development of Russia at the end of the reporting period	%	0.50	0.56	0.30	-46.4

3.1.8. Import substitution and interaction with equipment manufacturers

The Company’s facilities must use equipment that has undergone the quality control (certification) procedure.

Equipment quality control consists of assessing the conformity of the supplied equipment with the technical requirements of Rosseti, PJSC, specified in the organization’s standards, based on the submitted test reports and manufacturer’s documentation.

Rosseti Northern Caucasus, PJSC is guided by the following organizational and regulatory documents governing the procedure for quality control (certification) of equipment, materials and systems:

- Order of Rosseti, PJSC No. 305 dated July 26, 2023;
- Methodology for conducting quality control (certification) of equipment;

- Order of Rosseti Northern Caucasus, PJSC No. 386 dated August 31, 2022 “On measures to eliminate uncertified equipment in Rosseti Northern Caucasus, PJSC and Chechenenergo, JSC.

- Order of Rosseti Northern Caucasus PJSC No. 525 dated October 31, 2023 “On the establishment of a committee for the admission of equipment, materials and systems”;

- The procedure for conducting quality control (certification) of equipment;

- Standard regulations for the Committee for the Admission of Equipment, Materials and Systems.

The objectives of certification are:

- ensuring reliable, safe and efficient operation of electric power facilities;

- prevention of supplies of equipment, materials and systems that do not meet the requirements of industry regulatory and technical documentation, standards and regulatory and technical documentation of the Company and the conditions of use;

- combating counterfeit products and the activities of unscrupulous manufacturers;

- improving the quality of manufacturing, technical characteristics of equipment and materials by organizing work with manufacturers and suppliers.

The share of imported equipment in the purchases of Rosseti Northern Caucasus, PJSC for 2024 is 4.0% with the target value of 4.5%.

As a result of the activities carried out: planning, project development, design, approval of design and detailed design documentation in Rosseti Northern Caucasus, PJSC conditions have been created for the implementation of projects under sections of the investment program “new construction”, “reconstruction and technical re-equipping” in accordance with the requirements of paragraph 1.3.2 of the Corporate Plan, approved by order of Rosseti, PJSC No. 466 dated October 24, 2023:

1. The standard forms of terms of reference for the development of design and detailed design documentation, approved by order of Rosseti Northern Caucasus, PJSC No. 779 dated November 23, 2017 as amended by order No. 885 dated December 29, 2017, include the requirements to use equipment and materials from the relevant lists of certified equipment approved for use at the facilities of Rosseti, PJSC, when developing the above documentation.

2. The standard contracts for design and survey works and the standard package contracts for construction and installation work, approved by order of Rosseti Northern Caucasus, PJSC No. 171 dated April 26, 2023, include the following requirements for contractors:

- the design organizations, when developing design documentation for a facility, shall provide for minimizing the use of imported equipment/goods/products/materials to the maximum extent possible, without deteriorating the quality of the facility;

- contractors engaged for construction and installation work are required to minimize the use of imported products, provided that the domestic similar products with equivalent technical and economic indicators are available.

As a result of the analysis of the forecast demand and the share of imports in the purchase of equipment and materials by contractors during the implementation of the investment program, the following was revealed:

- when designing facilities, domestic equipment is used; when choosing design solutions, imported equipment is not considered;

- for primary and secondary electrical equipment there is no need to use the imported equipment.

The operation of domestic equipment, materials and systems meets all modern standards and requirements. The best available solution.

For the information awareness of personnel of specialized services of branches and managed Companies of Rosseti Northern Caucasus, PJSC in the field of technological and innovative development of pilot projects, equipment, materials, technologies and systems, in 2024, introductory and educational technical workshops-meetings, offsite technical councils were organized, including with the participation of the following companies:

- YuAIZ, JSC (Yuzhnouralsk);
- Tavrida Electric, LLC (Moscow);
- NPO Streamer, JSC (St. Petersburg);
- RADIUS Avtomatika, JSC (Moscow, Zelenograd);
- ARMATECH, LLC (Podolsk);
- VOLT-SPB, LLC (St. Petersburg).

Also, on a regular basis, the staff of the branches and the managed Company are provided with handouts containing information about new technologies, modern developments of the main domestic manufacturers of electrical equipment, materials and systems.

3.2. Financial Performance

The revenue of Rosseti Northern Caucasus, PJSC from the sale of products (services) at the end of 2024 amounted to 54,371.20 million rubles, which is 5,870.09 million, or 12.1%, higher than the volume in 2023. Revenue from power transmission services amounted to 14,424.98 million rubles, 1,141.02 million rubles, or 8.6%, higher than the 2023 level, revenue from electricity sales at the end of 2024 was 39,193.39 million rubles, 5,475.48 million rubles, or 16.2% higher than the 2023 level. The growth in revenue from sales of products (services) in 2024 compared to 2023 is due to an increase in the volume of services provided, indexation of the tariff for power transmission services, as well as an increase in the average selling tariff.

The cost price (with account of commercial and management costs) made 61,324,47 million rubles, which is 8,014.39 million rubles or 15% higher than 2015 level. The main factors for increasing costs are the increase in the cost of purchased electricity for sales and compensation of losses, the increase in the cost of services of distribution companies, and the increase in labor costs.

Based on the results of 2024, the balance of other income and expenses (including interest receivable and payable) amounted to (-9,785.04) million rubles, which is 2,111.36 million rubles, or 27.5%, lower than the actual 2023 figures.

The Company's financial performance for 2024 amounted to (-17,093.20) million rubles. Net loss increased by 5,256.19 million rubles, or 44.4%, compared to the 2023 figures.

Basic financial and economic indicators, million rubles*

Indicator	Period			
	2022	2023	2024	Change 2024/2023, %
Proceeds from sales of products (services), including:	41,301.72	48,501.11	54,371.20	12.1
- from power transmission	11,696.58	13,283.96	14,424.98	8.6
- from technical connection	262.65	390.43	435.14	11.5
- from power sales	28,240.30	33,717.91	39,193.39	16.2
- from other activities	1,102.19	1,108.80	317.68	-71.3
Net cost of products (services)	35,224.21	41,406.77	47,374.87	14.4
Gross profit	6,077.51	7,094.34	6,996.33	-1.4
Business expenses	11,096.44	11,876.37	13,928.05	17.3
Managerial expenses	44.76	26.93	21.55	-20.0
Profit (loss) from sales	-5,063.69	-4,808.97	-6,953.27	44.6
Interest receivable	354.26	542.39	952.54	75.6
Interest payable	1,320.54	1,590.16	316.25	-80.1
Income gained from participation in other organizations	0.008	0.006	0.022	266.7
Other revenues	13,446.46	14,671.45	17,211.26	17.3
Other expenses	20,427.05	21,297.35	27,632.62	29.7
Profit (loss) before taxation	-13,010.55	-12,482.64	-16,738.31	34.1
Profit tax and other payments	1,744.68	645.63	-354.90	-155.0
Net profit (loss)	-11,265.87	-11,837.01	-17,093.20	44.4
EBITDA**	-10,139.2	-5,856.1	-13,172.9	124.9

* In accordance with the indicators of the accounting (financial) statements of Rosseti Northern Caucasus, PJSC for 2024.

** EBITDA is calculated as follows: profit before tax free of interest expense, depreciation and amortization and net accrual/(reversal) of impairment losses on property, plant and equipment, and rights of use of assets.

Indicators	Unit of measurement	Period			Change 2024/2023, %
		2022	2023	2024	
1	2	3	4	5	6
Net debt	million rubles	7,102.22	-3,557.70	-2,889.37	-18.8
Current ratio		0.36	0.69	0.64	-7.2
Financial leverage		-1.92	-104.36	-16.44	-84.2
Share of long-term borrowings		0.38	0.49	0.48	-2.1
Net cash flow	million rubles	-21,448.62	-23,293.68	-15,121.38	-35.1

* In accordance with the indicators of the annual financial statements of Rosseti Northern Caucasus, PJSC for 2024 prepared in accordance with IFRS.

Status of net assets, million rubles

Indicator	As of the end of 2024	As of the end of 2023	As of the end of 2022
Net assets	-2,806.1	-183.2	-24,577.7
Authorized capital amount	2,093.4	2,093.4	889.3

As of December 31, 2024, net assets have a negative value and amount to 2,806.1 million rubles (as of December 31, 2023, net assets had a negative value of 183.2 million rubles due to the retrospective disclosure of the write-off of a deferred tax asset in the amount of 17,072.5 million rubles).

Decrease in net assets in 2024 compared to 2023 is due to the negative financial performance at the end of 2024.

The net assets of Rosseti Northern Caucasus, PJSC at the end of 2024 are lower than the authorized capital of the Company.

Measures to bring the value of net assets in line with the amount of the authorized capital:

- 1) reducing the level of electric line power losses;
- 2) ensuring 100% level of payment of current electricity bills by end consumers;
- 3) collection of overdue receivables from consumers;
- 4) fulfillment of obligations to the creditors of the Company.

3.3. Tariff Policy

Core activities of Rosseti Northern Caucasus, PJSC (electricity transmission by distribution grids with voltage from 110 to 0.4 kV, technical connection of consumers to the grid infrastructure) refer to regulated activities.

Regulation is carried out in accordance with:

- Federal Law No. 35-FZ dated March 26, 2003 “On Electricity Power Industry”;
- Federal Law No. 522-FZ dated December 27, 2018 “On Amending Certain Legislative Acts of the Russian Federation in Connection with the development of electric energy (power) metering systems in the Russian Federation”;
- Decree of the Government of the Russian Federation No. 1178 dated December 29, 2011 “On pricing in the field of regulated prices (tariffs) in the electricity power industry” (together with the “Basics of pricing in the field of regulated prices (tariffs) in the electricity power industry”, “Rules for state regulation (revision, application) of prices (tariffs) in the electricity power industry”);
- Decree of the Government of the Russian Federation No. 184 dated February 28, 2015 “On Classifying Owners of Electric Grid Facilities as Territorial Grid Organizations”;
- Decree of the Government of the Russian Federation No. 861 dated December 27, 2004 “On approval of the Rules for the technical connection of power receivers of electric power consumers, facilities for the production of electric power, as well as power supply network facilities owned by grid organizations and other parties, to electric grids”;
- Decree of the Government of the Russian Federation No. 24 dated January 21, 2004 “On the Approval of Information Disclosure Standards by Wholesale and Retail Power Market Entities”;

- Decree of the Government of the Russian Federation No. 442 dated May 04, 2012 “On the Operation of Retail Power Markets, Full and/or Partial Limitation of the Power Consumption Mode”;
- Decree of the Government of the Russian Federation No. 1172 dated December 27, 2010 “On Approval of the Rules of the Wholesale Market for Electricity and Power and on Amendments to Certain Acts of the Government of the Russian Federation Concerning the Organization of the Operation of the Wholesale Market for Electricity and Power”;
- Decree of the Government of the Russian Federation No. 1179 dated December 29, 2011 “On the Determination and Application of Non-regulated Prices for Electricity (Power) by Providers of Last Resort” (together with the “Rules for Determining and Applying Non-regulated Prices for Electricity (Power) by Providers of Last Resort”);
- Decree of the Government of the Russian Federation No. 533 dd. April 30, 2018 “On approval of the Rules for the Consideration (Settlement) of Disputes and Disagreements Related to the Establishment and/or Application of Prices (Tariffs), on amendments to the Decree of the Government of the Russian Federation No. 14 dd. January 9, 2009 and the invalidation of certain acts of the Government of the Russian Federation”;
- Decree of the Government of the Russian Federation No. 1220 dated December 31, 2009 “On Determining the Indicators of Reliability and Quality of Supplied Goods and Services used when Setting Long-term Tariffs”;
- Order of the Russian Ministry of Energy No. 1256 dated November 29, 2016 “On the Approval of Methodological Guidelines for Calculation of the Level of Reliability and Quality of Supplied Goods and Provided Services for the Company Related to Management of the Unified National (All-Russian) Power Grid and Territorial Grid Companies”;
- Order of the Russian Ministry of Energy No. 585 dated December 13, 2011 “On Approval of the Procedure for Maintaining Separate Accounting for Income and Expenses by Natural Monopoly Entities in the Field of Electricity Transmission Services and Operational Dispatching Control in the Electricity Power Industry” (Procedure for Maintaining Separate Accounting);
- Order of FTS Russia No. 98-e dated February 17, 2012 “On the Approval of Methodological Guidelines for Calculation of Tariffs for Power Transmission Services Established Using the Method of Long-Term Indexation of the Required Gross Proceeds”;
- Order of FTS Russia No. 228-e dated March 30, 2012 “On approval of Methodical Guidelines for tariff regulation using RAB method of return on invested capital”;
- Order of FTS Russia No. 20-e/2 dated August 6, 2004 “On the Approval of Methodological Guidelines for Calculation of Regulated Tariffs and Prices for Electricity and Heat in the Retail (Consumer) Market”;
- Order of FTS Russia No. 215-e/1 dated September 11, 2014 “On the Approval of Methodological Guidelines for Determination of the Shortfall in Income Related to Technical Connection to Power Grids”;
- Order of FTS Russia No. 254-e/1 dated October 26, 2010 “On Approval of Guidelines for the Calculation and Application of Decreasing (Increasing) Coefficients to Ensure Compliance of the Level of Tariffs Set for Organizations Carrying out Regulated Activities with the Level of Reliability and Quality of Delivered Goods and Rendered Services”.

- Order of FTS Russia No. 421-e dated March 18, 2015 “On the Approval of the Methodological Guidelines for Determination of the Basic Level of Controlled Operating Expenses of Territorial Grid Companies Required for the Implementation of Regulated Activities and the Efficiency Index of Controlled Operating Expenses Using the Comparative Method”;
- Order of FTS Russia No. 1554/17 dated November 21, 2017 “On Approval of Guidelines for Calculating Selling Margins of Suppliers of Last Resort Using the Comparative Method”.

Tariffs for Power Transmission Services

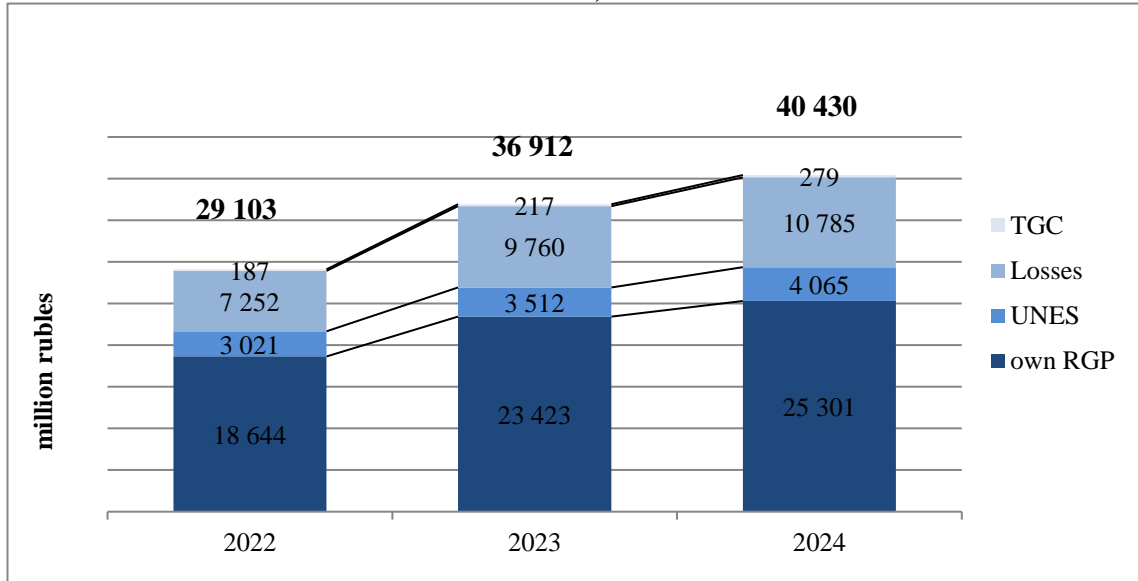
Regulation of activities of Rosseti Northern Caucasus, PJSC, branches (Kabbalkenergo, Karachaevo-Cherkesskenegero, Sevkavkazenergo, Stavropolenergo), from 2011 to 2017, was carried out using the return on investment method (RAB). As for Stavropolenergo branch the period was prolonged up to 2022. The activities of Kabbalkenergo, Karachaevo-Cherkesskenegero, Sevkavkazenergo branches from 2018 to 2022 are regulated using the method of long-term indexation of required gross proceeds. From 2023 to 2027, a new long-term regulation period has been established for branches of Rosseti Northern Caucasus, PJSC – Kabbalkenergo, Karachaevo-Cherkesskenegero, Sevkavkazenergo, Stavropolenergo using the method of long-term indexation of the required gross revenue.

As from 2014, the activities of Ingushenergo, branch of Rosseti Northern Caucasus, PJSC, have been regulated using the method of long-term indexation of the required gross proceeds. The first period of regulation was from 2014–2016 to 2017. As from 2027 the second long-term period of regulation started to last till 2027.

In 2020, in accordance with the decision of the Board of Directors of Rosseti Northern Caucasus, PJSC, on the issue of the further functioning of the local grid operator in the Republic of Dagestan (Minutes No. 421 dd. May 12, 2020) the Company implemented measures aimed at ensuring the continuous operation of the local grid operator in the Republic of Dagestan and the start of operating activities in the territory of the Republic of Dagestan by branch of Rosseti Northern Caucasus, PJSC, Dagenegero, since June 25, 2020, and also provided support for the application of tariffs established for Dagestan Grid Company, JSC for 2020 in the manner prescribed by paragraph 36 of the Rules of state regulation and adoption of tariff balance decisions for 2021 in relation to the Dagenegero branch using the Cost+ method. As from 2022, the activities of Dagenegero branch are regulated using the method of long-term indexation of the required gross proceeds. Regulation period is from 2022 to 2026.

Approved required gross proceeds of Rosseti Northern Caucasus, PJSC, in 2024 increased by 9.5% compared to 2023.

Dynamics of the structure of the RGP for power transmission of Rosseti Northern Caucasus, PJSC



Own RGP of Rosseti Northern Caucasus, PJSC in 2024 increased by 8.0% compared to 2023.

Indicators of tariffs for services for the transmission of electrical energy by branches of Rosseti Northern Caucasus, PJSC

	Branch of Rosseti Northern Caucasus, PJSC – Kabbalkenergo	unit	2022	2023	2024	2024/2023, %
1.	RGP for the transmission of electrical energy, approved within the framework of tariff and balance decisions, including:	million rubles	3,372	4,050	4,733	116.9
1.1.	Own RGP	million rubles	2,605	3,199	3,689	115.3
1.2.	UNES services	million rubles	313	365	410	112.5
1.3.	Costs for the purchase of electrical energy losses	million rubles	454	487	634	130.3
1.4.	Costs of TGC services (in accordance with the current contractual scheme)	million rubles	0	0	0	
2.	Single pot productive supply of electrical energy	mln kWh	1,378	1,619	1,622	100.2
3.	Average tariff for electricity transmission services by branch	RUB/kWh	2.45	2.50	2.92	116.6

	Branch of Rosseti Northern Caucasus, PJSC – Karachaevo-Cherkesskenegero	unit	2022	2023	2024	2024/2023, %
1.	RGP for the transmission of electrical energy, approved within the framework of tariff and balance decisions, including:	million rubles	1,892	2,493	2,699	108.2
1.1.	Own RGP	million rubles	1,356	1,857	2,025	109.0
1.2.	UNES services	million rubles	175	182	182	100.1
1.3.	Costs for the purchase of electrical energy losses	million rubles	360	455	492	108.3
1.4.	Costs of TGC services (in accordance with the current contractual scheme)	million rubles	0	0	0	-
2.	Single pot productive supply of electrical energy	mln kWh	1,116	1,144	1,116	97.5
3.	Average tariff for electricity transmission services by branch	RUB/kWh	1.70	2.18	2.42	111.0

	Branch of Rosseti Northern Caucasus, PJSC – Sevkavkazenergo	unit	2022	2023	2024	2024/2023, %
1.	RGP for the transmission of electrical energy, approved within the framework of tariff and balance decisions, including:	million rubles	3,132	3,502	3,827	109.3
1.1.	Own RGP	million rubles	2,290	2,455	2,597	105.8
1.2.	UNES services	million rubles	288	340	401	117.9
1.3.	Costs for the purchase of electrical energy losses	million rubles	554	707	829	117.3
1.4.	Costs of TGC services (in accordance with the current contractual scheme)	million rubles	0	0	0	-
2.	Single pot productive supply of electrical energy	mln kWh	1,328	1,418	1,476	104.1
3.	Average tariff for electricity transmission services by branch	RUB/kWh	2.36	2.47	2.59	105.0

	Branch of Rosseti Northern Caucasus, PJSC – Dagenenergo	unit	2022	2023	2024	2024/2023, %
1.	RGP for the transmission of electrical energy, approved within the framework of tariff and balance decisions, including:	million rubles	9,215	13,087	14,725	112.5
1.1.	Own RGP	million rubles	4,982	6,600	7,399	112.1
1.2.	UNES services	million rubles	1,202	1,522	1,837	120.7
1.3.	Costs for the purchase of electrical energy losses	million rubles	3,031	4,965	5,488	110.6
1.4.	Costs of TGC services (in accordance with the current contractual scheme)	million rubles	0	0	0	-
2.	Single pot productive supply of electrical energy	mln kWh	5,353	6,742	6,736	99.9
3.	Average tariff for electricity transmission services by branch	RUB/kWh	1.72	1.94	2.19	112.6

	Branch of Rosseti Northern Caucasus, PJSC – Ingushenergo	unit	2022	2023	2024	2024/2023, %
1.	RGP for the transmission of electrical energy, approved within the framework of tariff and balance decisions, including:	million rubles	2,280	2,856	2,976	104.2
1.1.	Own RGP	million rubles	1,697	2,197	2,238	101.9
1.2.	UNES services	million rubles	225	242	284	117.3
1.3.	Costs for the purchase of electrical energy losses	million rubles	344	401	435	108.6
1.4.	Costs of TGC services (in accordance with the current contractual scheme)	million rubles	15	15	18	119.9
2.	Single pot productive supply of electrical energy	mln kWh	751	815	805	98.8
3.	Average tariff for electricity transmission services by branch	RUB/kWh	3.04	3.50	3.70	105.5

	Branch of Rosseti Northern Caucasus, PJSC – Stavropolenergo	unit	2022	2023	2024	2024/2023, %
1.	RGP for the transmission of electrical energy, approved within the framework of tariff and balance decisions, including:	million rubles	9,212	10,925	11,468	105.0
1.1.	Own RGP	million rubles	5,714	7,115	7,352	103.3
1.2.	UNES services	million rubles	817	862	950	110.3
1.3.	Costs for the purchase of electrical energy losses	million rubles	2,509	2,746	2,905	105.8
1.4.	Costs of TGC services (in accordance with the current contractual scheme)	million rubles	172	202	261	129.3
2.	Single pot productive supply of electrical energy	mln kWh	6,759	6,996	7,140	102.1
3.	Average tariff for electricity transmission services by branch	RUB/kWh	1.36	1.56	1.61	102.9

Unified (single pot) tariffs for electricity energy transmission services provided to consumers not being part of the “population” category and equivalent categories of consumers, in the territory of the Northern Caucasus Federal District, are established from July 1, 2024 with an increase from the current tariffs for the second half of 2023 at the level of 9%, stipulated by the parameters of paragraph 81 of the Pricing Fundamentals in the Field of Regulated Prices (Tariffs) in the Electric Power Industry, approved by Decree of the Government of the Russian Federation No. 1178 dd. December 29, 2011.

In the Republic of Dagestan, the increase in tariffs for electricity transmission services provided to consumers not being part of the “population” category, taking into account the excess of the maximum tariff levels for electricity transmission services for 2024, amounted to 18% from July 1, whereas in Stavropol Territory it was 15%.

Technical Payment

In accordance with Federal Law “On Electric Power Industry” No. 35-FZ dated March 26, 2003, the Decree of the Government of the Russian Federation No. 1178 dated December 29, 2011 “On Pricing in the Field of Regulated Prices (Tariffs) in the Electric Power Industry” (hereinafter referred to as the Pricing Fundamentals), Rules for the Technical Connection of Power Receivers of Electric Power Consumers, Electric Power Production Facilities, as well as Electric Grid Facilities Belonging to Grid Organizations and Other Persons to Electric Grids, approved by the Decree of the Government of the Russian Federation No. 861 dated December 27, 2004 (hereinafter referred to as the Technical Connection Rules), Methodological Guidelines for Determining the Amount of Technical Connection, approved by the Order of the FAS Russia No. 490/22 dated June 30, 2022 (hereinafter referred to as Methodological Guidelines 490/22), the following rates were established for 2024:

1. Standardized tariff rates, formulas for payment for technical connection of power receivers to distribution power grids.
2. Preferential rates per 1 kW of requested maximum power.
3. Technical payment for connection to electrical grids according to an individual project.

Information on Standardized Tariff Rates C1, to cover the costs of implementing measures for technical connection, provided for in subparagraphs a and c of paragraph 16 of the Methodological Guidelines for Determining the Amount of Technical Connection:

Indicators	Unit of measurement	Period			
		2022	2023	2024	change, 2024/2023, %
Kabbalkenergo branch					
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.1. Issuance by a grid organization of a notice on the provision by the grid organization of the possibility of connection to electrical grids	rubles per connection	2,336.49	2,532.92	2,726.22	8
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.2. Verification by the grid organization of fulfillment of technical specifications by the Applicants		3,979.31	4,353.04	4,654.18	7
Karachaevo-Cherkesskenenergo branch					
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.1. Issuance by a grid organization of a notice on the provision by the grid organization of the possibility of connection to electrical grids	rubles per connection	3,898.00	4,273.00	4,601.00	8
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.2. Verification by the grid organization of fulfillment of technical specifications by the Applicants		8,194.00	8,769.00	10,739.00	22
Sevkavkazenergo branch					
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.1. Issuance by a grid organization of a notice on the provision by the grid organization of the possibility of connection to electrical grids	rubles per connection	3,152.89	2,975.94	2,428.17	-18
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.2. Verification by the grid organization of fulfillment of technical specifications by the Applicants		5,640.94	5,372.41	4,297.44	-20
Ingushenergo branch					
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.1. Issuance by a grid organization of a notice on the provision by the grid organization of the possibility of connection to electrical grids	rubles per connection	2,686.24	2,928.68	3,326.41	14
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.2. Monitoring by the grid organization of fulfillment of technical specifications by the Applicants		7,680.43	8,373.40	9,510.57	14
Stavropolenergo branch					
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.1. Issuance by a grid organization of a notice on the provision by the grid organization of the possibility of connection to electrical grids	rubles per connection	5,409.98	5,643.36	7,172.97	27
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.2. Monitoring by the grid organization of fulfillment of technical specifications by the Applicants		9,425.76	10,117.92	12,100.42	20

Dagenergo branch					
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.1. Issuance by a grid organization of a notice on the provision by the grid organization of the possibility of connection to electrical grids	rubles per connection	3,350.55	6,498.69	6,370.90	-2
C1.1. Preparation and issuance of technical specifications by the grid organization to the Applicant C1.2.2. Monitoring by the grid organization of fulfillment of technical specifications by the Applicants		3,787.79	8,196.20	8,982.51	10

Last mile standardized tariff rates, in accordance with Methodological Guidelines 490/22, are established depending on the type of material used and/or the method of performing work in the prices of the regulation period, uniform for all territorial grid organizations in a constituent entity of the Russian Federation and are given in the appendix to the decisions of regulatory authorities.

Preferential rates per 1 kW of requested maximum power, are established in accordance with the Pricing Fundamentals, uniform for all territorial grid companies in a constituent entity of the Russian Federation, in the amount of:

Item No.	Branch name	Applicants, individuals, with maximum power not exceeding 15 kW*		Individual applicants being part of socially vulnerable categories**
		from 01.01.2024	from 01.07.2024	
1.	Kabbalkenergo	4,456.27	5,570.34	1,114.07
2.	Karachaevo-Cherkesskenenergo	4,456.00	5,570.00	1,114.00
3.	Sevkavkazenergo	4,481.57	5,633.55	1,120.39
4.	Ingushenergo	4,456.00	5,570.00	1,118.00
5.	Stavropolenergo	5,227.40	5,570.34	1,114.07
6.	Dagenergo	4,456.27	5,570.34	1,114.07

* For applicants specified in paragraphs 4, 5 and 8 of clause 17 of the Rules for Technical Connection, for individuals with maximum power not exceeding 15 kW inclusive (taking into account previously connected power receivers at this connection point), connected to the electric grid facilities of a grid company at a voltage level of 0.4 kV and below, provided that the distance from the boundaries of the applicant's site to the nearest electric grid facility of the voltage class required by the applicant of the grid company to which the application is submitted is no more than 300 meters in cities and urban-type settlements and no more than 500 meters in rural areas and microgeneration facilities.

** For certain socially vulnerable categories of citizens (low-income families, veterans, disabled people, Chernobyl victims, multi-member families, etc.), provided that the distance from the boundaries of the applicant's site to the electric grid facilities of the grid company at a voltage level of 0.4 kV and below the voltage class required by the applicant, to which the application is submitted, is no more than 300 meters in cities and urban-type settlements and no more than 500 meters in rural areas.

In accordance with paragraph 87 of Pricing Fundamentals, a preferential rate per 1 kW of the requested maximum power for applicants with maximum capacity not exceeding 15 kW inclusive, is established with respect to the entire set of measures for technical connection in the amount of at least 4,000 rubles per kW – from July 1, 2023 and 5,000 rubles per kW – from July 1, 2024 and starting from January 1, 2023, is adjusted taking into account the set of producer price indices for the “Construction” subsection of section “Capital Investments (Investments)”, published by the Ministry of Economic Development of the Russian Federation (in the absence of this index, the consumer price index is used).

For individuals being part of the socially vulnerable categories, the preferential rate for 1 kW of the requested maximum capacity is set for the entire set of measures for technical connection in the amount of 1,000 rubles per kW and, starting from January 1, 2023, is adjusted taking into account the set of producer price indices for the “Construction” subsection of section “Capital Investments (Investments)” published by the Ministry of Economic Development of the Russian Federation (in the absence of this index, the consumer price index is used).

In 2024, the individual fee for technical connection to the electrical grids of Kabbalkenergo branch was set for the facility named Elbrus All-season Tourist and Recreational Complex (applicant – KAVKAZ.RF, JSC) in the amount of 1,230.65 million rubles (excluding VAT).

List of decisions of regulatory authorities regarding the establishment of the amount of payment for technical connection for 2024:

Item No.	Branch name	Name of the regulatory document
1.	Kabbalkenergo	Order of the State Committee for Tariffs and Housing Supervision of the Kabardino-Balkarian Republic No. 252 dated December 27, 2023 “On the Approval of Standardized Tariff Rates, Formulae for Calculation of the Fee for Technical Connection to Distribution Power Grids of Grid Companies within the Territory of the Kabardino-Balkarian Republic for 2024” (as amended).
2.	Karachaevo-Cherkesskenergo	Resolution of the Main Directorate for Tariffs and Prices of the Karachaevo-Cherkess Republic No. 137 dated December 20, 2023 “On the Approval of Standardized Tariff Rates and Formulae for Calculation of the Fee for Technical Connection to Power Grids of Local Grid Operators of Karachaevo-Cherkess Republic for 2024” (as amended); Resolution of the Main Directorate of the Karachay-Cherkess Republic for Tariffs and Prices No. 138 dated December 20, 2023 “On Establishing a Preferential Rate for 1 kW of the Requested Full Power to Calculate the Fee for Technical Connection of Applicants’ Power Receivers to the Power Grid Facilities of Local Grid Operators of Karachay-Cherkess Republic for 2024”.
3.	Sevkavkazenergo	Resolution of the Regional Tariff Service of the Republic of North Ossetia – Alania No. 111 dated December 29, 2023 “On the Establishment of the Amount of Fee for Technical Connection of Power Receivers of Power Consumers to Power Grid Facilities of Territorial Grid Companies of the Republic of North Ossetia – Alania for 2024” (as amended); Resolution of the Regional Tariff Service of the Republic of North Ossetia – Alania No. 110 dated December 29, 2023 “On Approval of Preferential Rates for 1 kW of the Requested Full Power for Calculating Fees for Technical Connection to Electrical Grids in the Territory of the Republic of North Ossetia – Alania, for 2024”.

4.	Ingushenergo	<p>Order of the State Housing Inspectorate of Republic of Ingushetia No. 60-p dated November 30, 2023 “On the Approval of Standardized Tariff Rates for Calculating the Fee to Technical Connection of the Applicant’s Power Receivers to the Power Grid Facilities of Local Grid Operators of the Republic of Ingushetia”;</p> <p>Order of the State Housing Inspectorate of Republic of Ingushetia No. 60-p dated November 30, 2023 “On the Approval of Standardized Tariff Rates for Calculating the Fee to Technical Connection of the Applicant’s Power Receivers to the Power Grid Facilities of Local Grid Operators of the Republic of Ingushetia”.</p>
5.	Stavropolenergo	<p>Decree of the Regional Tariff Commission of the Stavropol Territory No. 82/7 dated December 25, 2023 “On the Approval of Standardized Tariff Rates and Formulae for Calculation of the Fee for Technical Connection of Applicants’ Power Receivers to Power Grid Facilities of Local Grid Operators of the Stavropol Territory for 2024” (as amended);</p> <p>Decree of the Regional Tariff Commission of the Stavropol Territory No. 82/8 dated December 25, 2023 “On the Establishment of the Fee of a Preferential Rate for 1 kW of the Requested Maximum Capacity for Calculating the Amount of Payment for Technical Connection of Applicants’ Power Receivers to Power Grid Facilities of Territorial Grid Companies of the Stavropol Territory for 2024”.</p>
6.	Dagenergo	<p>Order of the Ministry of Energy and Tariffs of the Republic of Dagestan No. 45-OD-294/23 dated December 19, 2023 ”On the Approval of the Fee and Formulae for Calculating the Fee for Technical Connection to Electric Grids of Local Grid Operators of the Republic of Dagestan, in Respect of Which State Regulation of Tariffs is Carried Out” (as amended).</p> <p>Order of the Ministry of Energy and Tariffs of the Republic of Dagestan No. 45-OD-294/23 dated December 19, 2023 ”On the Approval of the Fee and Formulae for Calculating the Fee for Technical Connection to Electric Grids of Local Grid Operators of the Republic of Dagestan, in Respect of Which State Tariff Regulation is Carried Out”.</p>

3.4.Assets Management

In pursuance of Decree of the President of the Russian Federation No. 596 dated May 7, 2012, Directives of the Government of the Russian Federation No. 894-r dated May 10, 2017 (as amended by Order of the Government of the Russian Federation No. 985-r dd. April 19, 2023) decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated November 13, 2023 (Minutes No. 543 dated November 14, 2023) approved the Program for the Disposal of Non-Core Assets of Rosseti Northern Caucasus, PJSC, as amended (the Program). Before the adoption of the above resolution, the Company had a Program approved by the decision of the Board of Directors of the Company dated December 29, 2021 (Minutes No. 482 dated December 30, 2021).

The program incorporates the principles and mechanism for identifying and disposing the Company’s non-core assets, and also establishes the criteria for classifying the Company’s assets as non-core assets, the procedure for creating and approving a register of non-core assets and an action plan for the alienation of non-core assets.

By decision of the Board of Directors of the Company dated February 26, 2024 (Minutes No. 549 dated February 28, 2024), the register of non-core assets of the Company (hereinafter referred to as the Register) and the Company’s action plan for the sale of non-core assets (hereinafter referred to as the Plan) were approved as of December 31, 2023.

By decisions of the Board of Directors of the Company dated May 06, 2024 (Minutes No. 554 dated May 7, 2024) and November 29, 2024 (Minutes No. 569 dated December 2, 2024), amendments were made to the Register and Plan.

During the reporting period, the Company alienated three facilities located at the following address: Stavropol Territory, Stavropol, block 600, Industrialnaya street, bld. 15/1 (main building and two garages).

Disclosure Link:

https://www.rossetisk.ru/shareholders_and_investors/korporativnoe_upravlenie/obyavleniya/upravlenie_sobstvennostyu/.

Information on the sale of non-core assets for 2024 is given in the table and is disclosed in Appendix 5 to this Annual Report.

3.5. Power grid assets consolidation

Description of the general principles of work organization

Implementation of the strategy for power property consolidation located within the constituent units of the Northern Caucasus Federal District shall be made by Rosseti Northern Caucasus, PJSC, in the following directions:

- consolidation of property of TGC debtors (acquisition/lease of power grid assets to repay debts, recovery of debtors' property by enforcement proceedings, bankruptcy and acquisition of their property at tenders held by authorized organizations);
- consolidation of property of third parties (administrations of local self-government, non-profit organizations (gardeners' non-commercial partnerships, market-gardening non-profit partnerships, cottage settlements, other non-profit associations of citizens who own or otherwise legally possess power grid facilities), legal entities and individuals);
- consolidation of ownerless power grid property (carried out in accordance with the local regulations of the Company in cooperation with municipal authorities);
- consolidation of the property of TGCs deprived of their status, as well as the property of municipalities and constituent entities of the Northern Caucasus Federal District within the framework of the work of Rosseti Northern Caucasus, PJSC in the status of a backbone TGC.

Since the entry into force of Decree No. 184 of the Government of the Russian Federation dd. February 28, 2015, within the territory of the NCFD 48 TGCs have been deprived of the status.

Scope of the power grid assets consolidation

Rosseti Northern Caucasus, PJSC, organized joint work with the republican/municipal authorities to identify power grid facilities, identify unregistered property and register title thereto.

A search is underway for possible owners of ownerless facilities, their inspection to determine the technical condition with the execution of bilateral acts with local governments, materials are being prepared to recognize the title of Rosseti Northern Caucasus, PJSC, to facilities in a judicial proceeding or register the title by municipalities.

Monitoring of the scope of the power grid assets consolidation

Electric grid assets leased at the end of the reporting period

Rosseti Northern Caucasus, PJSC	Actual volume as of the end of 2022			Actual volume as of the end of 2023			Actual volume as of the end of 2024		
	MVA	Km	C.u.	MVA	Km	C.u.	MVA	Km	C.u.
1	2	3	4	5	6	7	8	9	10
Lease of power grid assets	1,437.66	9,978.37	53,877.44	1,058.59	8,653.61	40,276.04	1,125.44	8,773.62	40,459.47

* Indicators for 2022. taking into account Dagestan Grid Company, JSC and the Dagezero branch.

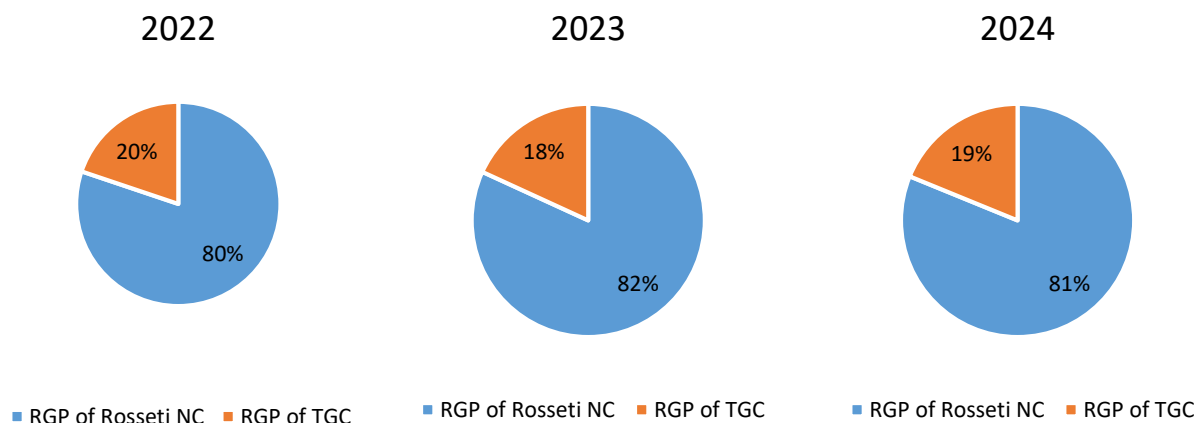
Identified ownerless power grid assets for which ownership was recognized in court as well as an electric grid asset accepted under a donation agreement in the reporting period

Rosseti Northern Caucasus, PJSC	for 2022			for 2023			for 2024		
	MVA	Km	C.u.	MVA	Km	C.u.	MVA	Km	C.u.
1	2	3	4	5	6	7	8	9	10
Other (permanent ownership and usage)	213.51	801.96	3,999.17	1,221.47	4,673.00	24,126.76	35.82	81.68	546.13

Electric grid assets in free use/licence to operate as of the end of the reporting period

Rosseti Northern Caucasus, PJSC	Actual volume as of the end of 2022			Actual volume as of the end of 2023			Actual volume as of the end of 2024		
	MVA	Km	C.u.	MVA	Km	C.u.	MVA	Km	C.u.
1	2	3	4	5	6	7	8	9	10
Other (temporary ownership and usage)	243.20	372.97	3,510.33	516.74	1,734.35	11,203.99	517.14	1,734.35	11,206.99

Estimation of the share of Rosseti Northern Caucasus, PJSC in the required gross proceeds (RGP) of the service regions for the last 3 years, factors that influenced the change*



* excluding Chechenenergo, JSC managed by Rosseti Northern Caucasus, PJSC.

Change in the share of RGP of Rosseti Northern Caucasus, PJSC in the structure of RGP of NCFD for 2022–2024 is associated with the implemented consolidation strategy, and is also a consequence of tariff and balance decisions adopted in the constituent entities of the NCFD.

Performance indicators and increasing the reliability of the integrated power grid (indicators of the reliability of the integrated power grid)

Indicators	Unit of measurement	Period			
		2022 actual	2023 actual	2024 actual	change, 2024/2023, %
1	2	3	4	5	6
I _{saidi}	hour	8.50	18.83	18.40	-2.3
I _{saifi}	pcs	3.65	6.54	5.61	-14.2
Number of process upsets (accidents) in the 110 kV grid and above	pcs	813	996	756	-24.1
Number of fires	pcs	4	3	0	-100

4. Sustainable Development

Rosseti Northern Caucasus, JSC is a socially responsible company and pays a great deal of attention to issues concerning labor protection, the environment and the development of social programmes. One of the priority activity areas of the Company is preservation and development of the personnel pool, creation of a consolidated, socially protected, creative and economically motivated team of employees, improvement of labor and leisure conditions, promotion of employees' occupational safety in accordance with the best practices.

The relevance of taking into account ESG factors in the activities of Rosseti Northern Caucasus, PJSC, is enshrined in the Charter of the Company, according to which the goals of the Company's activities are not only to make a profit, but also to create value for all stakeholders, namely: ensuring the efficient and reliable operation of distribution power grid facilities, ensuring the sustainable development of the distribution integrated power grid, ensuring reliable and high-quality energy supply to consumers in terms of the supply and transmission of electricity.

Individual aspects of taking into account ESG factors in the activities of Rosseti Northern Caucasus, PJSC, as well as information on sustainable development management of integrated power grid in these areas are included in the sections of this Annual Report of the Company.

Policies and procedures for sustainable development management

The Environmental Policy of Rosseti Northern Caucasus, PJSC was approved by decision of the Board of Directors of the Company dated April 1, 2024 (Minutes No. 551 dated April 3, 2024). The same decision declared clause 1 on issue No. 7 of the decision of the Board of Directors of the Company "On Joining the Implementation of the Restated Environmental Policy and Approving it as an Internal Document of Rosseti Northern Caucasus, PJSC", adopted on October 5, 2020 (Minutes No. 437 dd. October 8, 2020) to be invalid.

The key objectives of the HR and social policy of the Company (hereinafter referred to as the "Policy") aimed at achievement of target benchmarks of the Integrated Power Grid Development Strategy are as follows:

- planning staffing needs – ensuring availability of accurate information on the operational and predictive numerical and qualitative needs in the labor force, necessary and sufficient to perform the tasks assigned by the Company;

- timely provision of the Company's staffing needs with required qualifications;
- ensuring of the effectiveness of the personnel;
- increase in the labor efficiency.

Social benefits and guarantees are provided to the Company's employees in accordance with the Collective Agreement for 2019–2024, concluded in accordance with the provisions of the Labor Code of the Russian Federation and the Industry Tariff Agreement in the electricity power industry of the Russian Federation, as well as the Company's internal organizational and administrative documents.

For more information, see the Human Resources section.

By decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated December 28, 2023 (Minutes No. 546 dated December 29, 2023), the Sustainable Development Policy of Rosseti, PJSC and the Climate Policy of Rosseti, PJSC were approved as internal documents of Rosseti Northern Caucasus, JSC. Texts of these policies are available on the Company's corporate website in the section "Shareholders and Investors/Charter and Internal Documents" at: https://www.rossetisk.ru/shareholders_and_investors/dokumenty/politiki-v-oblasti-ustoychivogo-razvitiya-i-izmeneniya-klimata/.

The sustainable development policy of Rosseti, PJSC is the fundamental document defining the sustainable development agenda of the Company. The purpose of the Policy is to define common principles and approaches to activities in the field of sustainable development. The area of sustainable development of the Company means the Company's activities to maximize its contribution to the achievement of the UN Sustainable Development Goals (hereinafter referred to as the UN SDGs) in connection with national and global objectives in this area.

The objectives of the Sustainable Development Policy include:

- determination of the Company's obligations to comply with the principles of sustainable development, supported practices, and areas of activity in the field of sustainable development;
- developing framework for the preparation and updating of profile documents and business processes in accordance with the designated goals and objectives in the field of sustainable development;
- generating a uniform understanding of the Company's approach to conducting activities in the field of sustainable development among the stakeholders.

The Climate Policy of Rosseti, PJSC is the fundamental document identifying the climate agenda for the Company. The Policy complements the Company's Environmental Policy.

The purpose of the Policy is to systematize approaches to climate change in the process of carrying out the Company's activities.

The objectives of the Climate Policy include:

- identification of the main risks and opportunities relevant to the Company related to climate change;
- developing activities to reduce the negative impact of the Company's activities on the climate and adapting the network infrastructure to the negative impact of climate change;

- developing framework for the preparation and updating of profile documents and business processes in accordance with the designated goals and objectives in the field of climate change.

Particular attention is paid to maintaining a balance of interests of all parties, including the government, consumers, shareholders, investors, as well as the development of new business areas (non-tariff services). For more details, see the Development Strategy section.

Principles of the Company's activities in the field of sustainable development:

- operational safety;
- careful attitude to environment;
- taking into account the expectations and interests of stakeholders;
- consistency and transparency;
- ethical business conduct, built on the principle of mutual respect;
- risk management.

Assignment of responsibility for sustainable development issues among management bodies, members of the executive bodies of the Company, as well as within the organizational structure and their accountability on such issues

Taking into account the ESG factors in the Company's activities is a complex task, its solution requires a coordinated approach and active participation of all the Company's management bodies within their competence.

Participation of the Board of Directors of the Company in the ESG agenda of the Company is characterized to a greater extent by the control and strategic functions. The Company's management is responsible for developing and submitting for consideration by the Board of Directors of Rosseti Northern Caucasus, PJSC of relevant documents related to the ESG agenda. In addition, the Company has formed and operates the Strategy Committee, the Committee for Reliability, the Committee for Technical Connection, the Personnel and Remuneration Committee, the Audit Committee, responsible for certain issues in the field of sustainable development.

Management of current activities in the field of sustainable development is carried out by the General Director of the Company.

The main participants in the Company's sustainable development activities are:

- the Board of Directors of the Company;
- Executive bodies (Management Board and the General Director) of the Company;
- Deputy General Directors of the Company in functional areas;
- structural divisions of the Company;
- a structural division of the Company that discloses information in the field of sustainable development.

The procedure for the preparation, approval and submission by management of materials for meetings of the Board of Directors of Rosseti Northern Caucasus, PJSC, is determined by the Standard for Organizing the Adoption and Execution of Decisions of the Management Board, Committees under the Board of Directors, the Board of Directors of Rosseti Northern Caucasus, PJSC, and the Boards of Directors of managed Companies, approved by the order of the Company No. 56 dd. February 20, 2023.

The implementation of the Company's policies implies a clear and timely provision and exchange of information, which is also regulated by the Company's internal documents in the relevant areas of the Company's activities. In accordance with subparagraph 35 of paragraph 15.1 of Article 15 of the Charter of Rosseti Northern Caucasus, PJSC, the competence of the Board of Directors of the Company includes consideration of the reports of the General Director on the activities of the Company, on the implementation of decisions of the General Meeting of Shareholders and the Board of Directors of the Company.

Issues of sustainable development and ESG factors, risks and opportunities associated with these factors are considered by the committees of the Board of Directors of the Company

Rosseti Northern Caucasus, PJSC, does not have a Committee for Sustainable Development. While, the Company has formed and operates the Strategy Committee, the Committee for Reliability, the Committee for Technical Connection, the Personnel and Remuneration Committee, the Audit Committee, responsible for certain issues in the field of sustainable development.

Thus, the tasks of the Strategy Committee is to develop and submit recommendations (conclusions) to the Board of Directors of the Company on areas of activity of the Board of Directors that are within the competence of the Committee, in particular: strategic development and priority areas of activity, innovation development, organization of business processes, business planning, dividend policy, risk management, assessment of the performance of the Company and its subsidiaries, as well as other tasks and areas defined by the Corporate Governance Code recommended for use by the letter of the Bank of Russia No. 06-52/2463 dated April 10, 2014 "On the Corporate Governance Code".

The main goals of establishing the Committee for Technological Connection to Electric Power are to ensure transparency of activities and non-discriminatory access to services for the technical connection of consumers to the Company's electric grids, increase the efficiency of the Company's activities in the provision of additional (non-tariff) services and ensure the profitability of additional (non-tariff) services of the Company.

The objectives of the Personnel and Remuneration Committee are to develop and submit recommendations (conclusions) in the following areas of activity: development of recommendations on the amount of remuneration to members of the Board of Directors of the Company; development of principles and criteria for determining the amount of remuneration for members of the Board of Directors of the Company, the Management Board and the sole executive body of the Company; development of proposals for determining the material terms of contracts with the specified persons; determination of criteria for the selection of nominees to the Company's Board of Directors, the Management Board and for the position of the sole executive body of the Company, preliminary assessment of candidates; regular assessment of the activities of the sole executive body and members of the Management Board of the Company and preparation of proposals for the Board of Directors of the Company on their reappointment.

The main objectives of the Audit Committee: consideration of accounting (financial) statements and supervision over the process of their preparation; control over the reliability and efficiency of the internal control system, risk management system, corporate governance practices; control over the conduct of an external audit and the selection of an auditor; ensuring the independence and objectivity of the internal audit function; supervision over the effectiveness of functioning of the system for countering unfair actions of the Company's employees and third parties.

The objectives of the Committee for Reliability include development and submission of recommendations (opinions) to the Company Board of Directors in the following business lines of the Board of Directors:

- 1) expert evaluation of production programs, plans for technical re-equipment, reconstruction, new construction and repair of electrical power grid complex facilities, analysis of their elaboration and execution from the point of view of ensuring satisfaction of the requirements to the reliability of functioning and technical condition of electric power grids;
- 2) assessment of the completeness and sufficiency of measures taken based on the results of accident investigation in accordance with the Rules for Investigation into the Causes of Accidents in Power Industry (approved by Decree of the Government of the Russian Federation No. 846 dated October 28, 2009), and their implementation control;
- 3) expert evaluation of the quality of investigation into causes of technological failures (accidents);
- 4) expert evaluation of the Company's activities in the field of accident prevention work (ensuring preparedness, organization and conductance of emergency recovery works at electric power industry facilities);
- 5) expert assessment of the programs for prevention of the injury risks the Company's personnel and third parties are exposed to at the Company's power units, as well as control over their implementation;
- 6) control and evaluation of the Company's technical services activities to the extent of ensuring reliable functioning of electric power grids and production safety;
- 7) expert assessment of the internal control system within the Company;
- 8) expert assessment of the occupational health and safety management system within the Company;
- 9) expert evaluation of the environmental policy implementation program;
- 10) expert assessment of fire and industrial safety.

Taking into account issues of sustainable development, ESG factors in the Company's information policy

One of the principles of the Company's activities in the field of sustainable development is consistency and transparency.

By decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated June 14, 2022 (Minutes No. 503 dated June 17, 2022), a restated Resolution on Information Policy of the Company was approved.

The Resolution establishes the principles of disclosure of mandatory and additional information contributing to strengthening the publicity and transparency of relations between the Company and shareholders, creditors, potential investors of the Company, professional securities traders, government bodies, as well as other stakeholders; as well as the procedure for communication between members of the management bodies, officials and employees of the Company with shareholders and investors, media representatives and other stakeholders.

Besides, the Resolution defines the list of information disclosed on the Company's website in addition to the information required to be disclosed in accordance with the law of the Russian Federation on the securities market.

As per the Resolution, in accordance with the requirements of the law of the Russian Federation and the recommendations of the Bank of Russia Corporate Governance Code, the Company ensures the preparation and disclosure of the annual report, which provides shareholders and investors with a complete picture of the Company's activities and development for the reporting

year. For this purpose, the Company seeks, in addition to the information provided for by the law of the Russian Federation, to include additional information in the annual report, taking into account the recommendations of the Bank of Russia, as well as material non-financial information that makes it possible to have an unbiased and comprehensive view of the Company's environmental impact (including climatic effect), social sector (including observance of human rights) and the economy, as well of the Company's accounting for ESG factors, risks and opportunities associated with such factors that have a significant impact on the development of the Company. The list of additional information included in the annual report is also defined by this Resolution.

In 2024, the Board of Directors of the Company considered the issue of compliance with the Resolution on Information Policy of the Company for 2023 (Minutes No. 563 dated August 12, 2024).

The list of essential topics related to the Company's activities shall be determined by the Company on an annual basis during the preparation of the Company's Annual Report, including through the questionnaire survey of the stakeholders.

In the reporting 2024 year, the Company did not prepare reports in the field of sustainable development and environmental reports as a separate type of reporting. At the same time, in order to demonstrate commitment to the principles of sustainable development, the annual reports of the Company submitted to shareholders as part of the preparation and holding of the annual General Meeting of Shareholders include detailed information on staff management, occupational safety and environmental protection, energy consumption and energy saving, procurement activities, anti-corruption policy and ensuring the security of economic activity, information disclosure, public relations, relations with public authorities and the media, etc. In the structure of this Annual Report, there is also a separate section titled "Sustainable Development".

Contribution to the achievement of the UN Sustainable Development Goals

The key goal of the Company in the field of sustainable development is to maximize the contribution to the achievement of the UN SDGs in the implementation of its activities and to create additional value for stakeholders in connection with national and global objectives in this direction.

The concept of sustainable development appeared in the process of combining three main components: economic, social and environmental – and involves the adoption of measures aimed at the optimal use of scarce resources and the use of environmentally friendly – nature, energy and material-saving technologies, at maintaining the stability of social and cultural systems, at ensuring the integrity of biological and physical natural systems.

The Sustainable Development Goals (SDGs) are a set of 17 interrelated goals developed in 2015 by the UN General Assembly as "a blueprint for a better and more sustainable future for all".

According to the stated goals of the UN, power industry is a key factor contributing to the solution of current problems.

Lack of access to energy could hinder efforts to contain COVID-19 in many parts of the world, according to the UN. Energy services play a key role in disease prevention and pandemic control, from providing health care facilities with electricity and clean water for essential hygiene, to providing communications and information technology services to keep people connected while maintaining social distancing.

To achieve the SDGs, the joint efforts of governments, the private sector, civil society and the inhabitants of the Earth are required.

In June 2020, the first Voluntary National Review of the Russian Federation's achievement of the SDGs and the implementation of the 2030 Agenda for Sustainable Development was published on the UN website. The review shows the achievements of the Russian Federation on all 17 SDGs and contains the results of comprehensive monitoring of social and economic development and the development of the strategic planning system for the period since 2015.

The Russian Review was prepared by the Analytical Center under the Government of the Russian Federation in cooperation with the Ministry of Economic Development of Russia, the Russian Ministry of Foreign Affairs, Rosstat and other departments, organizations and companies. The work was carried out by topic-specific groups for each SDG.

Prepared based on data from Websites <https://ru.wikipedia.org>, <https://www.un.org>, <https://rosstat.gov.ru>.

Rosseti Northern Caucasus, PJSC, being an interregional distribution grid company operating in the Russian electricity power industry sector, a natural monopoly, also contributes and facilitates the achievement of the above SDGs.

Information on the contribution of Rosseti Northern Caucasus, PJSC to the achievement of the UN SDGs is reflected in the topic-related sections of this Annual Report of the Company.

Good health and well-being, end poverty, end hunger (Goals 1–3)

The key asset of the Company is its employees, owing to whom the Company has been creating, preserving and building up its value and authority over a long span of time. Accomplishment of strategic tasks and goals set to the Company by the government largely depends on the professional competence, diligence and safety of labor practices of its employees.

In the reporting period, Rosseti Northern Caucasus, PJSC carried out work to implement measures aimed at improving the occupational health and safety. Social benefits and guarantees are provided to the Company's employees in accordance with the Collective Agreement for 2019–2024, concluded in accordance with the provisions of the Labor Code of the Russian Federation and the Industry Tariff Agreement in the electricity power industry of the Russian Federation, as well as the Company's internal organizational and administrative documents and provide additional benefits, guarantees and compensations. In order to improve the social protection of employees, the Company has entered into voluntary medical insurance contracts.

Additional information is provided in the sections of this Annual Report “Development Strategy” and “Human Resource Management”.

Quality education (Goal 4)

Training is one of the priorities of the HR and Social Policy of the Company and is regulated by the Rules for Work with Personnel in the Organizations of the Electricity Power Industry of the Russian Federation.

The introduction of state-of-the-art technologies and innovative development of the Company increase the requirements for the level of personnel qualification. The training system is aimed at advanced training of personnel required to work at newly commissioned facilities, at mastering new technology, as well as at integrating scientific activity into the educational process.

One of the largest professional industrial educational institutions is located in the Northern Caucasus Federal District – Private Educational Institution of Further Professional Education “Corporate Institute of Energy” (Essentuki), the founder of which is Rosseti Northern Caucasus, PJSC.

See additional information in the “HR Management” section of this Annual Report.

Gender equality (Goal 5)

The gender composition of the Company’s employees corresponds to the ratio of personnel typical for power grid companies. As of December 31, 2024, the share of men working in the Company is 75%, women – 25%, respectively. See additional information in the “HR Management” section of this Annual Report.

Affordable and clean energy (Goal 7)

Core activities of Rosseti Northern Caucasus, PJSC (electricity transmission by distribution grids with voltage from 110 to 0.4 kV, technical connection of consumers to the grid infrastructure) refer to regulated activities.

Energy saving and energy efficiency improvement activities of Rosseti Northern Caucasus, PJSC in 2023 were arranged in accordance with Federal Law of the Russian Federation dated November 23, 2009 No. 261-FZ “On Energy Saving and Improving Energy Efficiency”, orders of the Russian Ministry of Energy, Regulation on the Preparation of Energy Saving and Energy Efficiency Improvement Programs of Subsidiaries and Affiliates of Rosseti, PJSC (approved by decision of the Board of Directors of Rosseti, OJSC dd. May 29, 2014, Minutes No. 156 dated June 2, 2014), as well as in accordance with the Energy Saving and Energy Efficiency Improvement Program of Rosseti Northern Caucasus, PJSC for 2022–2027. (Program) approved by the decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated August 26, 2022 (Minutes No. 509 dated August 29, 2022).

Additional information is provided in the sections of this Annual Report “Tariff Policy” and “Energy Consumption and Energy Saving”.

Decent work and economic growth (Goal 8)

Rosseti Northern Caucasus, PJSC, being a distribution grid company, contributes to the development of the constituent entities of the Russian Federation that are within the Company’s area of responsibility. The Company is one of the largest taxpayers and employers in the region, as well as a procurement entity. Rosseti Northern Caucasus, PJSC, as one of the largest employers in the Northern Caucasus Federal District, also sees its role in supporting a stable high economic growth and increased employment in the region. To achieve and maintain the status of a modern highly efficient company the strategic development of the Company is based on implementation of the social policy measures. See additional information in the “Human Resource Management” and “Regional Development” section of this Annual Report.

Industrialization, innovation and infrastructure (Goal 9)

Innovative activity of Rosseti Northern Caucasus, PJSC is carried out in accordance with the Innovative Development Program of Rosseti Northern Caucasus, PJSC (approved by the Board of Directors of Rosseti, PJSC, Minutes No. 447 dd. February 8, 2021) designed to create effective mechanisms aimed at modernizing the integrated power grid, enhancing scientific and technical

and inventive activities, adapting to introduction of innovations, improvement and development of the innovation system. The purpose of innovation development is the transition to a power grid of a new technological structure with qualitatively new characteristics of reliability, efficiency, accessibility, manageability and customer-orientation of the integrated power grid in general.

Investment planning is an integral part of the business planning and budgeting system at Rosseti Northern Caucasus, PJSC. During compilation of investment program, impact of its implementation on the Company's entire economic activity is assessed. The investment program of Rosseti Northern Caucasus, PJSC for 2024 is approved by Order of the Russian Ministry of Energy No. 47@ dated December 28, 2024.

Additional information is provided in the sections of this Annual Report "Innovation Activity", "Investment Activity".

Reducing inequalities (Goal 10)

The Company values every employee, regardless of the employee's gender, age, skin color, nationality or job title. For that reason all employees are offered equal opportunities for successful and efficient performance, professional development and career advancement.

The Company relies on the principles of honesty and objectiveness when staffing the Company (including managerial positions). The employees are appointed and promoted only based on their competencies and professional qualities.

Labor dynasties are welcomed in the Company. Favorable conditions are created for their development. The Company encourages the succession of generations by promoting respect to the experience of veterans and ensuring knowledge and tradition transfer to the young employees, including within the labor dynasties.

Additional information is provided in the sections of this Annual Report "Development Strategy" and "Human Resource Management".

Sustainable cities and communities (Goal 11)

Rosseti Northern Caucasus, PJSC, as one of the largest employers in the Northern Caucasus Federal District, also sees its role in supporting a stable high economic growth and increased employment in the region. To achieve and maintain the status of a modern highly efficient company the strategic development of the Company is based on implementation of the social policy measures. See additional information in the "Regional Development" section of this Annual Report.

Responsible consumption and production (Goal 12)

Energy saving and energy efficiency improvement activities of Rosseti Northern Caucasus, PJSC in 2024 were arranged in accordance with Federal Law of the Russian Federation dated November 23, 2009 No. 261-FZ "On Energy Saving and Improving Energy Efficiency...", orders of the Russian Ministry of Energy, Energy Saving and Energy Efficiency Improvement Policy approved by decision of the Board of Directors of Rosseti, PJSC No. 483 dated January 24, 2022, as well as in accordance with the Energy Saving and Energy Efficiency Improvement Program of Rosseti Northern Caucasus, PJSC for 2022–2027 (Program) approved by the decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated August 26, 2022 (Minutes No. 509 dated August 29, 2022).

The Environmental Policy of Rosseti Northern Caucasus, PJSC was also approved by decision of the Board of Directors of the Company dated April 1, 2024 (Minutes No. 551 dated April 3, 2024). The same decision declared clause 1 on issue No. 7 of the decision of the Board of Directors of the Company “On Joining the Implementation of the Restated Environmental Policy and Approving it as an Internal Document of Rosseti Northern Caucasus, PJSC”, adopted on October 5, 2020 (Minutes No. 437 dd. October 8, 2020) to be invalid.

Additional information is provided in the sections of this Annual Report “Energy Consumption and Energy Saving” and “Environmental Protection”.

Combating climate change, preservation of marine ecosystems, preservation of terrestrial ecosystems (Goals 6, 13–15)

The Environmental Policy of Rosseti Northern Caucasus, PJSC was approved by decision of the Board of Directors of the Company dated April 1, 2024 (Minutes No. 551 dated April 3, 2024). The same decision declared clause 1 on issue No. 7 of the decision of the Board of Directors of the Company “On Joining the Implementation of the Restated Environmental Policy and Approving it as an Internal Document of Rosseti Northern Caucasus, PJSC”, adopted on October 5, 2020 (Minutes No. 437 dated October 8, 2020) to be invalid.

Additional information is provided in the “Environmental Protection” section of this Annual Report.

Peace, justice and strong institutions (Goal 16)

Interaction with business partners is based on a long-term cooperation in full compliance with the corporate rules. The Company is interested in mutually beneficial cooperation. In interactions with the Company the abuse of dominant position or unfair competition is unacceptable. The Company does not accept corruption in any form and expects that its business partners adhere to the same principles.

Subject to Article 13.3 of Federal Law No. 273-FZ dd. December 25, 2008 “About Fighting against Corruption” in Rosseti Northern Caucasus, PJSC a set of measures and goals was being implemented aimed to prevent and fight corruption.

Rosseti Northern Caucasus, PJSC conducts ongoing control and regular monitoring of the efficiency of implemented anti-corruption standards and procedures and controls implementing thereof.

By decision of the Board of Directors of the Company dated July 19, 2023 (Minutes No. 536 dated July 21, 2023), Rosseti Northern Caucasus, PJSC approved a restated Anti-Corruption Policy of Rosseti Northern Caucasus, PJSC.

The electricity grid industry of the Northern Caucasus Federal District is the focus of constant attention of government agencies. The interaction with authorities at all levels is one of the key elements to ensure sustainable, stable operation of the regional energy infrastructure, reliable energy supply to consumers, economic and social development of the regions.

By decision of the Board of Directors of the Company dated June 7, 2024 (Minutes No. 559 dated June 10, 2024), Rosseti Northern Caucasus, PJSC approved the Antimonopoly Compliance Policy of Rosseti Northern Caucasus, PJSC.

The Antimonopoly Compliance Policy of Rosseti Northern Caucasus, PJSC was developed in order to improve the efficiency of the Company's activities in the area of ensuring compliance of the Company's activities with the requirements of the antimonopoly law of the Russian Federation and the implementation of the provisions of Article 9.1 of Federal Law No. 135-FZ dd. July 26, 2006 "On the Protection of Competition".

Additional information is provided in the sections of this Annual Report "Anti-Corruption Policy and Ensuring the Security of Economic Activities" and "Information Disclosure, Public Relations, Relations with Public Authorities and Mass Media".

Partnerships for sustainable development (Goal 17)

Business of Rosseti Northern Caucasus, PJSC is arranged in such a manner as to meet the needs of stakeholders to the maximum possible extent. The Company is open to a productive dialogue with stakeholders. The process of transforming resources into value for stakeholders of Rosseti Northern Caucasus, PJSC, is described in the Stakeholder Engagement section of this Annual Report.

4.1. HR Management

The key objectives of the HR and social policy of Rosseti Northern Caucasus, PJSC aimed at achievement of target benchmarks of the Integrated Power Grid Development Strategy are as follows:

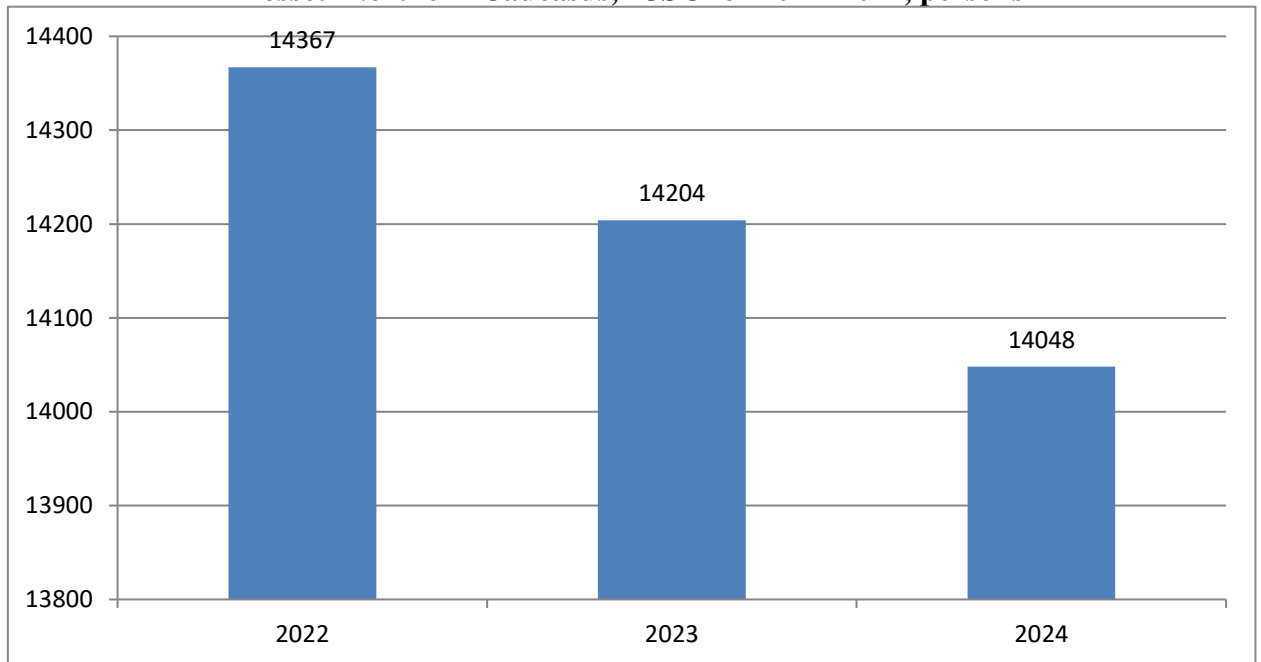
- planning staffing needs – ensuring availability of accurate information on the operational and predictive numerical and qualitative needs in the labor force, necessary and sufficient to perform the tasks assigned by the Company;
- timely provision of the Company's staffing needs with required qualifications;
- ensuring of the effectiveness of the personnel;
- increase in the labor efficiency.

These key objectives of the HR and social policy are achieved by implementing a set of measures in various areas of activities and achievement of the target benchmarks:

- in the field of organizational design;
- in the field of staffing and development of human resources;
- in the field of personnel efficiency management (personnel motivation);
- in the field of social benefits and guarantees;
- in the field of youth policy;
- in the field of safety of the personnel and the labor culture.

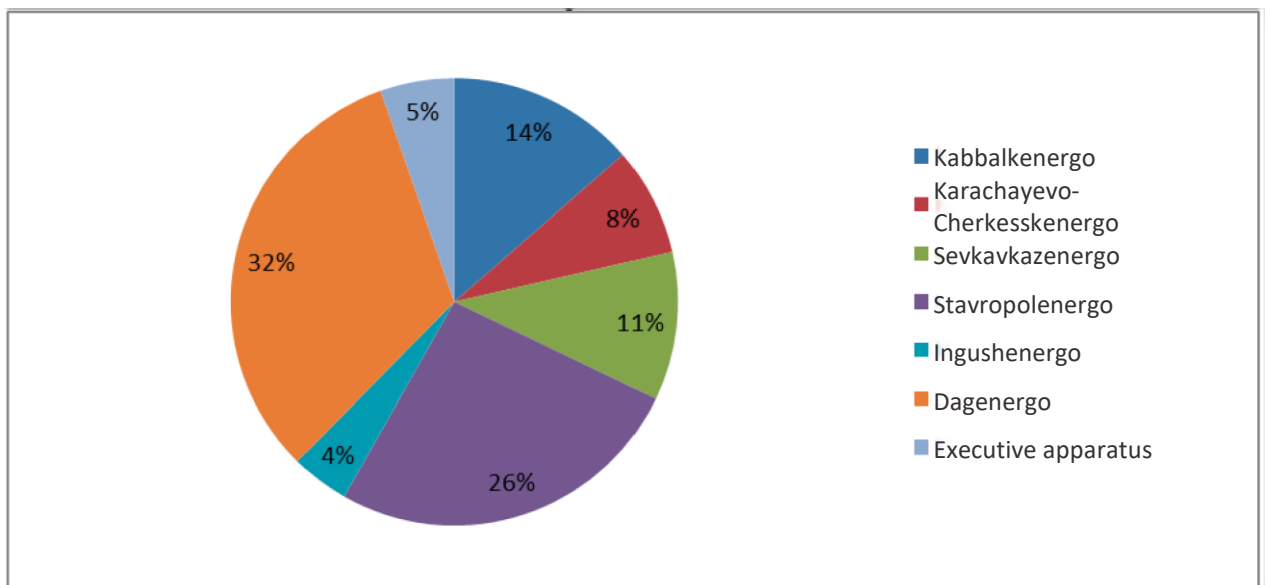
Number and quality of personnel

**Average number of employees
Rosseti Northern Caucasus, PJSC for 2022–2024, persons**



The decrease in the average number of employees in 2024 is due to the unfilled production personnel vacancies in the branches of Rosseti Northern Caucasus, PJSC.

**Distribution of the average number of employees
of Rosseti Northern Caucasus, PJSC for 2024, %**

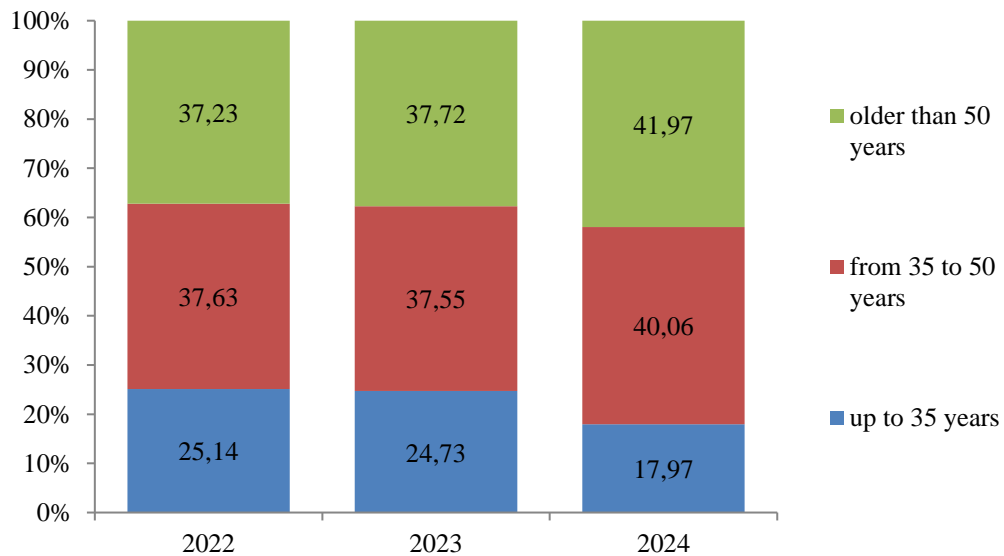


The level of staffing in the Company at the end of 2024 was 95%. The level of provision with the production personnel of the Company amounted to 95.2%.

The level of active turnover in the Company at the end of 2024 amounted to 1.1%. Decrease in active turnover by 4.7 percentage points compared to 2023 is due to the initiative of the Company's employees to terminate employment relations by mutual agreement.

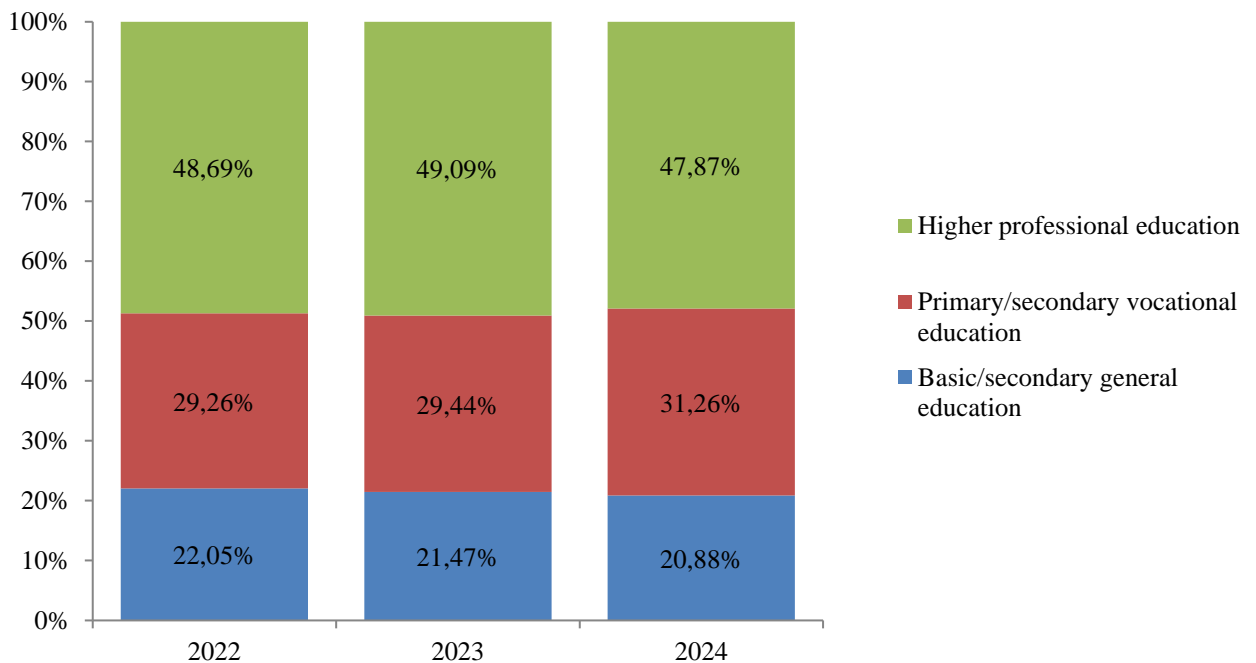
The average age of employees of the Company in 2024 was 46 years.

Personnel structure by age over time for 2022–2024



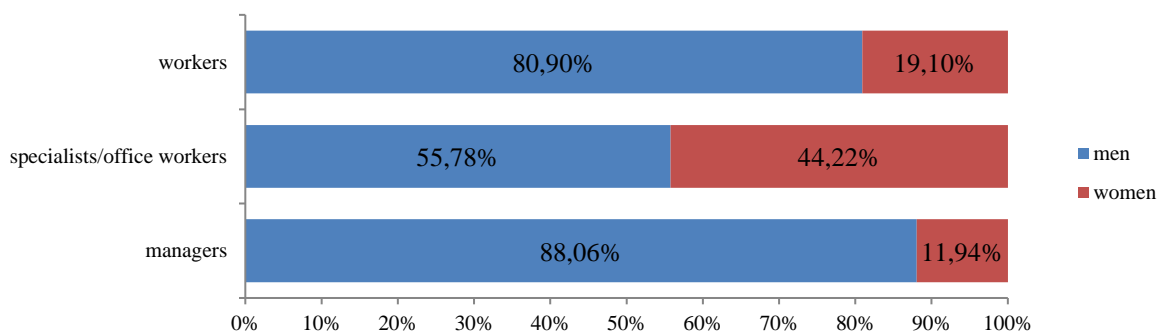
The personnel of the Company is characterized by a rather high level of qualification of its employees. As of December 31, 2024, about 79% of the Company's employees have professional education. Including 28 employees have a PhD degree. Analysis of the personnel composition by level of education makes it possible to conclude that over the past three years the share of personnel without professional degree has been systematically decreasing from 22.05% in 2022 to 20.88% in 2024 (a decrease of 1.17 p.p.).

Personnel structure by level of education over time for 2022–2024



The gender composition of the Company's employees corresponds to the ratio of personnel typical for power grid companies. As of December 31, 2024, the share of men working in the Company is 75%, women – 25%, respectively, analysis by categories is given in the chart:

Share of men and women by employee category in 2024, %



Personnel remuneration system

The personnel remuneration system is aimed at ensuring the correlation between the level of personnel remuneration and the results of the Company's production activities.

Remuneration of personnel is arranged in accordance with the standards of the Industry Tariff Agreement in the Electric Power Industry of the Russian Federation, the Collective Agreement and the Regulations on material incentives for employees of the executive office and branches of the Company.

The remuneration system provides for monthly, quarterly and annual bonuses for the fulfillment of production activity plans, bonuses for identifying unaccounted electricity consumption, as well as bonuses for the fulfillment of particularly important tasks.

Personnel training and development

Training is one of the priorities of the HR and Social Policy of the Company and is regulated by the Rules for Work with Personnel in the Organizations of the Electricity Power Industry of the Russian Federation.

The introduction of state-of-the-art technologies and innovative development of the Company increase the requirements for the level of personnel qualification. The training system is aimed at advanced training of personnel required to work at newly commissioned facilities, at mastering new technology, as well as at integrating scientific activity into the educational process.

In the reporting year, 20,570 person courses were organized (146.4% of the average headcount), including: production personnel – 20,066 person courses (97.5% of the total number of organized events), including 70 person courses for auxiliary personnel. The distribution by category was as follows: managers – 2,243 person courses (10.9% of the total number of organized training sessions), specialists – 2,527 person courses (12.3%), workers – 15,800 person courses (76.8%).

In 2024, 6,204 people completed training sessions using distance learning (30.2% of the total number of organized trainings sessions), which is 39.9% lower than in 2023 (in 2023, 10,332 person courses were organized using distance learning). Decrease in the indicator is due to the need to organize full-time off-the-job training of production personnel in training centers, including the development of practical skills at training grounds.

The average number of training hours per employee in 2024 was 36.1 hours, including: men – 44.6 hours, women – 8 hours.

Due to the established frequency of training for various categories of personnel, in accordance with the applicable law (Rules for working with personnel in organizations of the electric power industry of the Russian Federation, Resolution of the Government of the Russian Federation No. 2464 dd. December 24, 2021 “On the Procedure for Training in Occupational Safety and Testing Knowledge of Occupational Safety Requirements”, etc.), as well as the uneven distribution of gender composition by personnel categories, the indicator of the average number of hours of training per employee by gender can vary significantly from one calendar year to another.

One of the largest professional industrial educational institutions is located in the Northern Caucasus Federal District – Private Educational Institution of Further Professional Education “Corporate Institute of Energy” (Essentuki), the founder of which is Rosseti Northern Caucasus, PJSC. The corporate training center is designed for 256 people. Among the facilities there is a training building with classrooms, laboratories for training electric power personnel, a library, a training ground, and a dormitory for 104 people. On the basis of corporate off-the-job training centers in 2024 professional training, retraining and upgrade was provided to 19,380 persons, which amounts to 94.2% of the total number of organized training sessions.

Dynamics of personnel training indicators

Indicators	Unit of measurement	Period			
		2022	2023	2024	change 2024/2023, %
Number of employees who took part in off-the-job training programs / relative to average number of personnel	person courses; %	14,476; 100,8	23,257 163.7	20,570 146.4	-11.6; -17.3
- including in the areas of occupational safety and industrial safety / ratio to the average number of employees	person courses, %	7,204; 50.1	9,998; 70.4	13,396; 95.4	34.0; 25.0
- including employees trained on the basis of their own training centers / ratio to the total number of employees undergoing off-the-job training	person courses; %	12,852; 88.8	22,319 96.0	19,380 94.2	-13.2; -1.8
The number of production personnel who completed off-the-job training, including on the basis of their own training centers	person courses; person courses	13,692; 12,490	22,454 21,634	20,066 19,159	-10.6 -11.4
Distribution of the number of employees who took part in off-the job training programs by category (managers, specialists and other employees, workers)	%; %; %	13.6; 11.8; 74.6	15.5; 13.5; 71.0	10.9; 12.3; 76.8	-4.6; -1.2; 5.8
Number of employees who took part in training programs implemented using distant learning format	person courses	4,804	10,332	6,204	-39.9
Average hours of training per employee by gender (male; female)	person – hour; person – hour	42.2; 10.6	61.8; 9.4	44.6 8.0	-27.8; -14.9
Number of personnel who have undergone assessment procedures/ratio to the average number of personnel, including within the framework	person/%	2,121; 14.8	2,043; 14.3	3,126; 22.3	53.0; 8.0
- assessment of competencies (corporate and managerial), including during hiring, transfer to a new position, selection for the talent pool, etc.;		2,121; 14.8	2,023; 14.2	3,106; 22.1	53.5; 7.9
- independent assessment of qualifications (based on the assessment centers)		-	20; 0.1	20; 0.1	0; 0
Composition of talent pool	person	512	470	425	-9.6
Share of management positions covered by the talent pool	%	97.6	87.3	79.4	-7.9
Share of management positions filled by internal candidates, including from among members of the talent pools	%	45.4; 5.0	64.9; 7.6	79.9; 2.7	15.0; -4.9

Prospective staffing and youth policy

The power company has set off on the road to provide active, motivated to develop and work in the electricity power industry sector young people of the Northern Caucasus, with the ability for exact sciences, the opportunity to become part of the largest electric grid company in the region.

Since 2018, in order to develop talented schoolchildren, increase their motivation to study under energy-oriented programs and for the purpose of their subsequent employment, the Company has been participating in the organization and holding of the All-Russian Olympiad for schoolchildren of the Rosseti Group of Companies. Thus, in 2024, 98 schoolchildren from the Northern Caucasus took part in the subject olympiad.

In 2024, a project in the field of vocational guidance of schoolchildren, “Energy Clubs of Rosseti, PJSC”, was launched at Secondary Comprehensive School No. 9 in Essentuki. As part of the project, 14 9th grade students attend extra classes with in-depth study of physics, as well as a number of career guidance events in the field of electric power engineering (excursions to operating energy facilities, practical classes in laboratories and on simulators, meeting with

representatives of various electric power professions, etc.). Schoolchildren participating in the project will receive scholarship, which will serve as additional incentive for in-depth study of the subject and preparation for choosing a future profession.

In order to ensure practice-oriented training of personnel, the Company actively cooperates with educational institutions of higher and secondary vocational education in the following areas:

- targeted training of students in areas that are in demand in the power grid complex, taking into account the long-term need for young specialists; currently, 21 students are enrolled in higher education institutions on a targeted basis, including 4 students in the “Electric Power and Electrical Engineering” area of specialization in 2024;

- organization of internships and pre-graduation practical training for students, in 2024, 717 students of universities and colleges completed internships in the structural divisions of the Company;

- employment of graduates – in 2024, 22 young specialists were employed by the company;

- for the purpose of professional adaptation of young specialists – former graduates, the Company uses a mentoring system;

- organization of work of student teams – from July 1 to 31, 2024, the work of 3 construction teams named “Height”, “Tesla”, “Sofit” was organized. Among the construction team 30 students from universities performed the works in the course of repair program implemented by their own resources. 10 students completed training at the Private Educational Institution of Additional Professional Education “Corporate Institute of Energy” under the basic professional training program “Electrician for Maintenance of Account Metres” and were given a document of the established form.

Under the mentorship of experienced experts, future power industry workers took part in construction work, inspections and repairs of electrical equipment. In addition, student squad members had the opportunity to demonstrate their leadership qualities and organizational skills in social and educational events and creative competitions.

10 students from the best team took part in the closing ceremony of the season of construction teams of Rosseti, PJSC which took place from November 21 to 25, 2024 in Moscow.

In order to develop intellectual and creative potential, acquire new knowledge, young specialists of the Company actively participate in various all-Russian and international events:

- from March 1 to March 7, 2024, the Company’s employees took part in the program of events of the All-Russian Youth Festival in the Krasnodar Territory (Sirius Federal Territory);

- 30 employees of the Company took part in organizing and holding the Youth Day on June 29, 2024 in Makhachkala, Nalchik, Cherkessk, within the framework of which job fairs, master classes, quizzes, distribution of souvenirs, first aid lessons on Gosha robot simulator, an art energy workshop, photo zones, and video show were held;

- 16 employees from all the republics of the Northern Caucasus Federal District took part in the 1st Caucasian Investment Forum (hereinafter referred to as the CIF), in the Youth Program, which was held from July 15 to 17, 2024 in Grozny. The CIF youth program touched on issues of career development, youth communities and entrepreneurship. In a mentoring format, experts

shared positive cases of implementing human resource and entrepreneurial potential at the regional and federal levels;

- in July 2024, in order to develop the community of young employees of Rosseti Group of Companies, the combined team of Rosseti Northern Caucasus, PJSC took part in the Forsage forum of communities of young specialists in the Kaluga Region;

- in September 2024, the Chairman of the Youth Council of Rosseti Northern Caucasus, PJSC took part in the Russian Energy Week Youth Day.

During 2023, the Youth Council of the Company organized the following events:

- in June 2024, the Company's employees took part in a cultural event – the Brain Ring intellectual quiz;

- a charity event for children of sponsored orphanages “Special Wish Christmas Tree”.

At the end of 2024, mentors will be appointed to implement events aimed at developing the youth community “Movement of Inspired People”. An information campaign was conducted among the youth of the Company to attract young people to the Telegram channel and digital communication platform.

Young professionals also took an active part in activities organized on the digital communications platform of the Youth Community.

Indicators	Unit of measurement	Period			
		2022 actual	2023 actual	2024 actual	change, 2024/2023, %
1	2	3	4	5	6
Number of schoolchildren participating in career guidance projects of the Rosseti Group of Companies	person	128	167	111	-33.5
Number of partner higher education institutions/secondary specialized educational institutions in the regions where the company operates	pcs	23	23	24	4.3
Number of students from higher education institutions/secondary specialized educational institutions undergoing training under targeted training agreements with the company	person	27	23	21	-8.7
Number of students from higher education institutions/secondary specialized educational institutions who completed an internship at the company	person	558	681	717	5.3
Number of higher education institutions/secondary specialized educational institutions graduates employed by the company in the reporting year	person	41	23	22	-4.3
Number of young professionals who took part in competitions, forums, conferences at the corporate, regional or federal level	person	7	7	54	87

Social Policy

Indicators	Unit of measurement	Period			
		2022 actual	2023 actual	2024 actual	change, 2024/2023, %
1	2	3	4	5	6
Number of employees given state awards	person	-	-	-	-
The number of employees who received incentives from the President of the Russian Federation and incentives from the Government of the Russian Federation	person	-	-	1	100
The number of employees given departmental awards of the Russian Ministry of Energy	person	44	47	47	-
The number of employees given industry-specific awards	person	47	34	34	-
The number of employees given corporate awards	person	841	652	725	11,2

4.2. Occupational and Industrial Safety

Expenses on occupational safety in Rosseti Northern Caucasus, PJSC amounted to:

- 2022 – 132.3 mln RUB;
- 2023 – 135.2 mln RUB;
- 2024 – 374.09 mln RUB;

In order to establish a unified system for organizing labor management in the Company and ensure safe and normal working conditions for employees at all stages of production, control compliance with occupational safety requirements at all levels of management in accordance with the requirements of order of Rosseti, PJSC No. 412 dated September 27, 2023 the Regulations on the Occupational Health Management System in the Rosseti, PJSC Group of Companies (OHMS Regulations) were put into effect by order of Rosseti Northern Caucasus, PJSC No. 542 dd. November 08, 2023 “Concerning Documents on Occupational Safety”.

Among the executive staff and in the subdivisions of the branches, work was organized and carried out to bring the regulations on subdivisions and job descriptions of the Company’s employees in line with the OHMS Regulations.

Employees of Rosseti Northern Caucasus, PJSC are 100% covered by the Occupational Health and Safety Management System.

In 2024, the Company experienced four accidents involving personnel, revealing significant violations of occupational safety requirements:

- Karachaevo-Cherkesskenergo branch – 1 fatal accident, electric shock;
- Kabbalkenergo branch – 2 fatal accidents, electric shock and a fall of the victim from a height;
- Dagenenergo branch – 1 accident with a minor degree of damage to health, other incidents.

In response to the accidents that occurred at Rosseti Northern Caucasus, PJSC measures aimed at preventing (reducing the number) of industrial accidents involving personnel have been fully implemented.

In order to ensure safe and normal working conditions for employees at all stages of production, monitor compliance with occupational safety requirements at all levels of management, increase the efficiency and responsibility of officials organizing and monitoring the effectiveness of the Occupational Health Management System (OHMS) during the OS Days (Occupational Safety Days) inspections of compliance with the requirements of the current OHMS were carried out, including by officials of the Company’s divisions responsible for their organization. Based on the identified violations, the directors of the Company’s branches were given ordinances, the execution of which was monitored by specialists from the Department of Industrial Safety and Industrial Control of Rosseti Northern Caucasus, PJSC.

Identification of hazards and risk assessment in the field of occupational safety in Rosseti Northern Caucasus, PJSC, branches of Rosseti Northern Caucasus, PJSC is carried out in accordance with the Methodological Guidelines for the Identification and Assessment of Professional Risks, Control and Management of Professional Risks at Workplaces of Rosseti, PJSC and subsidiaries of Rosseti, PJSC (hereinafter referred to as the Methodological Guidelines), approved by Order of the Company No. 421 dated 27.12.2024.

Identification and assessment are carried out by the Hazard Identification and Risk Assessment Committee.

The Committees (at least five people) for hazard identification and risk assessment at Rosseti Northern Caucasus, PJSC and the Company's branches include:

- First Deputy General Director – Chief Engineer, Deputy Directors – Chief Engineers (Chairmen of the Committees);
- deputy chief engineers in different areas (deputy chairmen of the Committee);
- heads of structural divisions, specialists of industrial safety, occupational safety and industrial control divisions, chief engineers of the power grid (members of the Committee).

Members of the Committee have sufficient competence to carry out the work and meet the requirements set out in the Methodological Guidelines.

The investigation of occupational accidents is carried out on the basis of Chapter 36.1 of the Labor Code of the Russian Federation and the Regulations on the specifics of the investigation of occupational accidents in certain industries and organizations, the forms of documents, the relevant classifiers necessary for the investigation of occupational accidents, approved by order of the Ministry of Labor and Social Protection of the Russian Federation No. 223n dd. April 20, 2022.

In the event of an accidental injury (hereinafter referred to as AI):

1. immediate assistance is provided to the injured person and, if necessary, the injured person shall be transported to a medical facility;
2. the scenery as it was at the time of the accidental injury shall be preserved until the investigation of the accident begins;
3. a committee shall be established to investigate the AI;
4. a notice of the AI shall be prepared and sent;
5. inspection of the AI shall be organized;
6. a survey of injured persons, witnesses of AI and officials involved in AI shall be conducted;
7. necessary information and documentation that are related to AI, required for the preparation of Certificates of AI Investigation and at the request of the chairman and members of the committee for the AI investigation shall be collected;
8. based on the results of AI investigation, AI Investigation Reports are drawn up (Order of the Ministry of Labor and Social Protection of the Russian Federation No. 223n dated 20.04.2022).

Investigation and record of minor incidents are carried out on the basis of the local regulation of Rosseti Northern Caucasus, PJSC, branches of Rosseti Northern Caucasus, PJSC.

There were no micro damages or minor incidents registered in Rosseti Northern Caucasus, PJSC in 2024.

Information about possible dangerous situations shall be communicated to the Company's employees as part of special training and technical education. The work conditions level based on the results of a special assessment of working conditions at workplaces is specified in the employment contracts of employees upon hiring, information on possible hazardous situations at the workplace is communicated to the personnel during briefings (introductory, primary at the workplace, repeated at the workplace, unscheduled, targeted), information on accidents that have occurred and the causes of these accidents at work is communicated to employees on a quarterly basis in the form of injury reviews both with personnel and with third parties at facilities controlled by Rosseti Northern Caucasus, PJSC. When conducting unexpected inspections of the teams engaged, responsible persons ensure that personnel comply with safety requirements and provide information on the requirements for the safe execution of work. As part of the occupational safety days, training sessions are provided to personnel on compliance with occupational safety and

health requirements.

Occupational safety training for employees at Rosseti Northern Caucasus, PJSC in accordance with the requirements of Decree of the Government of the Russian Federation No. 2464 dd. December 24, 2021 is a large complex that includes briefings on occupational safety, internships at the workplace, training in first aid, training in the use and application of personal protective equipment and training in occupational safety requirements, safe methods and techniques for performing work.

Rosseti Northern Caucasus, PJSC operates various hazardous production facilities, which include:

- transport areas (truck cranes, car lifts);
- gas consumption network of the enterprise (gas distribution plant);
- air intake platform (use of equipment operating under excess pressure of more than 0.07 MPa).

In accordance with the requirements of Federal Law No. 116-FZ dd. July 21, 1997 “On Industrial Safety of Hazardous Industrial Facilities”, Decree of the Government of the Russian Federation No. 2168 dated December 18, 2020 “On the Organization and Implementation of Industrial Control over Compliance with Industrial Safety Requirements” (in line with the “Rules for the Organization and Implementation of Industrial Control over Compliance with Industrial Safety Requirements”), by order of Rosseti Northern Caucasus, PJSC No. 256 dated August 26, 2024, the structure of the production control system for compliance with industrial safety requirements of Rosseti Northern Caucasus, PJSC and Chechenenergo, PJSC was approved, and the Regulation on the Organization of Production Control over Compliance with Industrial Safety Requirements of Rosseti Northern Caucasus, PJSC and Chechenenergo, JSC was put into effect on September 1, 2024.

74 hazardous production facilities are registered on the balance sheets of branches of Rosseti Northern Caucasus, PJSC.

Of these, there are 2 explosion and fire hazardous production facilities in operation by Rosseti Northern Caucasus, PJSC.

Measures to ensure industrial safety requirements for 2024:

- conducting technical certifications, industrial safety assessments of technical specifications applied at hazardous production facilities;
- insuring hazardous production facilities. The requirement for mandatory liability insurance for an organization operating hazardous production facilities has been fulfilled. Insurance contract No. SC-107-15630547-4 dated 20.03.2024 was concluded with Alfa Insurance, JSC;
- training and certification of employees in the field of industrial safety;
- conducting inspections as part of the implementation of industrial control over compliance with industrial safety requirements;
- organizing investigations of accidents and incidents that occurred at hazardous industrial facilities.

There were no accidents or incidents recorded at hazardous production facilities of Rosseti Northern Caucasus, PJSC in 2024.

No occupational diseases of employees were registered in the Company in 2024.

In order to improve the level of production discipline, solve problems of electrical safety, as well as introduce new principles of an effective occupational safety management system, the Company is implementing the concept of “zero accidents” (Order No. 35 dated February 8, 2024).

A program of measures (road map) for the implementation of this concept has been developed and approved.

The roadmap activities planned for 2024 were implemented in full volume:

- meetings of the Company were held in the format of strategic sessions with the involvement of employees of Technical Supervision Center, Branch of Rosseti, PJSC;
- as part of the implementation of the “zero accident” concept technical supervisors visit divisions of the Company and meet with teams of employees in branches;
- the “key safety rules” are disseminated and promoted, which are the rules of the top importance that determine the basic model of behavior of employees when performing work associated with

a high risk of injury, strict adherence to these rules is ensured;

- the Action Plan for the development and implementation of elements of a system of financial and non-financial motivation of employees is being implemented;
- training of occupational safety coaches from among the Company's employees takes place as part of the implementation of the "zero accident" concept;
- other events.

In order to improve the level of competence of the Company's production personnel in the field of technical operation and occupational safety within the implementation of the "zero injury" concept, 2024 has been declared the "Year of Knowledge" in the Company. The production personnel, through the Centralized Personnel Management System, took part in the following events:

- training in the areas of technical operation, occupational safety, fire, industrial safety and other special rules and regulatory and technical documents;
- undergoing a knowledge assessment (test) in the areas of technical operation, occupational safety, fire, industrial safety and other special rules and regulatory and technical documents.

Following the completion of the Year of Knowledge, the industrial safety and industrial control departments carried out analytical work, the results of which were reviewed by the Occupational Safety Committee of the Company.

In order to ensure the priority of preserving the health and life of the Company's employees in relation to any other results of labor activity during 2024, in accordance with the requirements of the Federal Law No. 197-FZ dd. December 30, 2001 "Labor Code of the Russian Federation", work was carried out to ensure safe working conditions at the workplace and to prevent industrial injuries and injuries to third parties at the Company's facilities, namely:

- the annual activities determined by the order of the Ministry of Labor and Social Development of the Russian Federation No. 771n dated October 29, 2021, the activities of the Comprehensive Program to reduce the risk of injury to personnel of Rosseti Northern Caucasus, PJSC and third parties at the facilities of Rosseti Northern Caucasus, PJSC (Comprehensive Program), approved by order of Rosseti Northern Caucasus, PJSC No. 95 dated March 27, 2024 "On approval of programs to reduce the risk of injury", were fulfilled;
- to control the state of working conditions, means of protection, provision of personnel with special clothing, footwear, sanitary and living conditions in all branches of the Company, the OS Day was held monthly, in the work of the commissions for which the members of the Central Commission of the executive staff of the Company on organization of the OS Day took an active part;
- to control the state of health and maintain the functional activity of the personnel, the Companies carried out preliminary, periodic, pre-trip and post-trip medical examinations, psychiatric examination of the personnel, work was carried out to ensure the psychological and physiological safety of professional activities;
- to control the state of occupational safety in the divisions of the Companies, employees of the occupational safety and production control department provided methodological assistance on occupational safety issues;
- on the basis of the requirements of Article 224 of Federal Law No. 197-FZ dd. December 30, 2001, the Labor Code of the Russian Federation, in order to organize joint actions of the employer and employees to ensure fulfillment of occupational safety requirements, prevent work-related injuries, occupational diseases and maintain the health of employees, the Occupational Safety Committees worked in the executive office and branches of the Company;
- to promote occupational safety, eliminate work-related injuries and increase the responsibility of employees of the Company's branches for their personal safety and the safety of their subordinate personnel, the Company holds meetings in the work teams of all branches of the Company on prevention and non-admission of accidents;
- the reasons and circumstances of accidents that occurred with employees of subsidiaries and affiliates of Rosseti, PJSC were discussed and analyzed with the personnel of the Company. The

issues of checking the fact of analyzing the causes and circumstances of accidents and bringing to the attention of the personnel of operational and information reports about accidents that occurred in 2023 are monthly included in the programs for holding the OS Days;

- to prevent work-related injuries, improve the state of safety and workplace hygiene, improve the culture of production, establish an integrated approach to eliminate identified violations and eliminate the causes of their occurrence, promptly eliminate shortcomings in the structural divisions of Rosseti Northern Caucasus, PJSC, the OS Days are usually carried out in an integrated way.

During the OS Day, highly qualified employees of the branch and the executive office of the Company conducted classes with the operating personnel of the network sections of the Distribution Zone. The causes and circumstances of accidents that occurred in the integrated power grid of Rosseti, PJSC, were analyzed during the training sessions, the reasons for violations by personnel of the requirements of operational dispatch discipline were analyzed, psychological tests, lectures, etc. were conducted, the possible consequences and responsibility of personnel for violations of the requirements of OS rules, including criminal one, were discussed. This work is very effective in terms of improving the skills of operating personnel and increasing their responsibility for compliance with the requirements of the Rules.

Demonstrative work authorizations are arranged in all branches of electric grid of Rosseti Northern Caucasus on a quarterly basis (during the OS Day).

Conducting demonstrative work authorizations is one of the forms of personnel training and is aimed at solving the following tasks:

- checking the ability of operational personnel to prepare the workplace in accordance with the measures specified in the work permit (order), the nature and place of work, to conduct briefing of members of the work team at the time of authorization;
- checking the ability of responsible supervisors, employees responsible to accept the workplace with due quality and instruct the team on the technology of performing work and safety measures when performing the work;
- interaction of operational, maintenance personnel and engineering and technical employees in carrying out the necessary measures to prepare the workplace and conduct targeted briefings upon authorization;
- analysis of errors arising in the process of implementation of organizational and technical measures for the preparation of the workplace and admission to work;
- a comprehensive assessment of readiness of operational and repair teams.

Analysis of assessment of the quality of organization of OS Days is carried out at conference calls with the participation of members of the Central Committee of the executive office of the Company.

When holding OS Day during the year, the specific features of its organization were taken into account:

- before the start of the repair campaign;
- during the repair campaign;
- during the period from November to December 2014, special attention is paid to the analysis of the effectiveness of occupational safety measures taken during the year.

Indicators in terms of occupational safety management

Indicator	Unit of measurement	Period			Change, 2024/2023, %
		2022 actual	2023 actual	2024 actual	
<i>Occupational accidents</i>					
For employees:					
The number of persons injured during occupational accidents with a fatal outcome, the number of occupational accidents with a fatal outcome	persons/pcs	1/1	2/2	3/3	50

The number of persons injured during occupational accidents with severe injuries, the number of occupational accidents with severe injuries	persons/pcs	1/1	4/4	0/0	-100
For persons who are not employees, but whose work and/or workplace is controlled by the Company					
The number of persons injured during occupational accidents with a fatal outcome, the number of occupational accidents with a fatal outcome	persons/pcs	0/0	0/0	0/0	0
The number of persons injured during occupational accidents with severe injuries, the number of occupational accidents with severe injuries	persons/pcs	0/0	0/0	0/0	0
<i>Occupational diseases and work associated with increased danger</i>					
For employees:					
The number of occupational diseases that caused the death of an employee in the reporting year	pcs	0	0	0	0
The number of employees recognized as disabled as a result of an occupational disease in the reporting year	person	0	0	0	0
The number of persons with an occupational disease identified in the reporting period	person	0	0	0	0

Fire safety and occupational safety

Indicator	Unit of measurement	Period			Change, 2024/2023, %
		2022 actual	2023 actual	2024 actual	
Number of fires	pcs	4	3	0	-100

4.4. Environmental Protection

By decision of the Board of Directors of Rosseti Northern Caucasus, PJSC (Minutes No. 551 dated April 3, 2024), the Environmental Policy of Rosseti Northern Caucasus, PJSC was approved as an internal document.

The Environmental Policy was developed with the aim of:

- compliance with the requirements and regulations established by the environmental legislation of the Russian Federation and international legal acts in the field of environmental protection;
- ensuring the accounting of greenhouse gas emissions in accordance with the requirements of the law of the Russian Federation;
- the priority of taking measures to prevent harmful effects on the environment over the implementation of measures to eliminate the environmental negative consequences of such an impact;
- implementation of innovations, energy-efficient and energy-saving technologies, as well as the best available technologies for increasing energy efficiency, ensuring compliance with environmental requirements and minimizing the impact on the environment;
- ensuring environmentally safe handling of production waste;
- control over compliance by contractors in the process of design, construction, reconstruction and technical re-equipping of production facilities with the requirements of the applicable law of the Russian Federation, regulatory and technical documents and local regulatory acts of the Company in the field of environmental protection activities;
- ensuring transparency and accessibility of environmental information, informing all the parties concerned about accidents, their environmental consequences and liquidation measures;
- involving the personnel of Rosseti Northern Caucasus, PJSC in activities aimed at ensuring environmental safety, including advanced training of employees in the field of environmental protection activities;
- fulfillment of all accepted obligations.

According to the category of Negative Environmental Impact of facilities (NEI facilities) the divisions of Rosseti Northern Caucasus, PJSC were assigned categories III and IV. In accordance

with the requirements for category III NEI facilities in terms of compliance with the requirements of environmental legislation, the following documentation has been developed and is timely updated in the branches of Rosseti Northern Caucasus, PJSC:

1. Inventory of emission sources;
2. Draft standards for permissible emissions (calculation for pollutants of hazard class I, II);
3. Industrial environmental control programs;
4. Waste certificates;
5. Waste transportation logs;
6. Projects of sanitary protection zones;
7. Decisions on the establishment of sanitary protection zones.

Annual reporting forms are submitted to authorized government bodies:

1. No. 2 TC – waste;
2. No. 2 TC – air;
3. No. 2 TC – water management;
4. No. 4 – FA;
5. Reports using forms 6.1, 6.2, 6.3;
6. Declaration of payment for negative impact on the environment;
7. Report on the organization and results of the implementation of periodic and casual inspections.

The main sources of air pollution in the branches of Rosseti Northern Caucasus, PJSC are garage units, namely: workshops, repair bays, and parking lots. In accordance with industrial environmental control programs, measurements of pollutants in the atmospheric air are taken from the source of pollution. No exceedances of the maximum permissible concentration were recorded. Since the concentrations of pollutants caused by emissions from the facilities on the borders of the nearest residential areas and adjacent territories do not exceed the established standards for atmospheric air pollution in the current situation, no measures are provided to reduce emissions of pollutants during periods of unfavourable meteorological conditions. Noise screens not required to be installed.

Rosseti Northern Caucasus, PJSC does not have a license to carry out activities for the management of waste of hazard classes I–IV. In this regard, for the disposal of waste of hazard classes III–IV, agreements have been concluded with organizations that have licenses for waste management. For the disposal and neutralization of waste of hazard classes I–II, a centralized agreement was concluded with the Federal State Unitary Enterprise “Federal Environmental Operator” (hereinafter referred to as the Federal State Unitary Enterprise “FEO”).

Waste is accumulated in equipped places that meet the requirements of the law in the field of sanitary and epidemiological welfare of the population in compliance with the guidelines for arrangement of accumulation.

The municipal solid waste is accumulated in accordance with the rules for handling solid municipal waste approved by the Government of the Russian Federation.

In 2024, a decrease in the volume of waste generation vs the 2023 indicators was recorded for the actual generation and transfer of waste of hazard classes I–V to specialized enterprises.

In 2024, FSUE “FEO” processed 2023 applications for the removal of hazardous waste of hazard classes I and II for neutralization. Applications under the agreement concluded in 2024 are planned to be completed this year. The accumulation period of generated waste does not exceed 11 months. Last year, the branches of Rosseti Northern Caucasus, PJSC continued to equip power grid facilities with bird protection systems (35–110 kV OL). The bare wire was replaced with SSIC. The data on branches is presented in the table.

All transformer substations are fenced and equipped with protective covers, which prevents animals from entering the substation territory and getting into components and mechanisms.

Expenditures on environmental protection in 2024 amounted to 28,941.01 thousand rubles.

Environmental performance

Indicator	Unit of measurement	Period			Change, 2024/2023, %
		2022 actual	2023 actual	2024 actual	
Gross emissions of pollutants into the atmosphere, total	t	23.307	18.90	42.68	126.06
Water consumption volume	m ³	561.830	102.36	107.27	4.8
Waste generated	t	3,019.056	5,894.40	5,786.49	-1.83
The volume of waste transferred for recycling and neutralization	t	213.744	2,312.51	2,317.15	0.20
Fee for adverse environmental impacts	thousand rubles	93.651	100.58	2.123	-97.89
Discharge of pollutants into a water body	thousand m ³	0	0	0	-
Equipping power grid facilities with bird protection devices	pcs	2,608	3,410	1,408	-58.7

4.5. Energy Consumption and Energy Saving

Energy saving and energy efficiency improvement activities of Rosseti Northern Caucasus, PJSC in 2024 were arranged in accordance with Federal Law of the Russian Federation No. 261-FZ dated November 23, 2009 “On Energy Saving and Improving Energy Efficiency”, orders of the Russian Ministry of Energy, Regulation on the Preparation of Energy Saving and Energy Efficiency Improvement Programs of Subsidiaries and Affiliates of Rosseti, PJSC (approved by the Board of Directors of Rosseti OJSC (Minutes No. 156 dated June 2, 2014)), as well as in accordance with the Energy Saving and Energy Efficiency Improvement Program of Rosseti Northern Caucasus, PJSC for 2022–2027 (Program) approved by the decision of the Board of Directors of Rosseti Northern Caucasus, PJSC (Minutes No. 509 dated August 29, 2022).

For ensuring the implementation of the Program in the executive office and branches of Rosseti Northern Caucasus, PJSC, in accordance with Order of Rosseti, PJSC dated September 9, 2013 No. 561 “On the Arrangement of Energy Saving and Energy Efficiency Improvement Activities in Rosseti PJSC”, executives responsible for monitoring of the Program implementation were appointed, working groups were established to analyze the implementation of Programs (Order of IDGC of North Caucasus, OJSC dated October 7, 2013 No. 518 “On the Arrangement of Energy Saving and Energy Efficiency Improvement Activities in IDGC of North Caucasus, JSC”, Order of Kabbalkenergo branch of IDGC of North Caucasus, PJSC, dated April 26, 2018 No. 145, Order of Karachaevo-Cherkessia branch of IDGC of North Caucasus, OJSC dated October 14, 2013 No. 290 “On the Arrangement of Energy Saving and Energy Efficiency Improvement Activities in Karachaevo-Cherkessia branch of IDGC of North Caucasus, OJSC”, Order of North Ossetian branch of IDGC of North Caucasus, OJSC, dated October 15, 2013 No. 595, Order of Sevkavkazenergo branch of the IDGC of North Caucasus, PJSC, No. SOF/7r dated January 25, 2018 “On the Arrangement of Energy Saving and Energy Efficiency Improvement Activities”, Order of Stavropolenergo branch of IDGC of North Caucasus, PJSC, dated November 01, 2017 No. 259 “On the Arrangement of Energy Saving and Energy Efficiency Improvement Activities”, Order of Ingushenergo branch of IDGC of North Caucasus, PJSC, on February 01, 2018, No. 16 “On the Arrangement of Energy Saving and Energy Efficiency Improvement Activities”, order of Dagenegero, Branch of Rosseti Northern Caucasus, PJSC No. 1.1/157-r dated September 13, 2021 “On Approval of the Power Grid Reporting Regulations”).

Energy consumption and energy saving indicators

Indicator	Unit of measurement	Period			Change, 2024/2023, %
		2022	2023	2024	
Consumption of fuel and energy resources (FER)	thousand toe	16.4	15.62	15.50	-0.77
	million rubles	503.42	531.88	565.03	6.23

Amount of energy resources used in 2024

Item No.	Type of resources	Unit of measurement	2024 Plan	2024 Actual	Variation, %
1.	Thermal energy	Gcal	6,674.54	6,395.85	-4.18
		thousand toe	0.95	0.91	-4.18
		million rubles, net of VAT	15.22	17.21	13.02
2.	Electric energy	mln kWh	48.19	47.79	-0.83
		thousand toe	5.78	5.74	-0.69
		million rubles, net of VAT	214.61	194.86	-9.20
3.	Motor gasoline	thousand l	4,989.31	5,063.74	1.49
		thousand toe	5.65	5.73	1.49
		million rubles, net of VAT	221.90	233.88	5.40
4.	Diesel fuel	thousand l	1,639.98	2,085.63	27.17
		thousand toe	2.02	2.57	27.17
		million rubles, net of VAT	83.59	112.10	34.11
5.	Natural gas*	thousand m ³	359.27	471.42	31.22
		thousand toe	0.41	0.54	31.19
		million rubles, net of VAT	3.02	3.90	29.17

* Including gas used as a motor fuel in the amount of 0.10 thousand m³ (2.38 million rubles VAT exclusive), as well as gas used for the needs of administrative and industrial buildings, in the amount of 471.32 thousand m³ (3.90 million rubles VAT exclusive).

Other types of energy resources in 2024 were not consumed by the Company.

4.6. Regional Development

Rosseti Northern Caucasus, PJSC, operates throughout the Northern Caucasus Federal District. The district was created by Decree of the President of the Russian Federation dated January 19, 2010. The district's territory makes 170,4 thousand sq. km (1% of the whole Russian territory). The region has specific social and economic, political and natural characteristics, which may pose threats for formation and operation of economically stable and investment-attractive entities of the power markets. However, we believe that the mentioned features of the district are the opportunities of the Company, making it possible to acquire a unique experience in solving issues of the power industry. The main conditions for turning threats into opportunities may include persistent pursuing of the strategic benchmark for achievement and maintenance of operating efficiency, as well as responsible and honest Company management.

Factors of region investment attractiveness:

- special governmental support measures;
- special institutes of development for the district;
- opportunity to develop any types of tourism;

- transport accessibility;
- wide opportunities for industrial complex development;
- unique natural and climatic conditions.

District geography

The district has borders with:

- by land – with the South Federal District, Abkhazia, Azerbaijan, Georgia and South Ossetia;
- by water borders – Iran, Kazakhstan and Turkmenistan;
- it is bound by the Caspian Sea in the east, the Greater Caucasus Range and Georgian and Azerbaijani borders in the south, and Russian internal political borders in the west and north.

The district enjoys a unique combination of balneological resources – mineral drinking waters, thermal waters and therapeutic muds (about 30% of mineral water resources and over 70% of thermal water resources of Russia are concentrated here). The Greater Caucasus mountain system occupies about 50% of the territory of the Northern Caucasus Federal District.

Constituent entities of the Russian Federation included into the area of responsibility of Rosseti Northern Caucasus, PJSC, are characterized by rather weak development of the territory. However, the developed infrastructure, including power engineering, is the necessary condition for territory development and the city growth. Understanding our responsibility in this area, the company applies every effort to build a high-technology, reliable and safe grid infrastructure.

Rosseti Northern Caucasus, PJSC makes the following contribution to the economic development of the constituent entities of the Russian Federation included in the Company's area of responsibility:

- infrastructural basis of the economy. Ensuring reliable, quality and affordable electric power supply for consumers is the strategic task of the Company. By improving the process infrastructure and expanding mechanisms for interaction with consumers, the Company strives to constantly improve the efficiency of its activities, the availability and quality of services provided, and the trouble-free operation of the energy system in its area of responsibility;
- investments for infrastructure development for the benefit of consumers. The Company is implementing an investment program aimed at ensuring the development of the electrical grid infrastructure, retrofitting fixed assets, increasing the availability of the electrical grid infrastructure, and expanding the service area;
- creation of jobs and tax revenues. The Company is one of the largest employers in the Northern Caucasus Federal District. The Company strives to create and provide comfortable and safe working conditions and competitive wages for its employees;
- introduction of innovations and support of technological development. The Company is trying to introduce advanced technological and scientific developments;
- support for domestic manufacturers. The Company is trying to reduce the share of imports in the procurement structure and support domestic manufacturers and suppliers;
- increasing the share in the power supply market. In order to create a single center of responsibility for ensuring reliable, high-quality and affordable power supply, the Company is consolidating power grid assets used in the process of electric power transmission on the territory of the Russian Federation. Unified management principles and technical policy requirements are aimed at ensuring reliable power supply to consumers and security of energy supply of the regions in the area of responsibility.

Rosseti Northern Caucasus, PJSC, as one of the largest employers in the Northern Caucasus Federal District, also sees its role in supporting a stable high economic growth and increased employment in the region. To achieve and maintain the status of a modern highly efficient company the strategic development of the Company is based on implementation of the social policy measures.

4.7. Procurement Activities

The procurement activities of Rosseti Northern Caucasus, PJSC are regulated by the provisions of the Unified Procurement Standard of Federal Grid Company – Rosseti, PJSC approved by the Minutes of the Board of Directors of Federal Grid Company – Rosseti, PJSC No. 604 dated 30.12.2022 (as amended on 16.12.2024 No. 671) (accession to the Unified Procurement Standard of Rosseti, PJSC – Minutes of the Board of Directors of Rosseti Northern Caucasus, PJSC No. 571 dated 14.01.2025).

Procurements procedural regulation is applied to ensure the intended and effective expenditure of the Company's monetary funds and to receive economically feasible costs and prevent any possible improper use by the Customer (Procurements Organizer).

The main principals for procurement activity arranging shall be:

- a) proper (long-term and short-term) planning of procurement activity, making it possible to draw fast decisions to adjust procurements parameters (where applicable);
- b) equality, justice, nondiscrimination and absence of any other unwarranted competition restrictions as to procurement participants;
- c) targeted and cost-effective expenditure of funds for acquisition of goods, works, services and implementation of measures aimed at reducing customer costs;
- d) no limitation of admission to participate in the procurement by establishing unmeasured requirements to the participants of purchase;
- e) ensuring the procurement activity transparency;
- f) honest and reasoned choice of the most preferential offers upon the comprehensive review of benefits and costs (first of all, products prices and quality);
- g) complying with the applicable law standards governing the procurement activity arrangement.

The procurement procedure may be held in several ways:

- **competition** is a procedure that is carried out to attract applications and choose the most appropriate way to meet the needs of the customer;
- **auction** is held in the procurement of products for which there is a competitive market of manufacturers and with respect to which the initiator of procurement provides detailed requirements in the form of a terms of reference. The central procurement body of Rosseti, PJSC has the right to determine the list of products purchased only based on the results of the auction;
- **request for proposals** is arranged if there is no need to immediately conduct the procurement procedure from a single source and the complexity of the product or the conditions for its delivery do not allow an auction, a request for prices; in the event that the customer needs to have an option to withdraw from the procurement or conclude a contract and if the initial (maximum) price of the contract does not exceed 10 million rubles (VAT inclusive);
- **request for quotations** – the request for quotations can be carried out when purchasing simple products where there is a functioning market, the only criterion is the price, and provided that the contract price does not exceed 5 million rubles for a public price inquiry (with value added tax);
- **relative assessments of prices** is carried out when there are clearly formulated technical specifications for the purchased products, including when the functional characteristics (consumer properties) of the goods, dimensions, packaging, shipment of goods are determined, specific requirements for the deliverables of work (services) are established in the form of a technical assignment, there is no time to conduct another competitive bidding (procurements with the relative assessment of prices are carried out with an amount of up to 100,000 rubles VAT inclusive);
- **procurement from the sole supplier** is used if it is necessary to purchase unique goods; if the products can be received from only one supplier and no equivalent replacement option is available; in the event that there is a need for additional procurement by renewal of contracts; in the case when the contract was concluded based on the results of a competitive bidding and the possibility

of renewal was provided for in the procurement documentation; in the event that, by decision of the CPB of the customer, the procurement can be made through the participation of the customer in auctions, tenders or other procedures organized by sellers of products.

Subject to cl. 3 of the Procurements Common Standard the information about regulated procedures held and the report about the results thereof are posted at the official web-site www.zakupki.gov.ru.

In fact, 809 procurements were made for the period for a total amount of 13,145,576.61 thousand rubles, VAT exclusive.

Also by types of procurements:

125 procurements (electronic tender) for the amount of 5,787,575.68 thousand rubles with VAT (10.8% of the total number of procurement, 35.3% of the total procurement volume in terms of value);

11 procurements (“Request for Quotations based on the Results of a Competitive Pre-selection) for the amount of 287,872.49 thousand rubles VAT inclusive (19.6% of the total number of purchases, 11.0% of the total procurement volume in terms of value);

12 procurements (request for proposals in electronic form) in the amount of 36,201.51 thousand rubles with VAT (5.4% of the total number of purchases, 2.1% of the total procurement volume in terms of value);

89 procurements (request for quotations in electronic form) for the amount of 160,229.17 thousand rubles with VAT (1.9% of the total number of procurement, 0.4% of the total procurement volume in terms of value);

1 procurement (open auction) for the amount of 1,050,000.00 thousand rubles with VAT (0.12% of the total number of purchases, 7.99% of the total procurement volume in terms of value);

123 procurements from a single supplier for the amount of 440,373.09 thousand rubles excluding VAT (13% of the total number of purchases, 8.90% of the total procurement volume in terms of value);

241 procurements from the sole supplier based on the results of failed public procedures in the amount of 5,319,044.43 thousand rubles, VAT inclusive (29.79% of the total procurement amount, 40.46% of the total procurement volume in terms of value);

out of which procedures with the only participant (one submitted application) for the amount of 5,167,061.112 thousand rubles, VAT inclusive (97.14% of the procurement amount based on the results of failed public procedures in terms of value);

of them are procedures with the only qualified participant (one application satisfies TOR, applications of other participants are refused) for the amount of 151,983.31 thousand rubles, VAT inclusive (2.86% of the procurement amount based on the results of failed open procedures in terms of value):

Also by types of activity:

New construction and expansion of power grid facilities

Reconstruction and technical re-equipping of power grid facilities – 88 procurements for the amount of 2,703,068.50 thousand rubles, VAT inclusive (27.9% of the total procurement amount, 20.9% of the total procurement volume in terms of value);

Power repair production, maintenance – 212 procurements for the amount of 4,708,825.10 thousand rubles, VAT inclusive (15.5% of the total procurement amount, 11.8% of the total procurement volume in terms of value);

IT-procurement – 43 procurements for the amount of 367,087.38 thousand rubles, VAT inclusive (3.7% of the total procurement amount, 3.1% of the total procurement volume in terms of value);

Other procurement – 466 procurements for the amount of 5,366,595.692 thousand rubles, VAT inclusive (33.9% of the total procurement amount, 50.6% of the total procurement volume in terms of value);

207 procurements using the “Relative Assessments of Prices” method in the amount of 64,280.268 thousand rubles, VAT inclusive, using the electronic trading system.

686 procurements were made using e-commerce in the amount of 13,319,912.13 thousand rubles, VAT exclusive (88.00% of the total procurement scope, 91.10% of the total procurement amount (excluding purchases from a single source) in monetary terms).

The economic effect based on the results of the procurement procedures for the period amounted to 216,908.35 thousand rubles, VAT inclusive, or 1.6% of the declared planned value of procurements.

Information on the number and total cost of contracts concluded as a result of procurement from SMEs for the reporting period:

Name	Number of contracts	Contract value (thousand rubles, VAT inclusive)	Total amount of payment under concluded contracts (thousand rubles, VAT inclusive)*	Share of concluded and paid contracts*, %
Procurement from SMEs*	208	4,424,878.93	7,719,202.34	91.45%
including procurements only among SMEs (“special auctions”)	120	1,952,332.19	2,271,994.06	20.79%

* The data are generated in accordance with the requirements of Decree of the Government of the Russian Federation No. 1352 dd. December 11, 2014.

4.8. Anti-corruption Policy and Ensuring the Security of Economic Activity

Subject to Article 13.3 of Federal Law No. 273-FZ dd. December 25, 2008 “About Fighting against Corruption” in Rosseti Northern Caucasus, PJSC a set of measures and goals was being implemented aimed to prevent and fight corruption.

Rosseti Northern Caucasus, PJSC conducts ongoing control and regular monitoring of the efficiency of implemented anti-corruption standards and procedures and controls implementing thereof.

On July 19, 2023, the Board of Directors of Rosseti Northern Caucasus, PJSC approved a new version of the Anti-Corruption Policy of Rosseti Northern Caucasus, PJSC (Anti-Corruption Policy) (Minutes No. 536 dated July 21, 2023).

The adopted Anti-Corruption Policy is a strategic document of Rosseti Northern Caucasus, PJSC, which defines the unified approach of the Rosseti Group of Companies to the implementation of the requirements of Article 13 of Federal Law No. 273-FZ dd. December 25, 2008 “On Combating Corruption”, concerning the development and adoption of measures to prevent and combat corruption.

This Anti-Corruption Policy is aimed at solving the following tasks: development and implementation of a set of organizational, explanatory and other measures to ensure that employees comply with prohibitions, restrictions and requirements established for combating corruption, unification of anti-corruption standards for employees of the Company and its controlled Companies, ensuring control over the imposition of the statutory legal liability in each case of non-compliance with prohibitions, restrictions and requirements established for the purpose of combating corruption, including measures to prevent and/or resolve conflicts of

interest, ongoing work aimed at development of negative attitude towards corruption among employees.

The full text of the Anti-Corruption Policy of Rosseti Northern Caucasus, PJSC is presented in the Anti-Corruption Policy section on the official website of Rosseti Northern Caucasus, PJSC at: <http://www.rossetisk.ru/about/antikorrupsionnaya-politika/>.

Implementation of regulations and Anti-corruption Policy requirements was carried out in the reporting period in the context of the List of Anti-corruption Activities in Rosseti Northern Caucasus, PJSC (Appendix No. 1 to the Anti-corruption Policy) and the Actions Plan for prevention and combating corruption in Rosseti Northern Caucasus, PJSC, in 2024.

In order to improve the legal regulation of anti-corruption activities of the Company and the managed Companies, to form a common approach to work on prevention and combating corruption in 2024, a number of organizational and administrative documents governing the main areas of work were developed, implemented and updated:

- order of Rosseti Northern Caucasus, PJSC No. 9 dated January 18, 2024 “On approval of the Anti-Corruption Plan in Rosseti Northern Caucasus, PJSC and its Managed Companies for 2024”;
- order of Rosseti Northern Caucasus, PJSC No. 155 dated May 23, 2024 “On Organization of Work on Disclosing Information on the Chain of Owners of Counterparties and Procurement Participants and approval of the procedure for including an anti-corruption clause in contracts”;
- order of Rosseti Northern Caucasus, PJSC No. 160 dated May 24, 2024 “On Enforcement of the Law of the Russian Federation in the Field of Insider Information”;
- order of Rosseti Northern Caucasus, PJSC No. 262 dated September 3, 2024 “On Approval of Methodological Guidelines on Anti-corruption Standards of Conduct”;
- order of Rosseti Northern Caucasus, PJSC No. 378 dd. December 09, 2024 “On Measures to Prevent Corruption – to Prevent and Resolve the Conflict of Interest in Rosseti Northern Caucasus, PJSC, and Controlled Companies”;
- order of Rosseti Northern Caucasus, PJSC No. 419 dated December 28, 2025 “On Approval of the Anti-Corruption Plan in Rosseti Northern Caucasus, PJSC” and Chechenenergo, JSC for 2025”.

Such organizational and administrative documents to an adequate degree enable the Company to perform anti-corruption operations, to estimate the state of work, to correct and improve in day-to-day operations in the context of the Russian law.

All newly hired employees signed a commitment to undergo online training and testing on issues of preventing and combating corruption on the Company’s corporate portal within a month from the date of hiring. Also in April 2024, all employees of the Company, branches and managers of the Company underwent repeated online training and testing on issues of preventing and combating corruption on the corporate portal of the Company. In total, more than 16,000 employees of the Company and its managed Companies completed online training and final testing in 2024.

In pursuance of the Company’s order No. 508 dated October 24, 2023 “On Conducting a Survey”, a task force was established in the Company to ensure anonymous surveying on issues of

implementing the Anti-Corruption Policy, under the leadership of which anonymous surveying of employees in the executive office of the Company, branches of the Company and Chechenenergo, JSC, including local electrical grid (LEG) and energy sales (ES) departments, was conducted.

A total of 6,612 employees took part in the anonymous survey, including survey in electronic form.

In accordance with the Schedule of Professional Training, Retraining and Advanced Training of the Personnel of the Executive Office of the Company in 2024, training was organized at the Autonomous Non-profit Organization of Additional Professional education “St. Petersburg Academy of Security” for 10 employees of the Department of Security and Anti-Corruption, whose job responsibilities include participation in combating corruption.

In 2024, 3 articles and 1 employee memo were posted on the Company’s official corporate website, promoting the inadmissibility of corrupt behavior by employees of the Company and the managed Companies. The articles were also published on the Komsomolskaya Pravda resources, the Telegram channel, and on the Odnoklassniki and VKontakte social networks.

In accordance with the requirements of the Anti-Corruption Policy, the Company and Managed Companies took part in collective initiatives to combat and prevent corruption (Rosseti Northern Caucasus, PJSC is a member of the Anti-Corruption Charter – certificate No. 2071 dated May 25, 2015).

The Company is carrying out work to prevent and resolve conflicts of interest, organized the annual declaration of the conflict of interest of the Company’s employees and the declaration of the conflict of interest of candidates for vacant positions in Rosseti Northern Caucasus, PJSC and managed companies when hiring, as well as when transferring employees. Analysis of the information obtained in the course of declaring a conflict of interest of employees is carried out. The report on declaring the conflict of interest of employees of Rosseti Northern Caucasus, PJSC, in accordance with the current organizational and administrative documents, is submitted to Rosseti, PJSC on a timely basis.

Within the task of the annual declaration of conflict of interest, in the first quarter of 2024 the campaign was carried out on the annual declaration of conflict of interest of employees of administrative personnel of the executive office of the Company and managed companies for 2023 in accordance with Order of Rosseti Northern Caucasus, PJSC, No. 378 dd. December 9, 2024 “On measures to prevent corruption – to prevent and settle the conflict of interest in Rosseti Northern Caucasus, PJSC, and Managed Companies”. A total of 1,963 employees was declared. In the course of verification of employees’ conflict of interest declaration, 3 cases of pre-conflict situations related to the performance of certain functions of an employee of the Company in relation to relatives were identified. All pre-conflict situations were resolved in the ordinary course of business.

In order to exclude any personal interests of employees (candidates) in the course of their employment duties implementing and business decisions making, and identification, prevention and resolution of the conflict of interest in the reporting period, the work was undertaken to verify the declarations of conflict of interest of applicants for work in the Company and its managed companies. 3,058 declarations of candidates for the job were checked in 2024, the corresponding conclusions were prepared. 34 opinion are executed and submitted to the structural subdivisions of the Company’s and its managed companies’ HR Department and organization design having influenced making the decisions to refuse to make a labor contract with an applicant for any vacancy (inaccurate information provided by the applicant in the declaration of such applicant’s conflict of interests, received information about an applicant’s unreliability, etc.).

As part of the implementation of standards and procedures designed to ensure diligent work, in order to identify facts of affiliation and other abuse in Q1 in 2024, measures were performed to verify information on income, property and obligations of property nature for 2022 in respect of employees, holding positions in Rosseti Northern Caucasus, PJSC and their close relatives for 2023. In total, the information of 19 declarants and 64 of their close relatives was verified. The identified deficiencies that were not related to pre-conflict situations were eliminated promptly.

The Company has Order No. 334 dd. August 6, 2021, in effect approving the Procedure for accepting, reviewing and handling requests of filers (employees, contractors of Rosseti Northern Caucasus, PJSC, and managed companies, other individuals and legal entities) of any possible corruption facts (Procedure). The Procedure provides for a consolidated mechanism to arrange accepting, reviewing and handling appeals filed by the employees of Rosseti Northern Caucasus, PJSC, and controlled companies, contractors and other natural and legal persons about any possible corruption facts and governs settling the goals of any possible corruption facts checking and respective measures elaborating to suppress corruption offences. Such Procedure provides for available for all parties means of appeals sending and preliminary consideration, terms and such consideration control, the form of keeping the Log of Registering and Recording Filers' Appeals in connection with possible corruption facts in all the Company's branches and controlled companies. In 2024 in accordance with the established procedure 22 appeals were registered about possible corruption facts in the Company and its managed companies. As a result of the conducted official inspections, based on the facts stated in the appeals, one fact of violation of the Code of Corporate Ethics by employees of the branch of Rosseti Northern Caucasus, PJSC – Dagenergo was revealed; violations with a corruption component were not revealed.

As part of implementing requirements of a common Corruption Fighting Standard in conducting corruption fighting control in the procurement, Security Unit employees carried out 1,331 inspections of procurement documentation and participants in the procurement/contracting parties in order to assess their level of reliability and integrity, affiliation excluding, conflict of interest and other abuses discovering, associated with the positions held in the Company. Active work is underway to reduce the initial (maximum) price of procurement procedures. In 2024, the initial (maximum) price was reduced by a total of 203.7 million rubles.

In 2024, employees of the Department of Security and Anti-Corruption checked 2,808 draft contracts/supplementary agreements with counterparties. The identified shortcomings in the approval process, such as the absence of an Anti-Corruption Clause in the text of the agreement, failure of the counterparty to provide information about the counterparty's owners, or inaccurate disclosure of the chain of owners, were eliminated by the contract supervisors in due course. At the stage of execution of the agreement, control was carried out concerning of compliance with requirements of Anti-Corruption Clauses and timely provision of changes made to the chain of counterparty owners.

On a permanent basis, work is carried out to form list of Company's insiders, on timely notification of persons included/excluded in/from the list of insiders, transmission of information about insiders to securities trade organisers (stock exchanges), preparation and direction of the relevant statements, as well as to verify the chain of owners of procurement participants, compilation and checking information about the concluded agreements with counterparties of the Company, managed Companies, beneficiaries, entering data into the Automated System for Analysis and Collection of Information on Beneficiaries of Rosseti, PJSC.

Safety assurance indicators

Indicator	Unit of	Period	Change,
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	measure- ment	2022 actual	2023 actual	2024 actual	2024/2023, %
The number of inspection activities carried out with the participation of SD of branches in the field of financial and economic activities to identify, prevent and compensate (repay) damage	pcs	7,319	8,788	9,400	6.96
Anti-corruption control of procurement activities stages (consideration of analytical notes, issues submitted for consideration at the meetings of the Central Procurement Body (Central Tender Committee), anti-corruption examination of draft contracts, verification of procurement participants for possible affiliation with the Company's employees	pcs	4,094	3,662	4,139	13.03
Considered appeals to the hotline about possible facts of corruption and fraud	pcs	27	22	22	-
Prevented material damage based on the results of the work performed	million rubles	241.08	42.6	218	411.74
Percentage of security personnel trained in the Company's human rights policies or specific procedures and their application in the field of security	%	100	100	100	-

4.8. Information Disclosure, Public Relations, Relations with Public Authorities and Mass Media

Disclosure of information on the securities market

Information disclosure is an important element of the Company's corporate governance, providing an opportunity for the Company's shareholders, investors and other stakeholders to get an objective idea of the results of the Company's activities, its plans and development directions.

The Company policy of Company information disclosure is aimed at providing the high degree of confidence from shareholders, potential investors, contractors and other stakeholders. This aspect is implemented by providing the said persons with information about themselves, their activities and the Company's securities in an amount sufficient for the said persons to make reasonable and informed decisions regarding Rosseti Northern Caucasus, PJSC and its securities.

In 2024 the Company disclosed information in compliance with the requirements set forth in the Russian Federation law for issuers, who place and/or trade securities in the Russian Federation: Federal Law No. 208-FZ dd. December 26, 1995 "On Joint-Stock Companies" (hereinafter referred to as the Federal Law "On Joint-Stock Companies"), Federal Law No. 39-FZ dd. April 22, 1996 "On the Securities Market", Bank of Russia Regulation No. 714-P dated March 27, 2020 "On Disclosure of Information by Issuers of Issue-grade Securities" and other regulatory legal acts of the Russian Federation, as well as additionally disclosed other information. In 2022, by decision of the Board of Directors of the Company dated June 14, 2022 (Minutes No. 503 dated June 17, 2022), a new Resolution on Information Policy of Rosseti Northern Caucasus, PJSC was approved. In 2024, for the purpose of monitoring compliance with information policy, the Board of Directors of the Company considered the issue of compliance with the Resolution on Information Policy of the Company for 2023 (Minutes No. 563 dated August 12, 2024).

Rosseti Northern Caucasus, PJSC discloses the information, inter alia, on the basis of the relevant plan, which is published on the corporate [website](#) of the Company in the section "To Shareholders and Investors / Investor Calendar".

Key events are covered on the website <http://www.rossetisk.ru>, information is published about the main production and financial and economic indicators of the Company, the implementation of the investment program, as well as data for customers and other information about the Company.

The activities of the Company in the disclosure of material information is based on the principles of regularity, consistency and efficiency, accessibility, completeness, reliability and comparability.

Due to the fact that on March 20, 2008 the Federal Financial Markets Service registered a share issue prospectus of IDGC of Northern Caucasus, OJSC, placed by converting shares of Stavropolenergo, JSC, Dagenergo, JSC, KEUK, JSC into additional shares of IDGC of Northern Caucasus, OJSC upon merger, and in accordance with Article 30 of Federal Law “On the Securities Market”, from Q1 2008 the Company discloses information in the form of quarterly reports (issuer reports), notices of material facts, data that may have a significant impact on the value of securities of a joint-stock company. The Company publishes information on the information resource – in the news feed of SCREEN, LLC information agency at: <http://disclosure.skrin.ru/disclosure/2632082033>, on the Company’s website: <http://www.rossetisk.ru>, and in printed media.

Besides, in pursuance of cl. 5.4.2 of the Resolution on Information Policy of the Company, approved by the Board of Directors of the Company on March 30, 2018 (Minutes No. 339 dated March 30, 2018), in 2018 the English version of the corporate website of Rosseti Northern Caucasus, PJSC became available. On this web page the Company publishes general information about its activities, management and control bodies, its mission and strategy, the registrar, the authorized capital, the largest shareholder, the structure of the Company by branches and managed companies, dividend history, the auditor, the procedure for providing information upon request, determining principles and approaches to the organization of the risk management and internal control system in the Company, material risks that may affect the Company’s activities, bond issues, the annual reports, contact data for all stakeholders, etc. Expert RA Rating Agency (RAEX) as part of an analysis of the quality of management of Rosseti Northern Caucasus, PJSC in 2024, noted that the Company’s information transparency is assessed at a high level, and the presence of an English-language website makes an additional contribution to the rating assessment.

As part of the XX anniversary Annual Practical Conference “Annual Report: Leaders' Experience”, organized by RAEX rating agency (RAEX-Analytics), a rating of annual reports of profit-making organizations for 2022 was prepared. The annual report of Rosseti Northern Caucasus, PJSC (for shareholders and investors) was assigned a 4-star rating, which is assessed by the competition experts as a very high quality of the Annual Report. Rosseti Northern Caucasus, PJSC considers the annual report as an important source of information disclosure and a communication tool with shareholders, stock exchanges, potential investors, authorities and consumers, which performs informational, public relations and image-making functions.

The Company also strives to restrict the possibility of conflicts of interest arising and to prevent misuse of insider information. The procedure for using insider information is established by the Regulations on Insider Information approved by decision of the Board of Directors of the Company on June 21, 2019 (Minutes No. 384 dated June 24, 2019).

Public relations and relations with public authorities

Interaction with federal and regional authorities is an important component of the successful functioning of the energy infrastructure of the Northern Caucasus Federal District. In 2024, Rosseti Northern Caucasus, PJSC continued active dialogue and cooperation with government agencies in

the framework of implementing programs in the field of energy, improving sector-specific laws, and coordinating investments for the development of the macro-region.

At the federal level, systemic communication is ensured with the Federation Council of the Federal Assembly of the Russian Federation, the State Duma of the Federal Assembly of the Russian Federation, the Government of the Russian Federation, relevant ministries, the Accounts Chamber of the Russian Federation, the Federal Antimonopoly Service, the Office of the Plenipotentiary Representative of the President of the Russian Federation in the Northern Caucasus Federal District, the Ministry of Energy of the Russian Federation, and the Ministry of Economic Development of the Russian Federation.

In 2024, participation was taken in 15 working meetings and conferences at the federal level, including:

- a meeting of the Government Commission on the social and economic development of the Northern Caucasus Federal District under the leadership of the Chairman of the Government of the Russian Federation M. V. Mishustin (July 16, 2024);
- meeting with Deputy Chairman of the Government of the Russian Federation A. V. Novak on the implementation of national projects and state programs of the Russian Federation on the territory of the Republic of Ingushetia (February 2, 2024);
- meeting with the Minister of Economic Development of the Russian Federation M. G. Reshetnikov on the implementation of the regional program for sustainable economic development of energy and housing and communal services enterprises of the Republic of Dagestan (March 18, 2024);
- a task meeting of the General Director of Rosseti, PJSC A. V. Ryumin with the Governor of Stavropol Territory V. V. Vladimirov on issues of increasing the reliability and throughput capacity of the region's grids infrastructure, and the technical connection of new consumers (August 12, 2024);
- meetings with the Deputy Minister of Economic Development of the Russian Federation S. M. Nazarov (January 16, 2024, March 13, 2024, April 12, 2024, May 17, 2024, July 2, 2024, November 1, 2024);
- meeting of the Interdepartmental Working Group on Combating Illegal Financial Transactions in NCFD under the leadership of the Plenipotentiary Representative of the President of the Russian Federation in the Northern Caucasus Federal District, Yu. Ya. Chaika (April 4, 2024).

Participation of the General Director of Rosseti Northern Caucasus, PJSC R. A. Levchenko in the off-site meeting of the Government Commission for Ensuring the Security of Electricity Supply (Federal Headquarters) (February 5, 2024, April 26, 2024, July 26, 2024), in the meetings of the Federal Headquarters for stabilizing the situation in the integrated power grid and reliable energy supply to consumers of the Republic of Dagestan under the leadership of the Deputy Minister of Energy of the Russian Federation E. P. Grabchak was organized (April 3, 2024, April 22, 2024, May 15, 2024, July 2, 2024, October 4, 2024, December 26, 2024), at an off-site meeting on issues of debt for supplied energy resources in the Republic of North Ossetia – Alania under the leadership of the Director of the Electric Power Development Department of the Russian Ministry of Energy, O. L. Arutyunova (March 13, 2024).

At the initiative of Rosseti Northern Caucasus, PJSC, 8 working meetings were held with heads of regions of the NCFD, more than 50 meetings with regional governments, 18 meetings with heads of municipalities were also organized. Work was continued to develop partnerships with regional administrations, as well as to conduct consultations and discuss issues of modernization and expansion of municipal power grids.

For systemic interaction, membership of representatives of Rosseti Northern Caucasus, PJSC in advisory collegial bodies established under regional governments was ensured:

- the Power Supply Safety Headquarters;
- Interdepartmental working groups on issues of the fuel and energy complex;
- Commission for Prevention and Elimination of Emergencies and Fire Safety.
- Councils under the heads of regions for improving the investment climate;
- Working groups for the development of electric power infrastructure of all-season tourist and recreational complexes in the Kabardino-Balkarian Republic – Elbrus, in the Chechen Republic – Veduchi, in the Karachay-Cherkess Republic – Arkhyz.

In 2024, interdepartmental interaction was organized between the Rosseti Northern Caucasus group of companies and regional executive bodies and the Central Election Commission during a set of preventive measures within the framework of the election campaigns of the President of the Russian Federation on March 15–17, 2024, as well as the Governor of the Stavropol Territory on September 8, 2024, including in terms of ensuring reliable power supply to polling stations and election commission premises. Events were also held to inform employees about the voting regulations and the importance and necessity of participating in the elections.

One of the key areas of interaction in 2024 was the implementation of measures provided for by Federal Law No. 185-FZ, in terms of assigning Rosseti Northern Caucasus, PJSC the status of a single center of responsibility for the reliability of energy supply – a backbone territorial grid company in the Northern Caucasus Federal District.

In September 2024, by decisions of the supreme officials of the constituent entities of the Russian Federation in the Northern Caucasus Federal District, Rosseti Northern Caucasus, PJSC was recognized as a BTGC throughout the entire territory of its operational activities.

At the initiative of Rosseti Northern Caucasus, PJSC on October 29, 2024, the issue of implementing legislation on the introduction of BTGC was discussed at a high district level with the heads and chairmen of regional governments at a meeting of the Council chaired by the Plenipotentiary Representative of the President of the Russian Federation in the Northern Caucasus Federal District, Yu. Ya. Chaika.

In 2024, in accordance with the instructions of the First Deputy Chairman of the Government of the Russian Federation A. R. Belousov and Deputy Chairman of the Government of the Russian Federation A. V. Novak (Minutes No. AB-P51-88pr dd. 02.05.2023), joint work was carried out with the legislative and executive authorities of the constituent entities of the Russian Federation in the NCFD to include in the republican budgets for 2025 and the target period of 2026–2027 of expense items for co-financing the activities of the Programs for Improving the Reliability of the Integrated Power Grid in the Republic of Dagestan, the Republic of Ingushetia and the Chechen Republic.

At the initiative of Rosseti Northern Caucasus, PJSC, on February 28, 2024, March 29, 2024, May 20, 2024 and October 24, 2024, the Office of the Plenipotentiary Representative of the President of the Russian Federation in the Northern Caucasus Federal District held meetings with the participation of heads of state executive bodies of the constituent entities within the NCFD, including on the implementation of priority measures to improve the payment discipline of electricity consumers, as well as the repayment of accounts receivable.

In 2024, Rosseti Northern Caucasus, PJSC in pursuance of order of Rosseti, PJSC No. 272 dated 17.06.2024, took an active part in the events to organize and hold the 1st Caucasus Investment Forum on July 15–17, 2024 in Grozny, Chechen Republic. Participation in the work of the CIF Organizing Committee was ensured (meetings on April 19, 2024, June 3, 2024, June 19, 2024). Under the supervision of Rosseti, PJSC a special industry specific session “Energy Infrastructure as a Basis for the Development of the South of Russia” was organized and held within the framework of the CIF business program. The session was attended by Deputy Minister of Energy of the Russian Federation E. P. Grabchak, Deputy Minister of Economic Development of the Russian Federation S. M. Nazarov, Deputy Plenipotentiary Representative of the President of the Russian Federation in the NCFD V. E. Nadykto, General Director of KAVKAZ.RF, JSC A. A. Yumshanov, heads of relevant ministries and departments of the NCFD, etc. The discussion focused on current issues of energy infrastructure as a foundation for raising investment, creating new jobs and stimulating economic growth.

In addition, in order to develop the investment potential of the district, as well as within the framework of the Agreements on the implementation of the Regional Investment Standard concluded in 2023 with all regions of the NCFD, in the reporting period, Rosseti Northern Caucasus, PJSC took part in the work of regional coordinating bodies for the development of investment activities (Stavropol Territory – 7 events, the Republic of North Ossetia – Alania – 4 events, the Karachay-Cherkess Republic – 1 event, the Republic of Dagestan – 2 events, the Kabardino-Balkarian Republic – 3 events), including in terms of the formation of specialized indicators of the National Investment Climate Rating (assessment of the availability and stability of energy supply).

Also in 2024, Rosseti Northern Caucasus, PJSC in cooperation with the Ministry of Economic Development of the Russian Federation and KAVKAZ.RF, JSC continued work on the development of the power supply system for tourist and recreational areas as part of the activities chaired by Deputy Minister of Economic Development of the Russian Federation S. M. Nazarov. working groups for the development of electric power infrastructure of Elbrus All-season Tourist and Recreational Complex (January 18, 2024, March 26, 2024, July 2, 2024, September 4, 2024, October 18, 2024), Veduchi All-season Tourist and Recreational Complex (March 26, 2024, July 2, 2024), Arkhyz All-season Tourist and Recreational Complex (March 7, 2024, September 27, 2024) and the Caspian Coastal Cluster All-season Tourist and Recreational Complex (February 29, 2024, May 31, 2024, November 27, 2024).

In 2024, Rosseti Northern Caucasus, PJSC actively participated in socially significant events, interacting with people of influence and political elites.

In order to encourage business activity, develop communications with public organizations, civil society institutions, strengthen interregional and interdepartmental ties, the Company took part in leading industry events, including the following:

- XII Russian-Azerbaijani Interregional Forum (February 28, 2024, Mineralnye Vody, MinvodyEXPO International Exhibition Center);

- XII St. Petersburg International Legal Forum (June 26–28, 2024, St. Petersburg);
- All-Russian Field Day-2024 (June 21–22, 2024, Mineralnye Vody, MinvodyEXPO International Exhibition Center);
- IV North Caucasus Energy Forum (June 27–29, 2024, Mineralnye Vody, MinvodyEXPO International Exhibition Center);
- Caucasus Investment Forum (July 15–17, 2024, Chechen Republic, Grozny);
- IX All-Russian Occupational Safety Week (September 11–13, 2024, Sochi, Federal Territory “Sirius”);
- International Business Conference “InRussia-2023” (October 17–18, 2024, Mineralnye Vody, MinvodyEXPO International Exhibition Center).
- III All-Russian Conference of the Federal Antimonopoly Service of Russia in the Field of Procurement “Contract System for Business and the State” (October 25, 2024, Sochi, Federal Territory “Sirius”).

For the business positioning of the Company in its area of responsibility, on June 27–29, 2024, the Company took part in the Fourth Northern Caucasus Energy Forum in the status of “partner”. A special annual event of the Rosseti Northern Caucasus group of companies, “The Electricity Grid Industry of the Northern Caucasus Federal District: Current Status and Development Prospects,” was organized and held at the Forum site. During the round table with the participation of the Office of the Plenipotentiary Representative of the President of the Russian Federation in the Northern Caucasus Federal District, heads of relevant ministries and other executive bodies of the Northern Caucasus Federal District, major manufacturers of energy equipment, heads of leading universities of the district, a number of topical industry issues were discussed: tariff policy, retrofitting of the macroregion’s integrated power grid, consolidation of electric grid facilities, digitalization of the industry, personnel training.

Effective interaction of Rosseti Northern Caucasus, PJSC with government authorities in 2024 contributed to increasing the resilience of the integrated power grid of the Northern Caucasus Federal District to external challenges, as well as improving the level of service for electricity consumers in the regions where the company operates.

Interaction with the media and external communications

The Media Relations Department of Rosseti Northern Caucasus, PJSC interacts with the communication environment, guided by order of Rosseti Northern Caucasus, PJSC dated December 02, 2022 No. 581 “On the Unified Communication Policy of Rosseti Northern Caucasus, PJSC Group of Companies”.

In 2024, the PR unit continued its active work to inform the public about the Company’s activities, promptly responding to reputational risks in the public space and creating a positive image not only of the Company, but of the industry as a whole.

The official website of Rosseti Northern Caucasus, PJSC published 815 press releases, federal and regional media posted 12,014 information messages, and 13,125 posts were placed in social media. In addition to macro-regional and regional media resources, the Media Relations Department actively cooperates with leading federal media. Among them are TASS, Interfax, State Television and Radio Broadcasting Company, “Rossiiskaya Gazeta”, “Argumenty i Fakty”,

“Komsomolskaya Pravda”, “Moskovsky Komsomolets”. In the structure of publications about the activities of the Company, federal media account for 32%

In 2024, the Media Relations Department continued to develop the Company’s accounts on social networks and the Telegram messenger. In the reporting period, the average reach of the Rosseti Northern Caucasus VKontakte account was 40,000 views per month.

In the social media sphere, PR specialists continued personal communications with consumers. Feedback was provided for 714 appeals, information and explanatory work was carried out, and assistance was provided in resolving issues raised by consumers related to the Company’s activities.

The main topics of publications in 2024 were the implementation of the repair program at the facilities of the integrated power grid, work on the prompt restoration of electricity supply to consumers in the event of technological disruptions in the electrical grids, the implementation of the investment program, technical connection to electrical grids, reduction of electricity losses, combating unaccounted and uncontracted consumption of energy resources.

Control over payment discipline, along with the implementation of production programs, remains one of the key production and communication tasks in the work of an energy company. 3,165 publications were posted in federal and regional media and social media.

The main communication special projects on this topic:

“Pay for the Sake of Light” is about the activities carried out by the Company to reduce the accounts receivable of consumers: the results of claims settlement, targeted and informational work, activities to limit the electricity supply to malicious defaulters.

“Leaders” is about energy sales departments (ESDs) that have achieved the best performance indicators.

“We work – you have light” is about the work of Centers for Clients Service, where in a comfortable environment you can make payments not only for electricity, but also for other utilities based on “one window” principle.

“Reliable Partner” is to inform about the bona fide subscribers who are an example of high payment discipline.

“Light Online”: “Pay without leaving home!” is about the convenience and reliability of the “Light Online” mobile application. Publications were posted on the media scene with statistics on payment for consumed energy resources using a mobile application.

A video was created about the advantages of using the “Light Online” mobile application, which was broadcast on the TV channels “Arkhyz 24” the Kabardino-Balkaria State Television and Radio Broadcasting Company, and on the platforms of the Northern Caucasus Federal District Telegram channels.

12,000 thousand leaflets about the “Light Online” mobile application were produced, which were distributed among the branches that implemented this online service.

Another important area of work of the Department for Interaction with the Media is the prevention of electrical injuries. 1,219 publications on this topic were in federal and regional media and social media. Preventive printed materials were distributed among target groups: children, fishermen.

The main communication special projects on this topic:

“Energy Marathon of Knowledge” is about electrical safety lessons in educational institutions and informational and explanatory work within the framework of rural citizens’ gatherings.

“Good Energy” is the information support for master classes on teaching children electrical safety rules and methodological support for primary school teachers.

“On Electrical Safety Live” is a joint project of Rosseti Northern Caucasus and the KChR FM radio station. As part of the project, power industry workers talk live on the radio station about preventing electrical injuries of children and the basic rules of electrical safety.

“PTL-STOP” is aimed at drawing public attention to the problem of violation of air lines security zones, conducting explanatory work using examples of identified violations of the Rules for establishing security zones of power grid facilities.

“Safe Fishing” is about the dangers of fishing in the air lines security zones and directly under them, information support for preventive raids, during which specialists tell fishermen about electrical safety rules.

Particular attention in the work was given to a special project dedicated to the 79th anniversary of Victory in the Great Patriotic War.

Virtual relay race “Victory Banner” – on the eve of May 9, employees of Rosseti Northern Caucasus, PJSC raised copies of the legendary Victory Banner in iconic places of the Northern Caucasus Federal District and told about the events that took place here during the Great Patriotic War.

The “Victory Banner” project was launched by employees of the Karachaevo-Cherkesskenergo branch at the monument to the young partisan Dima Yurchenko, which was erected in the Aksaut Gorge of the Zelenchuksky District of Karachay-Cherkessia. Then, power industry workers in other regions took up the virtual patriotic relay race. The Red Banner fluttered on the slopes of Elbrus at an altitude of 2,100 meters above sea level; at the famous Bely Ugol Essentuki substation, blown up by the Nazis during their march-back in 1943. In Grozny, power industry workers raised the Victory Banner at the monument to firefighters who died while extinguishing fires caused by massive Nazi air raids on the city and its industrial facilities in October 1942. With the Banner in their hands, the power industry workers honored the memory of the defenders of the City of Military Glory Malgobek in Ingushetia. Employees of the Company’s North Ossetian branch bowed down before the obelisk to the Gazdanov brothers. The memorial was erected in the village of Dzuarikau and is dedicated to the seven brothers who did not return from the battlefield. The patriotic relay race ended in Dagestan. The power industry workers raised the Victorious Red Banner at the White Cranes memorial complex near the village of Tsada in the Khunzakh region. The social project received wide coverage in the public media: 63 publications were tracked in federal, macro-regional, regional media, and social media.

During the reporting period, the Department for Media Relations held 3 press conferences:

- at the press center of the RIC “TASS Caucasus”, the first deputy general director – chief engineer of Rosseti Northern Caucasus Viktor Abaimov spoke about the 2024 performance and the prospects for the development of the integrated power grid of the Northern Caucasus;
- a press conference on the topic of “Electric Grid Potential of the Republic of Dagestan” was held at the press center of the RIC “TASS Caucasus” with the participation of the head of the Department of Relay Protection and Automation, Automated System of Technological Control, Communications, Metrology and Quality Control of Electric Power of branch of Rosseti Northern Caucasus – Dagenenergo, Gadzhi Gadzhiev;
- at the venue of the Ministry of Energy and Tariffs of the Republic of Dagestan, acting director of branch of Rosseti Northern Caucasus – Dagenenergo, Arsen Gadzhiev, answered journalists’ questions about the stabilization of the situation in the integrated power grid of the Republic of Dagestan.

Following the series of events, 90 publications were recorded in the media scene.

In 2025, the Department for Media Relations will continue activities within the framework of the unified communications policy of the Rosseti Group of Companies.

The plans of the communication block include:

- measures aimed at strengthening the payment discipline of electricity consumers through communication solutions;
- media relations in the fight against theft of energy resources;
- assistance to the divisions of the Company’s HR and technical units in the work to prevent electrical injuries;
- implementation of special projects aimed at fostering the Company’s positive image as a socially oriented company;
- popularization of the power engineer profession and the prestige of work in the industry.

5. Corporate Governance Report

5.1. Controlling Shareholder Memorandum

As of December 31, 2024, the largest shareholder is Rosseti, PJSC with 98.58% stake in the authorized capital of Rosseti Northern Caucasus, PJSC (taking into account the actually placed shares of the current issue as of the end of 2024). Based on the recommendations of the Corporate Governance Code of the Bank of Russia and in order to further implement its principles in the activities of controlled electric grid companies of Rosseti, PJSC, including Rosseti Northern Caucasus, PJSC, Rosseti, PJSC prepared and the Company published a controlling shareholder (Rosseti, PJSC) memorandum in relation to controlled electric grid companies, including Rosseti Northern Caucasus, PJSC. The text of the memorandum is posted on the website of Rosseti Northern Caucasus, PJSC in the “Mission and Strategy” section at: https://www.rossetisk.ru/about/mission_and_strategy/.

Rosseti, PJSC owns controlling stakes in 19 electric grid companies, including Rosseti Northern Caucasus, PJSC. Rosseti, PJSC considers these controlled equity stake as strategic assets, the alienation of which is not planned. The key task of Rosseti, PJSC in the field of management of these subsidiaries is the development of the integrated power grid based on advanced innovative technologies to meet consumer demand and solve the problems of social and economic growth of the Russian Federation.

Rosseti, PJSC manages the Group companies in accordance with common corporate standards aimed at ensuring the efficiency of business processes, controlling their quality, minimizing all types of corporate risks.

Additional information on key tasks in relation to assets and principles of corporate governance is set out in the Controlling Shareholder (Rosseti, PJSC) Memorandum in relation to controlled electric grid companies, which is posted [on the corporate website](https://www.rossetisk.ru/about/mission_and_strategy/) of Rosseti Northern Caucasus, PJSC at the address: https://www.rossetisk.ru/about/mission_and_strategy/.

5.2. General Information on Corporate Governance in the Company

Corporate Governance is the system of relations between the Company’s executive officers, its Board of Directors, shareholders and other stakeholders being the instrument of the Company’s goals setting and the means for such goals achieving and of effective control ensuring for the Company’s operations by its shareholders and other stakeholders.

The Company recognizes the rights of all stakeholders provided for by the Russian law, and strives to establish the constructive cooperation with such persons.

Rosseti Northern Caucasus, PJSC, performs the corporate governance guided by the principles of accountability, justice, transparency and responsibility. The Company strives to comply to the fullest extent with the advanced principles of corporate governance set forth in the Corporate Governance Code of the Bank of Russia.

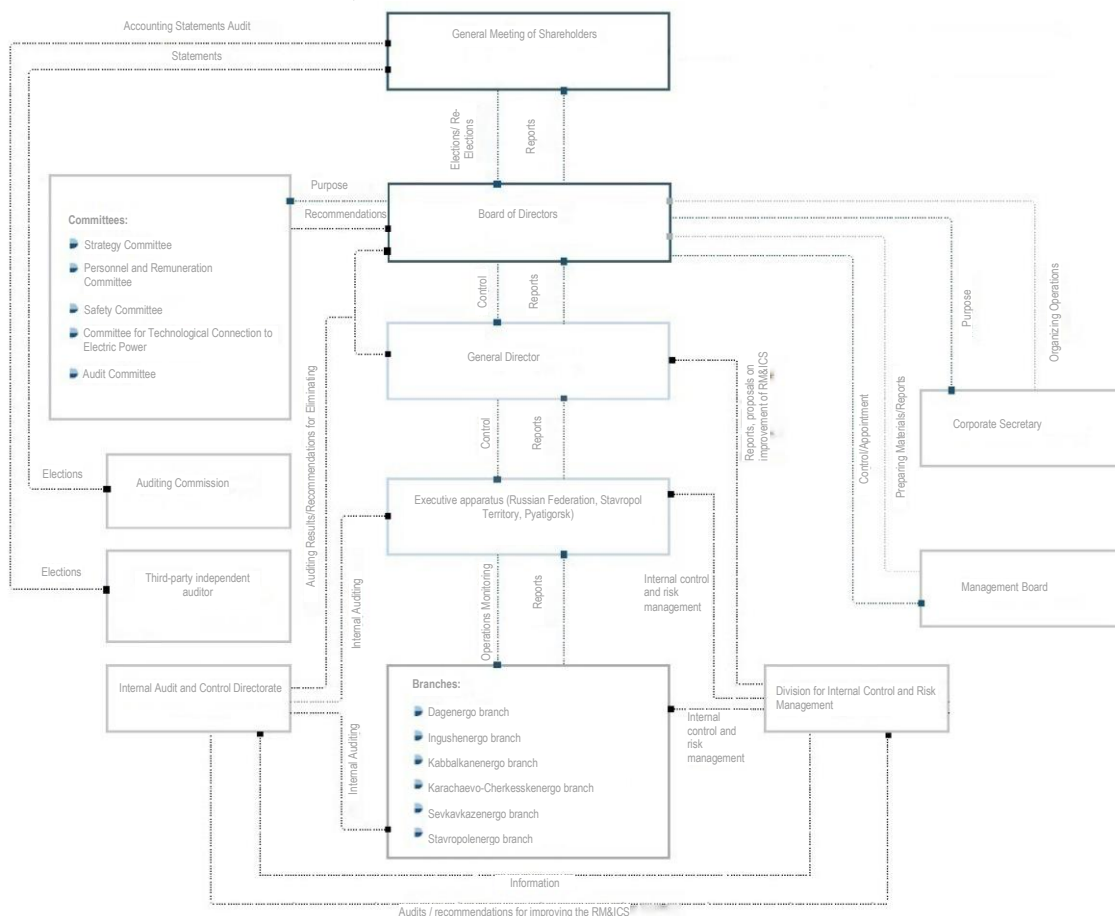
The basic principles of corporate governance as enshrined in the Charter of Rosseti Northern Caucasus, PJSC, are detailed in the internal documents of the Company and are based on the provisions of the Russian law, as well as recommendations of the Code of Corporate Governance of the Bank of Russia. The texts of local regulatory documents of Rosseti Northern Caucasus, PJSC are available on the Company’s website in the section “For Shareholders and

Investors/Charter and By-laws” at:

https://www.rossetisk.ru/shareholders_and_investors/dokumenty/ustav/.

Structure of the corporate governance system of Rosseti Northern Caucasus, PJSC

STRUCTURE OF THE CORPORATE GOVERNANCE SYSTEM OF ROSSETI NORTHERN CAUCASUS, PJSC



In general, the corporate governance system in Rosseti Northern Caucasus, PJSC, in many ways complies with the best practices.

Thus, the Company has a rather high level of organization of work of management and control bodies and Committees of the Board of Directors. Appropriate documents were adopted to regulate their activities, as well as issues of remuneration for members of the management and control bodies and Committees of the Board of Directors of the Company.

A Corporate Secretary was elected, ensuring the proper compliance with the procedure for preparation and holding the General Meeting of Shareholders and operations of the Board of Directors. The activities of the Corporate Secretary are regulated by the relevant regulation.

The Board of Directors is responsible for making decisions related to the appointment and dismissal in the executive bodies of the Company, as well as for approving candidates for individual positions determined by the Board of Directors. During 2024, no relevant decisions were made by the Board of Directors. There were no changes in the composition of the executive bodies during 2024.

In addition, the Board of Directors plays a key role in controlling the activities of the Company’s executive bodies, as well as ensuring that the Company’s executive bodies act in accordance with

the strategic development guidelines and the main areas of the Company's activities. In 2024, the Board of Directors regularly reviewed reports on various areas of the Company's activities.

All most important matters the Board of Directors strives to consider in the course of in-person meetings. The form of holding a meeting of the Board of Directors is determined taking into account the importance of the agenda items and recommendations provided for by the Corporate Governance Code of the Bank of Russia. In addition, the form of holding meetings of the Board of Directors in 2024 was determined taking into account the need to prevent the seasonal spread of acute respiratory viral diseases.

The Board of Directors of Rosseti Northern Caucasus, PJSC pays special attention to corporate governance practices. In this case, the guidelines are the principles and recommendations specified in the Corporate Governance Code of the Bank of Russia. Rosseti Northern Caucasus, PJSC is carrying out focused work aimed at maintenance of the accumulated positive experience in this area of activity and best practices of corporate governance implemented in the Company, as well as at their development.

On a regular basis, the Company analyzes the compliance of the corporate governance system with the goals and objectives of the Company. The Company strives for the results of such an analysis to be sufficiently objective. The study of corporate governance practices is carried out in various ways: independently (to present information as part of the Annual Report according to the forms recommended by the Bank of Russia), in the course of an internal audit of the Company in accordance with the methodology approved by the Company (with subsequent consideration of the results at meetings of the Board of Directors and the Audit Committee of the Board of Directors).

Besides, the Board of Directors plays an integral part in preventing, discovering and settling any internal conflicts among the Company's bodies, its shareholders and employees. A set of measures is being implemented to prevent corruption and reduce reputational risks. Thus, the Company has an Anti-Corruption Policy and the Employee Corporate Code of Ethics and Business Conduct, as well as the Resolution on Insider Information.

The implementation of the information policy by the Company is carried out by the executive bodies, while the control over compliance with the information policy is carried out by the Board of Directors.

The structure of the share capital of the Company determines the composition of its Board of Directors, which is formed taking into account the proposals of the main shareholder. The number of members of the Board of Directors of the Company is 11 people, while by the decision of the Board of Directors of the Company dated July 15, 2024 (Minutes No. 562 dated July 16, 2024), one director in 2024 was recognized as independent in accordance with clause 104 of the Corporate Governance Code of the Bank of Russia.

Rosseti Northern Caucasus, PJSC, pays special attention to the matters dealing with the arrangement of risks management and internal control system as well as the internal audit. In 2024, the structure of the Internal Audit and Control Directorate was changed in the Company. The functions of internal audit, risk management and internal control is divided between two independent functional units – the Internal Audit Directorate and the Division for Internal Control and Risk Management.



The Board of Directors of the Company decided to determine the method of organizing the internal audit of the Company in the form of a separate structural unit functionally subordinate to the Board of Directors of the Company, administratively subordinate to the General Director of the Company, by reorganizing the Internal Audit and Control Directorate into the Internal Audit Directorate on January 31, 2024 (Minutes No. 547 dated February 2, 2024). In the reporting year of 2024, the Board of Directors of Rosseti Northern Caucasus, PJSC, also considered the issues of organizing a risk management and internal control system, as well as internal audit system.

Rosseti Northern Caucasus, PJSC has a Resolution on Dividend Policy approved by the decision of the Board of Directors of the Company on February 5, 2018 (Minutes No. 330 dated February 6, 2018). The Company's dividend policy is based on strict observation of shareholders' rights stipulated by laws of the Russian Federation, the Articles of Association and internal documents of the Company, and is aimed to improve investment potential of the Company and to increase its market capitalization.

The Company is aware that its activities in the field of achieving sustainable development goals are important for a wide range of stakeholders (shareholders, consumers of products and services, local communities, labor teams, state bodies, local governments, etc.), who can also provide significant impact on the creation of long-term value by the Company. In view of the above, the governing bodies and management of Rosseti Northern Caucasus, PJSC pay special attention to the issues of the Company's impact on the environment, social matters and the economy.

In particular, in the reporting year 2024, the Company's Board of Directors regularly considered issues related to the Company's ESG-agenda, namely:

- ✓ a decision was made on the independence of a member of the Board of Directors of Rosseti Northern Caucasus, PJSC (Minutes No. 562 dated July 16, 2024);
- ✓ the following documents were approved:
 - Insurance coverage program of Rosseti Northern Caucasus, PJSC for 2024 (Minutes No. 548 dated February 12, 2024);
 - Renovation program of electric grid facilities of Rosseti Northern Caucasus, PJSC for 2024–2028 (Minutes No. 551 dd. April 3, 2024);
 - Standard governing arrangement of public technological and price audit of investment projects of Rosseti Northern Caucasus, PJSC (Minutes No. 551 dd. April 3, 2024);
 - Environmental policy of Rosseti Northern Caucasus, PJSC (Minutes No. 551 dd. April 3, 2024);
 - Antimonopoly Compliance Policy of Rosseti Northern Caucasus, PJSC (Minutes No. 559 dated June 10, 2024);
 - Plan (Program) for reducing electrical energy losses in the electric grids of Rosseti Northern Caucasus, PJSC for 2024–2028 (Minutes No. 567 dd. October 30, 2024);
 - Development Plan for the Production Asset Management System and the Resource Plan of Rosseti Northern Caucasus, PJSC for 2024–2026 (Minutes No. 568 dd. November 14, 2024);
 - key performance indicators and functional key performance indicators of the management team of Rosseti Northern Caucasus, PJSC for 2024–2026 (Minutes No. 569 dd. December 2, 2024);
- ✓ approved:

- Agreement on amendments to the Collective Agreement of the Public Joint-Stock Company “Rosseti Northern Caucasus” for 2019–2021, taking into account the extension until 31.12.2024 (Minutes No. 556 dated May 15, 2024);
- draft investment program of Rosseti Northern Caucasus, PJSC for the period 2024–2028 (Minutes No. 563 dd. August 12, 2024);
- ✓ the following reports were considered:
 - on the progress of implementation of the approved Company Production Asset Management System Development Plan of Rosseti Northern Caucasus, PJSC for 2022–2024 over 2023 (Minutes No. 552 dated April 3, 2024);
 - on the organization, functioning and effectiveness of the risk management and internal control system of Rosseti Northern Caucasus, PJSC for 2023 (Minutes No. 556 dated May 15, 2024);
 - on the progress of implementation in 2023 of the Electric Grid Facilities Renovation Program of Rosseti Northern Caucasus, PJSC (Minutes No. 556 dated May 15, 2024);
 - on implementation of the Roadmap for the introduction of Quality Standards for consumer service of Rosseti Northern Caucasus, PJSC for 2023 (Minutes No. 557 dated May 22, 2024);
 - on implementation of the Company’s investment program, including the progress of implementation of investment projects of Rosseti Northern Caucasus, PJSC included in the list of priority facilities (Minutes No. 560 dated June 17, 2024 and No. 568 dated November 14, 2024);
 - on the state of reliability (according to reliability indicators, including indicative ones) in 2023 (Minutes No. 562 dated July 16, 2024);
 - on implementation of the Roadmap for the implementation of Quality Standards for consumer service of Rosseti Northern Caucasus, PJSC based on the results of the first half of 2024 (Minutes No. 565 dated September 12, 2024);
 - on implementation of the Development Plan of Rosseti Northern Caucasus, PJSC for 2023 (Minutes No. 566 dated October 7, 2024);
 - on implementation of the Development Plan of Rosseti Northern Caucasus, PJSC for the first half of 2024 (Minutes No. 569 dated December 2, 2024);
 - on assessment of the efficiency of corporate governance in Rosseti Northern Caucasus, PJSC based on the results of the 2023–2024 corporate year (Minutes No. 567 dated October 30, 2024);
 - on implementation of the Plan (Program) for reducing electrical energy losses in the electric grids of Rosseti Northern Caucasus, PJSC for 2023–2027 (Minutes No. 547 dated February 2, 2024 and No. 553 dated April 17, 2024);
 - on assessment of the fulfillment of personal tasks of the directors of the Company’s branches to achieve planned indicators of the level of electricity losses based on the results of 2023 (Minutes No. 551 dated April 3, 2024) and others.

The Company strives to ensure a high level of openness and transparency of its activities, implementing the principle of active dialogue with all stakeholders.

The Company’s corporate governance priorities are:

- respect and guarantees of the rights and legitimate interests of shareholders, investors, as well as stakeholders of the Company;
- ensuring information and financial transparency of the Company’s activities;
- predictable dividend policy of the Company, taking into account the reasonable expectations of investors;
- an effective and professional Board of Directors, accountable to the Company’s shareholders, and its active participation in strategic planning, management and control of business processes.

Main changes in corporate governance

Changes in the composition of management and control bodies

On June 13, 2024, the annual General Meeting of Shareholders of Rosseti Northern Caucasus, PJSC was held, at which a decision was made to elect members of the Board of Directors and the Auditing Commission of the Company (Minutes No. 27 dated June 13, 2024). The members are set forth below.

Governance quality rating

In 2024 Expert RA (RAEX) rating agency confirmed the management quality rating of Rosseti Northern Caucasus, PJSC at the level of A++.gq (the highest level of management quality).

Increase the authorized capital

On August 23, 2024, the Bank of Russia registered amendments to the document containing the terms of placement of the Company's securities, providing for an extension of the period for the placement of shares of the additional issue until August 10, 2025 (registration number of the additional issue 1-01-34747-E-009D dated August 10, 2023).

Analysis of the state and assessment of the level of corporate governance

The Company continues to solve the task of adaptation and acceptable implementation of recommendations of the Code of Corporate Governance of the Bank of Russia into the corporate governance system of Rosseti Northern Caucasus, PJSC. A special methodology for assessing by the Company the compliance with the principles of corporate governance enshrined in the Code of Corporate Governance of the Bank of Russia has not been approved by the Company. However, since 2016, the corporate governance practice of Rosseti Northern Caucasus, PJSC has been annually analyzed for compliance with the provisions of the Corporate Governance Code of the Bank of Russia using the recommendations of the Bank of Russia. As part of the preparation of the Annual Report for 2024, the Recommendations on Compiling a Report on Compliance with the Principles and Recommendations of the Corporate Governance Code of the Bank of Russia (Letter of the Bank of Russia No. IN-06-28/102 dated December 27, 2021) were used. The analysis showed that Rosseti Northern Caucasus, PJSC complies with 59% of such principles, partially complies with 25% principles, and does not comply with 16% principles. Therefore, in many cases, we use alternative mechanisms and corporate governance tools (see Appendix 1 to the Annual Report).

In addition, in 2024, the Company's Internal Audit Directorate conducted an assessment of the efficiency of the Company's corporate governance as a whole. The relevant report was preliminary reviewed by the Audit Committee of the Board of Directors at a meeting held on October 9, 2024 (Minutes No. 191 dated October 9, 2024). The specified report was considered by the Board of Directors of the Company on October 28, 2024 (Minutes No. 567 dated October 30, 2024). The methodology for assessing the corporate governance in Rosseti Northern Caucasus, PJSC was approved by order of the Company No. 235 dated August 2, 2024 "On Approval of the Corporate Governance Assessment Methodology of Rosseti Northern Caucasus, PJSC". Subject to the above-mentioned Methodology such corporate governance assessment purposes include submitting to the Company's Board of Directors, Audit Committee of the Board of Directors, Company's sole executive body/Management of the Company of unbiased and independent information about the state of the corporate governance in the Company and its compliance with

the principles and recommendations set forth in the Corporate Governance Code and drafting recommendations aimed to raise the efficiency of the corporate governance in the Company.

Compliance of corporate governance with the principles and recommendations laid down in the Corporate Governance Code and/or the Listing Rules, and/or best corporate practices is the criterion for assessing corporate governance.

The corporate governance assessment includes the following principal fields:

- review for compliance with the ethical principles and corporate value of the Company;
- review of the procedure of the Company setting goals and monitoring/controlling their achievement;
- checking the level of available standards and information counteractions procedures (including as to the matters of risks management and internal control) at all levels of the Company's governance including counteraction with stakeholders;
- review for ensuring the rights of shareholders inclusive of managed companies and efficiency of interaction with stakeholders;
- checking the procedure of information disclosing about the Company's operations.

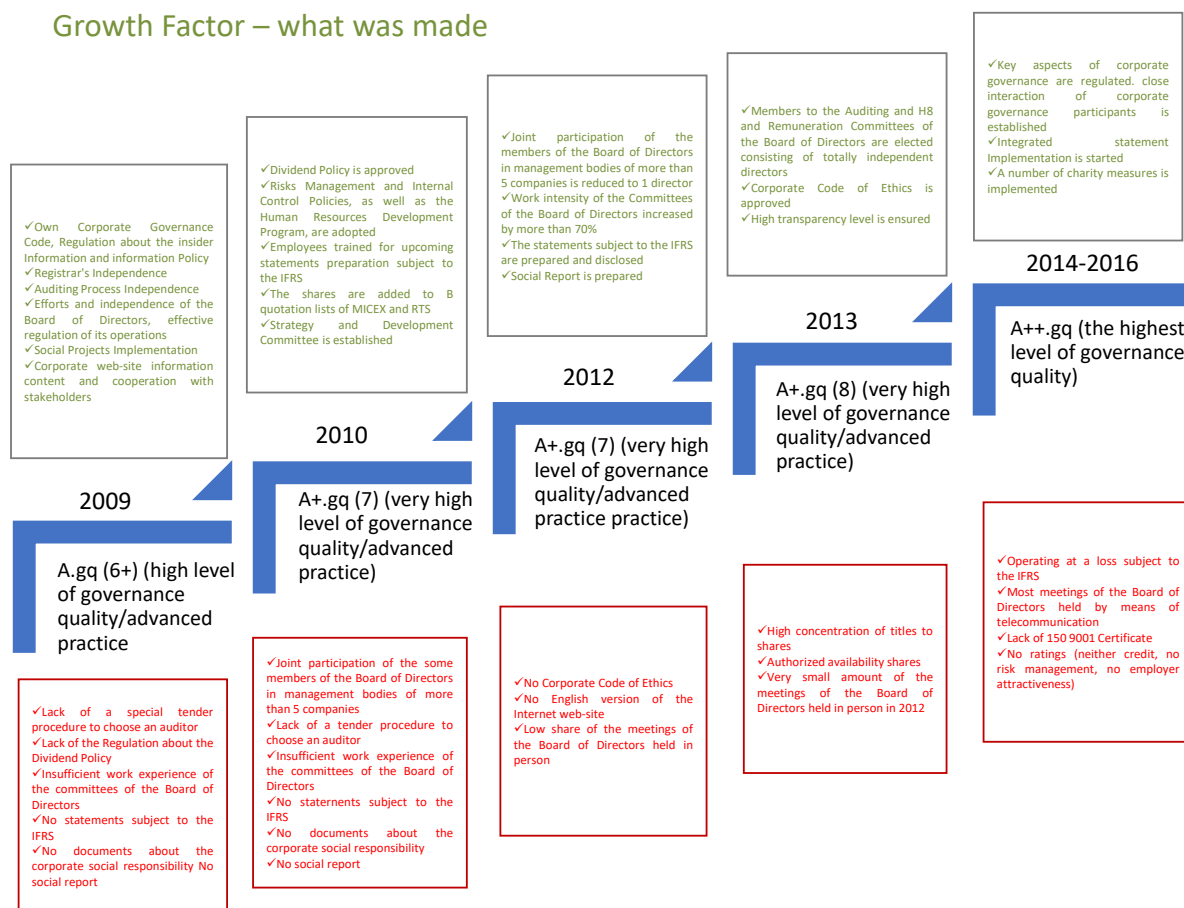
The corporate governance is assessed by means of ensuring its components compliance with the criteria defined in the Questionnaire for Corporate Governance Assessment. The criteria are disclosed via the answers to the questions for each corporate governance component including shareholders rights, Board of Directors, executive offices, information transparency and disclosure, risks management, internal control and audit, corporate social responsibility, business ethics, compliance.

Based on the results of the corporate governance assessment, the internal auditor generates a report. The Report discloses in detail the evidence substantiating the assessment assigned by the internal audit (with an indication of the Company's local regulations and quoting the relevant clauses thereof). The assessment for each component of corporate governance and the general assessment of such corporate governance shall be disclosed in the Report in percentage terms. The Company corporate governance assessment results shall be reviewed by the Company's Board of Directors upon preliminary reviewing thereof by the Audit Committee of the Company's Board of Directors.

In addition, in 2024, an annual **third party independent audit** of the governance quality in Rosseti Northern Caucasus, PJSC, was carried out by Expert RA (RAEX) rating agency. The analysis was performed on the main factors, such as the rights of owners, management and control bodies, information transparency, corporate social responsibility, operational efficiency and market position. Methodology is available on the rating agency website. When preparing its report, the rating agency makes an opinion on the extent, to which the quality management system promotes respect for and protection of the rights of stakeholders. Comments of independent experts help us to identify areas of corporate governance. As part of this analysis, the rating agency paid special attention to taking into account ESG factors in the activities of Rosseti Northern Caucasus, PJSC, in particular, the following was analyzed: whether the Company has relevant documents and policies; practical issues of preparing reports in the field of sustainable development; delineation of powers and responsibilities of management bodies; availability of KPIs related to sustainable development within the framework of the Company's operations; implementation of social projects by the Company; assessment of non-financial risks by the Company, including ESG risks, partners and customers, etc.

Demonstration of management quality of Rosseti Northern Caucasus, PJSC in independent ratings according to version of Expert RA rating agency

Growth Factor – what was made



Constraining factors – what there is to do

Sources: Expert RA, Rosseti Northern Caucasus, PJSC

In 2017–2024 Expert RA (RAEX) rating agency confirmed the management quality rating of Rosseti Northern Caucasus, PJSC at the level of A++.gq (the highest level of management quality). This assessment means that the management quality system to the highest possible extent promotes the respect for and protection of the stakeholders' rights.

Plans

Our major plans in terms of corporate governance best practices in the Company in the medium term (next 5 years) are as follows:

- maintain existing compliance (presented in Appendix No. 1 to the Annual Report);
- continue conducting an annual independent comprehensive analysis of the compliance of practices of Rosseti Northern Caucasus, PJSC with the principles set forth in the Corporate Governance Code of the Bank of Russia;
- continue the assessment of corporate governance in accordance with the approved methodology;
- submit to the Board of Directors a report on complying with the Resolution on Information Policy of the Company on an annual basis;
- continue work on the analysis of the internal documents of the Company and their updating and modification as necessary.

The planned activities in relation to the implementation of certain principles of corporate governance are set out in Appendix 1 to the Annual Report.

5.3. Governing bodies, Committees of the Board of Directors, Corporate Secretary

Management bodies of Rosseti Northern Caucasus, PJSC:

- General Meeting of Shareholders;
- Board of Directors;
- Management Board;
- General Director.

5.3.1. General Meeting of Shareholders

The General Meeting of Shareholders shall be the supreme governance body of Rosseti Northern Caucasus, PJSC. In accordance with Article 47 of the Federal Law “On Joint-Stock Companies”, the Company is obliged to hold an annual General Meeting of Shareholders annually.

On June 13, 2024, the annual General Meeting of Shareholders of Rosseti Northern Caucasus, PJSC was held. There was a quorum for holding the above mentioned annual General Meeting of Shareholders of the Company.

Decisions made at AGMS (Minutes No. 27 dated June 13, 2024):

- the Company’s Annual Report, annual Accounting (Financial) Statement for 2023 were approved;
- decision not to pay dividend on ordinary shares of the Company following the 2023 results;
- members to the Board of Directors and the Auditing Commission were elected;
- an audit organization of the Company was appointed;
- the number, par value, category (type) of authorized shares of Rosseti Northern Caucasus, PJSC and the rights granted by these shares were determined;
- The restated Charter of Rosseti Northern Caucasus, PJSC was approved.

The competence of the General Meeting of Shareholders is established by Article 48 of Federal Law “On Joint-Stock Companies” and Article 10 of the Charter of Rosseti Northern Caucasus, PJSC.

Matters assigned to the responsibility of the General Meeting of Shareholders may not be delegated to the Board of Directors or executive bodies. The General Meeting of Shareholders does not have the right to take decisions on matters not reserved to them by the Federal Law “On Joint-Stock Companies”.

5.3.2. Report of the Board of Directors of the Company

The Board of Directors is a collegial management body that controls the activities of the executive bodies of the Company and performs other functions assigned to it by law or the Charter of the Company. The Company’s Board of Directors shall perform general management of the Company’s activities, except for addressing the issues referred to the competence of the General Meeting of Shareholders by the Federal Law “On Joint-Stock Companies” and the Charter. Board of Directors – governing body that determines the Company’s development strategy.

Decisions at a meeting of the Board of Directors of Rosseti Northern Caucasus, PJSC are taken by a majority of votes of the members of the Board of Directors of the Company participating in the voting, except for cases stipulated by the law of the Russian Federation and the Charter of the Company. The quorum required for arrangement of sessions is at least one half of the elected members of the Board of Directors.

The competence of the Board of Directors is established by Article 65 of Federal Law “On Joint-Stock Companies” and Article 15 of the Charter of Rosseti Northern Caucasus, PJSC.

Matters assigned to the responsibility of the Board of Directors may not be delegated to the General Director or the Management Board of Rosseti Northern Caucasus, PJSC.

In 2024, 24 meetings of the Board of Directors of Rosseti Northern Caucasus, PJSC were held (one in the form of joint presence). In 2023, 25 meetings of the Board of Directors of Rosseti Northern Caucasus, PJSC, were held (all of which in absentia). In 2022, 39 meetings of the Board of Directors of Rosseti Northern Caucasus, PJSC, were held (1 of which in presentia and in absentia).

During 2024, the Board of Directors considered 136 issues (in 2023 – 155, in 2022 – 157) and made the following core resolutions:

in the field of development of the corporate governance system and interaction with shareholders, the securities market:

- the budgets of the Committees of the Board of Directors of the Company were approved (Minutes No. 564 dated August 14, 2024, No. 566 dated October 7, 2024);
- proposals of the Company’s shareholders on the inclusion of issues in the agenda of the Company’s Annual General Meeting of Shareholders and nomination of candidates for membership in the management and control bodies of the Company were considered (Minutes No. 550 dated March 5, 2024);
- the annual General Meeting of Shareholders of the Company was convened in the form of absentee voting and other resolutions were adopted related to the preparation and holding of the annual General Meeting of Shareholders of the Company (Minutes No. 550 dated March 5, 2024, No. 555 dated May 7, 2024, No. 556 dated May 15, 2024);
- A. V. Molsky, Deputy General Director for Investments and Capital Construction of Rosseti, PJSC was elected Chairman of the Board of Directors of the Company (Minutes No. 560 dated July 17, 2024);
- members of the committees of the Company’s Board of Directors were elected: Audit Committee of the Board of Directors of the Company, Committee for Reliability of the Board of Directors of the Company (Minutes No. 562 dated July 16, 2024), Personnel and Remuneration Committee of the Board of Directors of the Company (Minutes No. 561 dated July 2, 2024), Committee for Technological Connection to Electric Power of the Board of Directors of the Company, Strategy Committee of the Board of Directors of the Company (Minutes No. 563 dated August 12, 2024);
- Nikolay Ivanovich Sasin, Chairman of the Stavropol Regional Branch of OPORA RUSSIA, a member of the Board of Directors of Rosseti Northern Caucasus, PJSC was recognized as independent (Minutes No. 562 dated July 16, 2024);
- amendments were made to the Document containing the terms of placement of the Company’s securities (Minutes No. 562 dated July 16, 2024);
- the Action Plan of the Board of Directors of the Company for the 2024–2025 corporate year (Minutes No. 565 dated September 12, 2024) was approved;
- amendments were made to the Action Plan of the Board of Directors of the Company for the 2024–2025 corporate year (Minutes No. 570 dated December 12, 2024);

in the field of procurement activities:

- the Company’s procurement plan for 2024 was approved (Minutes No. 548 dated February 12, 2024);

in the field of internal audit, internal control, risk management:

- the method for organizing internal audit in the Company was determined (Minutes No. 547 dated February 2, 2024);

- the Regulation on the internal audit division of Rosseti Northern Caucasus, PJSC was approved (Minutes No. 547 dated February 2, 2024);
- the remuneration of the head of the Internal Audit Directorate of the Company (target values of functional KPIs) for 2024 was determined (Minutes No. 557 dated May 22, 2024);
- the format of the external assessment (technical specifications) and the essential terms of the contract for the provision of services for external independent assessment of internal audit activities was reviewed (Minutes No. 557 dated May 22, 2024);
- the decision on the appointment of the head of the Internal Audit Directorate of the Company was preliminarily approved (Minutes No. 558 dated June 3, 2024);
- the remuneration of the head of the Internal Audit Directorate of the Company was determined (determination of target values of functional KPIs) for 2025 (Minutes No. 570 dated December 25, 2024);
- the following documents were approved:
 - work plan and budget of the Internal Audit Directorate of the Company for 2024 (Minutes No. 556 dated May 15, 2024);
 - work plan and budget of the Internal Audit Directorate of the Company for 2025 (Minutes No. 570 dated December 25, 2024);

in the field of implementing antimonopoly compliance policies:

- Antimonopoly Compliance Policy of Rosseti Northern Caucasus, PJSC was approved (Minutes No. 559 dated June 10, 2024);

in the field of investment activity:

- Standard governing arrangement of public technological and price audit of investment projects of Rosseti Northern Caucasus, PJSC was approved (Minutes No. 551 dated April 3, 2024);
- draft investment program of Rosseti Northern Caucasus, PJSC for the period 2024–2028 was approved (Minutes No. 563 dated August 12, 2024);

in the field of environmental policy:

- the Environmental policy of Rosseti Northern Caucasus, PJSC was approved (Minutes No. 551 dated April 3, 2024);

in the field of property management:

- the adjusted Plan of Remedial Measures of the Company was approved (Minutes No. 549 dated February 28, 2024);
- cases (amounts) of transactions with property in respect of which a decision of the Board of Directors of the Company on consent to the execution of transactions must be obtained, were determined (Minutes No. 556 dated May 15, 2024);
- the loan agreement and raising of credit funds for the purpose of financing a transaction related to the acquisition of property were approved (Minutes No. 570 dated December 25, 2024);

in the field of implementation of personnel policy:

- Agreement on amendments to the Collective Agreement of the Public Joint-Stock Company “Rosseti Northern Caucasus” for 2019–2021, taking into account the extension until 31.12.2024 (Minutes No. 556 dated May 15, 2024) was approved;
- key performance indicators and functional key performance indicators of the management team of Rosseti Northern Caucasus, PJSC for 2024–2026 (Minutes No. 569 dated December 2, 2024) were approved;

in the field of economics and finance:

- the following documents were approved:
 - the restated Regulation about temporary available funds investing by Rosseti Northern Caucasus, PJSC (Minutes No. 547 dated February 2, 2024);

- the Company's credit plan (Minutes No. 548 dated February 12, 2024, No. 553 dated April 17, 2024, No. 561 dated July 2, 2024, No. 567 dated October 30, 2024 and No. 570 dated December 25, 2024);
- estimates of the Company's expenses for the reporting periods (Minutes No. 547 dated February 2, 2024, No. 554 dated May 7, 2024);
- the Company's Insurance Coverage Program for 2024 (Minutes No. 548 dated February 12, 2024);
- candidacies of the Company's insurers (Minutes No. 550 dated March 5, 2024, No. 551 dated April 3, 2024, No. 554 dated May 7, 2024, No. 561 dated July 2, 2024, No. 565 dated September 12, 2024);
- the Company's business plan for 2024 and forecast indicators for 2025–2028 (Minutes No. 559 dated June 10, 2024);
- consolidated IFRS-based business plan of Rosseti Northern Caucasus, PJSC for 2024 and forecast indicators for 2025–2028 (Minutes No. 565 dated September 12, 2024);
- amendments and addenda were made to the Development Plan of Rosseti Northern Caucasus, PJSC (Minutes No. 549 dated February 28, 2024);
- the amount of fee for the auditor's services for the audit of the Company's accounting (financial) statements and consolidated financial statements for 2024 was determined (Minutes No. 557 dated May 22, 2024);

in the field of sales of services, energy saving, ensuring reliability of power supply:

- the following documents were approved:
 - Renovation program of electric grid facilities of Rosseti Northern Caucasus, PJSC for 2024–2028 (Minutes No. 551 dated April 3, 2024);
 - the action plan for reducing the overdue accounts receivable for electricity transmission services and dispute settlement (Minutes No. 551 dated April 3, 2024, No. 563 dated August 12, 2024, No. 566 dated October 7, 2024);
 - Plan (Program) for reducing electrical energy losses in the electric grids of Rosseti Northern Caucasus, PJSC for 2024–2028 (Minutes No. 567 dated October 30, 2024);
 - Development Plan for the Production Asset Management System and the Resource Plan of Rosseti Northern Caucasus, PJSC for 2024–2026 (Minutes No. 568 dated November 14, 2024).

Reports on various areas of activity were considered:

in the field of development of corporate governance system:

- on implementation of decisions taken at meetings of the Board of Directors of the Company (Minutes No. 547 dated February 2, 2024, No. 551 dated April 3, 2024, No. 561 dated July 2, 2024, No. 566 dated October 7, 2024, No. 570 dated December 25, 2024);
- on compliance with the Resolution on Information Policy of the Company for 2023 (Minutes No. 563 dated August 12, 2024);
- on the functions of the Company's Corporate Secretary (Minutes No. 558 dated June 3, 2024);
- report of the Audit Committee of the Board of Directors of the Company on the work done in 2023–2024 (Minutes No. 562 dated July 16, 2024);
- on execution of the instructions specified in subparagraphs 3.1 and 3.2 of clause 3 of issue No. 3 of the decision of the Board of Directors of the Company dated 05.02.2021 (Minutes No. 449 of the meeting of the Board of Directors of the Company dated 08.02.2021) (Minutes No. 570 dated December 25, 2024);

in the field of internal audit, internal control, risk management:

- on compliance with the plan of work and results of internal audit, including the results of self-assessment of internal audit quality at the end of 2023, and compliance with plan of activities to develop and improve the internal audit of Rosseti Northern Caucasus, PJSC (Minutes No. 551 dated April 3, 2024);

- on the organization, functioning and efficiency of the risk management and internal control system of the Company for 2023 (Minutes No. 556 dated May 15, 2024);
- on assessment of the reliability and efficiency of the risk management and internal control system of the Company for 2023 (Minutes No. 557 dated May 22, 2024);
- on assessment of the efficiency of corporate governance in Rosseti Northern Caucasus, PJSC based on the results of the 2023–2024 corporate year (Minutes No. 567 dated October 30, 2024);
- on the results of assessment of progress in identifying and selling the Company’s non-core assets in 2023 (Minutes No. 556 dated May 15, 2024);

in the field of economics and finance:

- on execution of the business plan of the Company (Minutes No. 547 dated February 2, 2024, No. 566 dated October 7, 2024 and No. 567 dated October 30, 2024);
- on the effective, targeted and timely use of financial support for the Company’s Development Plan (Minutes No. 552 dated April 3, 2024, No. 565 dated September 12, 2024, No. 586 dated November 14, 2024);
- on providing insurance coverage for 2023 (Minutes No. 553 dated April 17, 2024);
- on the credit policy of the Company (Minutes No. 556 dated May 15, 2024, No. 558 dated June 3, 2024, No. 565 dated September 12, 2024 and No. 567 dated October 30, 2024);
- on expenditure for the preparation and holding of the annual General Meeting of Shareholders of the Company (Minutes No. 564 dated August 14, 2024);
- on implementation of the Company Development Plan for 2023 (Minutes No. 566 dated October 7, 2024);
- on implementation of the Development Plan of the Company for the first half of 2024 (Minutes No. 569 dated December 2, 2024);
- on implementation of the consolidated IFRS business plan of Rosseti Northern Caucasus, PJSC for 2023 (Minutes No. 567 dated October 30, 2024);

in the field of procurement activities:

- on implementation of the Procurement Plan of Rosseti Northern Caucasus, PJSC for 2023 (Minutes No. 569 dated December 2, 2024);

in the field of investment activity:

- on implementation of the Company’s investment program, including the progress of implementation of the Company’s investment projects included in the list of priority facilities (Minutes No. 547 dated February 2, 2024, No. 549 dated February 28, 2024, No. 560 dated June 17, 2024 and No. 568 dated November 14, 2024);

in the field of implementation of the anti-corruption policy:

- on consideration of the results of anti-corruption monitoring in the Company based on the results of 2023 (Minutes No. 548 dated February 12, 2024);

in the field of property management:

- on the progress of execution of the register of non-core assets of the Company and approval of the register of non-core assets as of 31.12.2023 (Minutes No. 549 dated February 28, 2024, No. 554 dated May 07, 2024, No. 564 dated August 14, 2024 and No. 569 dated December 2, 2024);

in the field of sales of services, energy sales activities, increasing energy efficiency, technical connection, ensuring the reliability of power supply:

- on implementation of the Plan (Program) for reducing electrical energy losses in the electric grids of Rosseti Northern Caucasus, PJSC for 2023–2027 (Minutes No. 547 dated February 2, 2024, No. 553 dated April 17, 2024);
- on fulfillment of action plan for reducing the overdue accounts receivable for electricity transmission services and dispute settlement (Minutes No. 551 dated April 3, 2024, No. 563 dated August 12, 2024, No. 566 dated October 7, 2024);

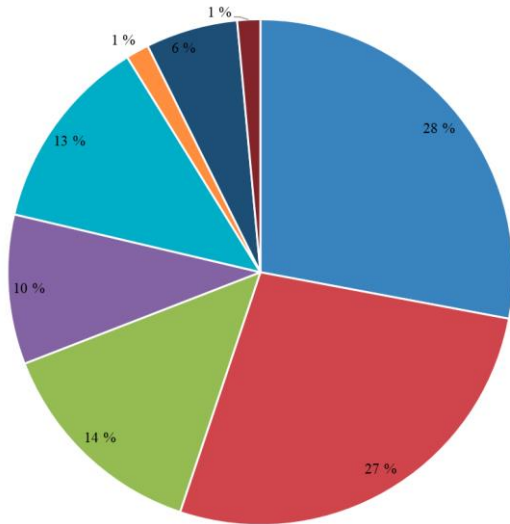
- on the work carried out in relation to overdue debts at the beginning of the reporting period and newly formed overdue receivables for electricity transmission services (Minutes No. 551 dated April 3, 2024, No. 563 dated August 12, 2024, No. 566 dated October 7, 2024);
- on the progress of implementation of the approved Company Production Asset Management System Development Plan of Rosseti Northern Caucasus, PJSC for 2022–2024 over 2023 (Minutes No. 552 dated April 3, 2024);
- on the current situation in the activities of the Company for the technical connection of consumers to electric grids (Minutes No. 554 dated May 7, 2024, No. 564 dated August 14, 2024, No. 566 dated October 7, 2024);
- on the progress of implementation in 2023 of the Electric Grid Facilities Renovation Program of Rosseti Northern Caucasus, PJSC (Minutes No. 556 dated May 15, 2024);
- on implementation of the Roadmap for the introduction of Quality Standards for consumer service of Rosseti Northern Caucasus, PJSC (Minutes No. 557 dated May 22, 2024, No. 565 dated September 12, 2024);
- on compliance with the Consumer Service Quality Standards of Rosseti Northern Caucasus, PJSC, including achievement of customer service quality targets for 2023 (Minutes No. 557 dated May 22, 2024);
- on implementation of measures to install account metres as part of the creation of intelligent electricity metering systems in the electrical grids of Rosseti Northern Caucasus, PJSC for 2023 (Minutes No. 561 dated July 2, 2024);
- on the state of reliability (according to reliability indicators, including indicative ones) in 2023 (Minutes No. 562 dated July 16, 2024);
- on the results of the Company's energy sales activities, including a report on work with accounts receivable (Minutes No. 562 dated July 16, 2024 and No. 570 dated December 25, 2024);
- on execution of the instructions specified in subparagraphs 3.1 and 3.2 of paragraph 3 of issue No. 3 of the decision of the Board of Directors of the Company dated 05.02.2021 (Minutes No. 449 of the meeting of the Board of Directors of the Company dated 08.02.2021) (Minutes No. 570 dated December 25, 2024);

in the field of fulfilling established personal tasks:

- on consideration of the personal tasks of the directors of the Company's branches to achieve the planned indicators for the level of electricity losses, as well as the Schedule of organizational measures to achieve the planned indicators of the level of electricity losses in the electrical grids of the Company's branches (Minutes No. 547 dated February 2, 2024);
- on assessment of the fulfillment of personal tasks of the directors of the Company's branches to achieve planned indicators of the level of electricity losses based on the results of 2023 (Minutes No. 551 dated April 3, 2024).

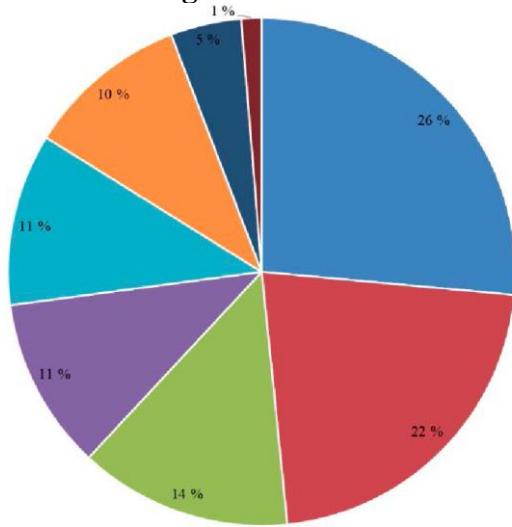
During 2024, the Board of Directors issued 47 orders to the Company's management (in 2023 – 63, in 2022 – 42).

Categories of issues discussed by Board of Directors in 2024, %



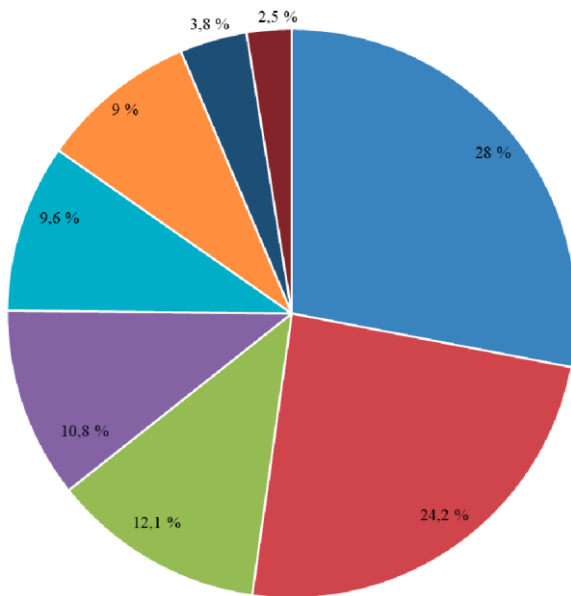
- Economics and finance
- Corporate governance and cooperation with shareholders development
- Sale of services, TC and power efficiency policy
- Raising the grid reliability, innovative, technical development, investments, occupational safety, information technology, environmental policy
- Internal audit and control, risks management, economic stability, anti-corruption activity, antimonopoly compliance policy
- Personnel policy
- Property management and power grid assets consolidation
- Procurement activity management

Categories of issues discussed by Board of Directors in 2023, %



- Economics and finance
- Corporate governance and cooperation with shareholders development
- Sale of services, TC and power efficiency policy
- Raising the grid reliability, innovative, technical development, investments, occupational safety, information technology, environmental policy
- Internal audit and control, risks management, economic stability, anti-corruption activity
- Personnel policy
- Property management and power grid assets consolidation
- Procurement activity management

Categories of issues discussed by Board of Directors in 2022, %



- Corporate governance and cooperation with shareholders development
- Economics and finance
- Personnel policy
- Sale of services, TC and power efficiency policy
- Raising the grid reliability, innovative, technical development, investments, occupational safety, information technology, environmental policy
- Internal audit and control, risks management, economic stability, anti-corruption activity
- Property management and power grid assets consolidation
- Procurement activity management

Details of the decisions made by the Board of Directors in 2024 are provided on the Company's website in the section "For Shareholders and Investors/Corporate Governance/Board of Directors" at

https://www.rossetisk.ru/shareholders_and_investors/korporativnoe_upravlenie/sovet_direktorov/.

Involvement of members of the Board of Directors in the work of the Board of Directors in 2024*

Full name of Director	Resolution of the General Meeting of Shareholders on the election of the Board of Directors	Corporate year when the person was a member of the Board of Directors	Number of meetings, pcs
Total meetings held in 2024			24
including meetings in presentia (in presentia/absentia)			1
Yelena Viktorovna Andreeva	June 15, 2023 (Minutes No. 26 dated June 19, 2023);	2023–2024	23/24
including in presentia	June 13, 2024 (Minutes No. 27 dated June 13, 2024)		1/1
Natalya Nikolaevna Baranyuk	June 15, 2023 (Minutes No. 26 dated June 19, 2023);	2023–2024	24/24
including in presentia	June 13, 2024 (Minutes No. 27 dated June 13, 2024)		1/1
Yuri Vladimirovich Goncharov	June 13, 2024 (Minutes No. 27 dated June 13, 2024)	2024–2025	11/24
including in presentia			1/1
Aleksandr Petrovich Kamyshnikov	June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2023–2024	0/24
including in presentia			0/1
Roman Alekseevich Levchenko	June 15, 2023 (Minutes No. 26 dated June 19, 2023);	2023–2024	24/24
including in presentia	June 13, 2024 (Minutes No. 27 dated June 13, 2024)		1/1
Yulia Aleksandrovna Leshchevskaya	June 15, 2023 (Minutes No. 26 dated June 19, 2023);	2023–2024	17/24
including in presentia	June 13, 2024 (Minutes No. 27 dated June 13, 2024)		1/1
Yevgeny Viktorovich Lyapunov	June 15, 2023 (Minutes No. 26 dated June 19, 2023);	2023–2024	24/24
including in presentia	June 13, 2024 (Minutes No. 27 dated June 13, 2024)		1/1
Vladimir Aleksandrovich Makarov	June 15, 2023 (Minutes No. 26 dated June 19, 2023);	2023–2024	22/24
including in presentia	June 13, 2024 (Minutes No. 27 dated June 13, 2024)		0/1
Aleksey Valeryevich Molsky	June 15, 2023 (Minutes No. 26 dated June 19, 2023);	2023–2024	24/24
including in presentia	June 13, 2024 (Minutes No. 27 dated June 13, 2024)		1/1
Nataliya Vladimirovna Paramonova	June 15, 2023 (Minutes No. 26 dated June 19, 2023);	2023–2024	24/24
including in presentia	June 13, 2024 (Minutes No. 27 dated June 13, 2024)		1/1
Nikolay Ivanovich Sasin	June 15, 2023 (Minutes No. 26 dated June 19, 2023);	2023–2024	24/24
including in presentia	June 13, 2024 (Minutes No. 27 dated June 13, 2024)		1/1
Dmitriy Vladimirovich Ustyugov	June 15, 2023 (Minutes No. 26 dated June 19, 2023);	2023–2024	24/24
including in presentia	June 13, 2024 (Minutes No. 27 dated June 13, 2024)		0/1

* In presentia – meetings that the director attended in the form of joint presence. A/B: A – number of meetings that the director attended; B – number of meetings held for the period, when the person was a member of the Board of Directors.

Involvement of directors in the work of the Board of Directors in 2023*

Full name of Director	Resolution of the General Meeting of Shareholders on the election of the Board of Directors	Corporate year when the person was a member of the Board of Directors	Number of meetings, pcs
Total meetings held in 2023			25
including meetings in presentia (in presentia/absentia)			0
Yelena Viktorovna Andreeva	June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2023–2024	11/12
including in presentia			0/0
Natalya Nikolaevna Baranyuk	June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2023–2024	12/12
including in presentia			0/0
Yuri Vladimirovich Goncharov	June 16, 2022 (Minutes No. 25 dated June 17, 2022)	2022–2023	13/13
including in presentia			0/0
Aleksandr Petrovich Kamyshnikov	June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2023–2024	4/12
including in presentia			0/0
Daniil Vladimirovich Krainsky	June 16, 2022 (Minutes No. 25 dated June 17, 2022)	2022–2023	13/13
including in presentia			0/0
Roman Alekseevich Levchenko	June 16, 2022 (Minutes No. 25 dated June 17, 2022); June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2022–2023 2023–2024	25/25
including in presentia			0/0
Yulia Aleksandrovna Leshchevskaya	June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2023–2024	5/12
including in presentia			0/0
Yevgeny Viktorovich Lyapunov	June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2023–2024	11/12
including in presentia			0/0
Andrei Vladimirovich Mayorov	June 16, 2022 (Minutes No. 25 dated June 17, 2022)	2022–2023	13/13
including in presentia			0/0
Vladimir Aleksandrovich Makarov	June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2023–2024	11/12
including in presentia			0/0
Aleksey Valeryevich Molsky	June 16, 2022 (Minutes No. 25 dated June 17, 2022); June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2022–2023 2023–2024	25/25
including in presentia			0/0
Nataliya Vladimirovna Paramonova	June 16, 2022 (Minutes No. 25 dated June 17, 2022); June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2022–2023 2023–2024	25/25
including in presentia			0/0
Vladimir Yurievich Platonov	June 16, 2022 (Minutes No. 25 dated June 17, 2022)	2022–2023	0/13
including in presentia			0/0
Aleksey Aleksandrovich Polinov	June 16, 2022 (Minutes No. 25 dated June 17, 2022)	2022–2023	11/13
including in presentia			0/0
Egor Vyacheslavovich Prokhorov	June 16, 2022 (Minutes No. 25 dated June 17, 2022)	2022–2023	0/13
including in presentia			0/0
Nikolay Ivanovich Sasin	June 16, 2022 (Minutes No. 25 dated June 17, 2022); June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2022–2023 2023–2024	25/25
including in presentia			0/0
Anton Sergeevich Ulyanov	June 16, 2022 (Minutes No. 25 dated June 17, 2022)	2022–2023	0/13
including in presentia			0/0

Full name of Director	Resolution of the General Meeting of Shareholders on the election of the Board of Directors	Corporate year when the person was a member of the Board of Directors	Number of meetings, pcs
Dmitriy Vladimirovich Ustyugov	June 15, 2023 (Minutes No. 26 dated June 19, 2023)	2023–2024	12/12
including in presentia			0/0

* In presentia – meetings that the director attended in the form of joint presence. A/B: A – number of meetings that the director attended; B – number of meetings held for the period, when the person was a member of the Board of Directors.

Involvement of members of the Board of Directors in the work of the Board of Directors in 2022*

Full name of Director	Resolution of the General Meeting of Shareholders on the election of the Board of Directors	Corporate year when the person was a member of the Board of Directors	Number of meetings, pcs.
Total meetings held in 2022			39
including meetings in presentia (in presentia/absentia)			1
Yuri Vladimirovich Goncharov	May 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022 2022–2023	39/39
including in presentia	June 16, 2022 (Minutes No. 25 dated June 17, 2022)		1/1
Pavel Vladimirovich Grebtsov	May 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022	21/21
including in presentia			0/1
Vladislav Albertovich Kapitonov	May 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022	21/21
including in presentia			1/1
Daniil Vladimirovich Krainsky	May 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022 2022–2023	37/39
including in presentia	June 16, 2022 (Minutes No. 25 dated June 17, 2022)		0/1
Roman Alekseevich Levchenko	May 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022 2022–2023	39/39
including in presentia	June 16, 2022 (Minutes No. 25 dated June 17, 2022)		1/1
Andrei Vladimirovich Mayorov	June 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022 2022–2023	39/39
including in presentia	June 16, 2022 (Minutes No. 25 dated June 17, 2022)		1/1
Aleksey Valeryevich Molsky	May 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022 2022–2023	39/39
including in presentia	June 16, 2022 (Minutes No. 25 dated June 17, 2022)		1/1
Viktor Nikolaevich Palagin	May 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022	21/21
including in presentia			0/1
Nataliya Vladimirovna Paramonova	June 16, 2022 (Minutes No. 25 dated June 17, 2022)	2022–2023	18/18
including in presentia			0/0
Aleksey Aleksandrovich Polinov	June 16, 2022 (Minutes No. 25 dated June 17, 2022)	2022–2023	14/18
including in presentia			0/0
Egor Vyacheslavovich Prokhorov	May 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022 2022–2023	34/39
including in presentia			1/1
Nikolay Ivanovich Sasin	May 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022 2022–2023	39/39
including in presentia	June 16, 2022 (Minutes No. 25 dated June 17, 2022)		1/1
Anton Sergeevich Ulyanov		2022–2023	17/18

Full name of Director	Resolution of the General Meeting of Shareholders on the election of the Board of Directors	Corporate year when the person was a member of the Board of Directors	Number of meetings, pcs.
including in presentia	June 16, 2022 (Minutes No. 25 dated June 17, 2022)		0/0
Igor Vladimirovich Feoktistov	May 31, 2021 (Minutes No. 24 dated June 2, 2021)	2021–2022	0/21
including in presentia			0/1

* In presentia – meetings that the director attended in the form of joint presence. A/B: A – number of meetings that the director attended; B – number of meetings held for the period, when the person was a member of the Board of Directors.

Assessment of the Board of Directors performance

In 2024, no special assessment of performance of the Board of Directors of Rosseti Northern Caucasus, PJSC was carried out. The Company has not approved the corresponding assessment methodology. While, in 2024, an assessment of the Company’s corporate governance efficiency as a whole was made, including for the Board of Directors component. The relevant report was preliminary reviewed by the Audit Committee of the Board of Directors at a meeting held on October 9, 2024 (Minutes No. 191 dated October 9, 2024). The specified report was considered by the Board of Directors of the Company on October 28, 2024 (Minutes No. 567 dated October 30, 2024). Also in 2024, an annual analysis of the quality of the Company’s management was carried out by Expert RA rating agency (RAEX). The analysis was carried out, i.a. by factor “Management and Control Bodies”.

Composition of the Board of Directors

The professional Board of Directors is a key element of the corporate governance system of Rosseti Northern Caucasus, PJSC, affecting the performance of the Company and providing strategic governance and supervision of the executive bodies in the interests of shareholders and the Company itself.

In its activities, the Board of Directors is governed by Federal Law “On Joint-Stock Companies”, other regulations of the Russian Federation, the Charter of Rosseti Northern Caucasus, PJSC, the Regulation on the Board of Directors, the principles and recommendations of the Corporate Governance Code of Bank of Russia, as well as the Employee Corporate Code of Ethics and Business Conduct of Rosseti Northern Caucasus, PJSC.

We rigorously strive to ensure that a candidate for the Board of Directors of Rosseti Northern Caucasus, PJSC is a person who has an impeccable business and personal reputation, having the knowledge, skills and experience required for decision-making and effective management.

Election of the Board of Directors of Rosseti Northern Caucasus, PJSC members is carried out by transparent procedure (in accordance with the Charter of the Company), allowing the shareholders to get information about the candidates, sufficient to understand their personal and professional qualities. Information on the candidates, as well as shareholders proposing candidates for inclusion in the voting list for election to the Board of Directors are posted on the website of Rosseti Northern Caucasus, PJSC in the sections “For Shareholders and Investors/Corporate Governance/Materials for General Meetings of Shareholders” at: https://www.rossetisk.ru/shareholders_and_investors/korporativnoe_upravlenie/materialy-k-obshchim-sobraniyam-aktzionerov/.

The number of members of the Board of Directors of Rosseti Northern Caucasus, PJSC: 11 persons.

By decision of the Board of Directors of the Company dated July 15, 2024 (Minutes No. 562 dated July 16, 2024), one member of the Board of Directors of the Company, N. I. Sasin, was recognized as independent in 2024 in accordance with clause 104 of the Corporate Governance Code of the Bank of Russia.

Current Board of Directors elected by the resolution of the Annual General Meeting of Shareholders on June 13, 2024 (Minutes No. 27 dated June 13, 2024). In accordance with Article 65 of the Federal Law “On Joint-Stock Companies”, the annual General Meeting of Shareholders was held by decision of the Board of Directors of the Company.

Aleksey Valeryevich Molsky
Chairman of the Board of Directors
Non-executive Director

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on May 31, 2021.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Year of Birth		1980	
Information on education		2004, Moscow Power Engineering Institute, “Electric Power Systems and Grids, Economics and Management at the Enterprise”, engineer	
Principal place of employment, position		Deputy General Director for Investments and Capital Construction of Federal Grid Company – Rosseti, Public Joint-Stock Company	
Information on positions held:			
Period		Name of organization	Position
from	to		
2012	2020	Federal Grid Company of Unified Energy System, Public Joint-Stock Company	Deputy Chairman of the Management Board, Deputy Chairman of the Management Board for Investments, Capital Construction and Sales of Services
2013	2023	Association “NP Market Council”	Member of the Supervisory Board
2016	2020	Federal Grid Company of Unified Energy System, Public Joint-Stock Company	Member of the Management Board
2020	2022	Federal Grid Company of Unified Energy System, Public Joint-Stock Company	Deputy General Director for Investment, Capital Construction and Service Implementation
2022	as of the end of 2024	Federal Grid Company – Rosseti, Public Joint-Stock Company	Deputy General Director for Investment, Capital Construction and Sales, member of the Management Board
2020	2023	Rosseti, Public Joint-Stock Company	Deputy General Director for Investments, Capital Construction and Sales of Services (concurrently), member of the Management Board
Participation in management and control bodies			
As of the end of 2024 – member of the Boards of Directors of Rosseti Moscow Region, PJSC, Rosseti Kuban, PJSC, Rosseti Digital, JSC, Scientific and Technical Center, JSC, Rosseti Lenenergo, PJSC,			

Rosseti CIUS UES, JSC, Energocenter, JSC, Rosseti Volga, PJSC, Rosseti Northern Caucasus, PJSC, Rosseti Mobile GTPP, JSC, Chairman of the Supervisory Board of UES SakRusenergo, JSC, member of the Presidium of the Association “Russian National Committee of the International Council on Large Electrical Systems of High Voltage” (RNC CIGRE)
Does not own shares of Rosseti Northern Caucasus, PJSC
Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year

Yelena Viktorovna Andreeva

Non-executive Director

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on June 15, 2023.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Year of Birth		1974	
Information on education		1997, Ivanovo State Energy University, “Economics and Management at Energy Enterprises”, economist-manager	
Principal place of employment, position		Deputy General Director for Sales of Services and Electricity Transport of Federal Grid Company – Rosseti, Public Joint-Stock Company	
Information on positions held:			
Period		Name of organization	Position
from	to		
2008	2022	Mosenergo, OJSC	Deputy General Director for Sales
2014	2022	Gazprom Energoholding, OJSC	Deputy General Director for Regional Development (concurrently)
2022	2023	Rosseti, Public Joint-Stock Company	Chief Advisor (concurrently)
2022	as of the end of 2024	Federal Grid Company – Rosseti, Public Joint-Stock Company	Deputy General Director for Sales of Services and Electricity Transmission
Participation in management and control bodies			
As of the end of 2024, member of the Boards of Directors of Rosseti Center, PJSC, Rosseti Center and Volga Region, PJSC, Rosseti Siberia, PJSC, Rosseti of the Ural, PJSC, Yantarenergosbyt, JSC, Rosseti Northern Caucasus, PJSC, Energetik, JSC			
Does not own shares of Rosseti Northern Caucasus, PJSC			
Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year			

Natalya Nikolaevna Baranyuk

Non-executive Director

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on June 15, 2023.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC	
Year of Birth	1978
Information on education	2000, Krasnoyarsk State University, jurisprudence, lawyer; 2011, Moscow State University named after M. V. Lomonosov, public administration management, management

Principal place of employment, position		Head of the Office of the Chairman of the Board of Directors of Federal Grid Company – Rosseti, Public Joint-Stock Company	
Information on positions held:			
Period		Name of organization	Position
from	to		
2015	2023	Rosseti, Public Joint-Stock Company	Corporate Secretary – Head of the Office of the Chairman of the Board of Directors
2023	as of the end of 2024	Federal Grid Company – Rosseti, Public Joint-Stock Company	Head of the Office of the Chairman of the Board of Directors
Participation in management and control bodies			
As of the end of 2024 – member of the Boards of Directors of Rosseti Volga, PJSC, NRC Kurchatov Institute – POPUE, JSC, Rosseti Northern Caucasus, PJSC, member of the Auditing Commission of National Engineering Center of Energy, JSC and NRC TEK, JSC			
Does not own shares of Rosseti Northern Caucasus, PJSC			
Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year			

Yuri Vladimirovich Goncharov

Non-executive Director

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on May 29, 2020.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Year of Birth		1977	
Information on education		2000 Moscow State Mining University, Management, Master of Management; 2014, Moscow Institute of Economics, Policy and Law, Jurisprudence, Bachelor of Law	
Principal place of employment, position		Chief Advisor of Public Joint-Stock Company “Federal Grid Company – Rosseti”	
Information on positions held:			
Period		Name of organization	Position
from	to		
2018	2023	Rosseti. Public Joint-Stock Company	Chief Advisor
2023	as of the end of 2024	Federal Grid Company – Rosseti, Public Joint-Stock Company	Chief Advisor
Participation in management and control bodies			
As of the end of 2024 – a member of the Boards of Directors of Rosseti Tyumen, JSC, Rosseti Northern Caucasus, PJSC, Rosseti Volga, PJSC, Rosseti Sibir Tyvaenergo, JSC			
Does not own shares of Rosseti Northern Caucasus, PJSC			
Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year			

Roman Alekseevich Levchenko

Executive Director

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on May 31, 2021.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Year of Birth		1979	
Information on education		1997, Pyatigorsk Trade and Economic College, degree in Accounting, Control and Analysis of Economic Activity; 2000, North Caucasian State University, Jurisprudence, lawyer; 2012, South-Russian State University of Economics and Service, Power Equipment Maintenance, Service Specialist; 2023, professional retraining at the Moscow Power Engineering Institute, Electric Power Engineering and Electrical Engineering	
Principal place of employment, position		General Director, Chairman of the Management Board of Rosseti Northern Caucasus, PJSC	
Information on positions held:			
Period		Name of organization	Position
from	to		
2017	2021	A Group Engineering, LLC	General Director
2021	2022	Rosseti Northern Caucasus, PJSC	Deputy General Director for Interaction with Electricity Market Entities
2021	2022	Rosseti Northern Caucasus, PJSC	Acting General Director
2021	as of the end of 2024	Rosseti Northern Caucasus, PJSC	Member of the Management Board
2021	2022	Rosseti Northern Caucasus, PJSC	Acting Chairman of the Management Board
2022	as of the end of 2024	Rosseti Northern Caucasus, PJSC	General Director, Chairman of the Management Board
Participation in management and control bodies			
As of the end of 2024 – a member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Does not own shares of Rosseti Northern Caucasus, PJSC			
Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year			

Yulia Aleksandrovna Leshchevskaya

Non-executive Director

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on June 15, 2023.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Year of Birth		1977	
Information on education		1998, Griboedov Institute of International Law and Economics, Bachelor of Management; 2000, Financial Academy under the Government of the Russian Federation, Master of Economics in “Economics”	
Principal place of employment, position		Deputy General Director for Strategy of Federal Grid Company – Rosseti, Public Joint-Stock Company	
Information on positions held:			
Period		Name of organization	Position
from	to		
2017	2021	FGUP “Pochta Rossii”	First Deputy General Director – Executive Director

2021	2022	ANO Analytical Center under the Government of the Russian Federation	Deputy Head – Head of Development Center
2022	2022	Rosseti, Public Joint-Stock Company	Chief Advisor (concurrently)
2022	as of the end of 2024	Federal Grid Company – Rosseti, Public Joint-Stock Company	Deputy General Director for Strategy
Participation in management and control bodies			
As of the end of 2024 – a member of the Boards of Directors of TRK, PJSC, Rosseti Tyumen, JSC, Rosseti of Center, PJSC, Rosseti Northern Caucasus, PJSC			
Does not own shares of Rosseti Northern Caucasus, PJSC			
Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year			

Yevgeny Viktorovich Lyapunov

Non-executive Director

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on June 15, 2023.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Year of Birth		1981	
Information on education		2003, Ivanovo State Power Engineering University, “Electrical Power Systems and Grids”, electrical engineer	
Principal place of employment, position		Deputy General Director – chief engineer of Federal Grid Company – Rosseti, Public Joint-Stock Company	
Information on positions held:			
Period		Name of organization	Position
from	to		
2015	2022	Branch of FGC UES, PJSC – MES Center	Deputy General Director, Chief Engineer, First Deputy General Director
2019	2020	Branch of FGC UES, PJSC – MES of Western Siberia	General Director
2021	2022	FGC UES, PJSC	Advisor to the First Deputy General Director – Chief Engineer
2022	2023	Rosseti, Public Joint-Stock Company	Chief Advisor
2022	as of the end of 2024	Federal Grid Company – Rosseti, Public Joint-Stock Company	Deputy General Director – Chief Engineer, member of the Management Board
Participation in management and control bodies			
As of the end of 2024, member of the Boards of Directors of Rosseti Moscow Region, PJSC, Rosseti Lenenergo, PJSC, Rosseti Northern Caucasus, PJSC, Rosseti Digital, JSC, Rosseti Tyumen, JSC, Energetik JSC, Chairman of the Boards of Directors of Rosseti Center, PJSC, Rosseti Center and Volga Region, PJSC, Rosseti Mobile GTPP, JSC, Rosseti Electroservice, JSC, RES JSC, Elektromagistral, JSC, Member of the Presidium of the Association “Russian National Committee of CIGRE”			
Does not own shares of Rosseti Northern Caucasus, PJSC			

Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year
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Vladimir Aleksandrovich Makarov

Non-executive Director

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on June 15, 2023.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Year of Birth		1968	
Information on education		1994, Moscow State Law Academy, Jurisprudence, lawyer	
Principal place of employment, position		Director for Internal Control and Risk Management – Head of the Department for Internal Control and Risk Management of Federal Grid Company – Rosseti, Public Joint-Stock Company	
Information on positions held:			
Period		Name of organization	Position
from	to		
2018	2022	The Prosecutor General’s Office of the Russian Federation	Head of the Department
2022	2023	Rosseti, Public Joint-Stock Company	Head of the Department for Prevention of Corruption and Internal Inspections (concurrent)
2022	2023	Federal Grid Company of Unified Energy System, Public Joint-Stock Company	Head of the Department for Prevention of Corruption and Internal Inspections
2023	as of the end of 2024	Federal Grid Company – Rosseti, Public Joint-Stock Company	Director for Internal Control and Risk Management – Head of the Internal Control and Risk Management Department
Participation in management and control bodies			
As of the end of 2024 – member of the Board of Directors of Rosseti Northern Caucasus, PJSC; member of the Auditing Commission of Rosseti Lenenergo, PJSC, Rosseti Moscow Region, PJSC, Inter RAO, JSC			
Does not own shares of Rosseti Northern Caucasus, PJSC			
Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year			

Nataliya Vladimirovna Paramonova

Non-executive Director

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on June 16, 2022.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC	
Year of Birth	1970
Information on education	1995, I. M. Gubkin State Academy of Oil and Gas process automation engineer; 2005 Institute of Business and Politics, degree in Accounting, Analysis and Audit, economist

Principal place of employment, position		First Deputy Head of the Department of Economics of Federal Grid Company – Rosseti, Public Joint-Stock Company	
Information on positions held:			
Period		Name of organization	Position
from	to		
2018	2023	Rosseti, Public Joint-Stock Company	Head of the Planning and Economic Division of the Tariff Policy Department; Director of the Department of Economy, Head of the Department of Economy
2023	as of the end of 2024	Federal Grid Company – Rosseti, Public Joint-Stock Company	First Deputy Head of the Department of Economy
Participation in management and control bodies			
As of the end of 2024 – a member of the Boards of Directors of Rosseti Kuban, PJSC, Rosseti Yug, PJSC, Rosseti Northern Caucasus, PJSC			
Does not own shares of Rosseti Northern Caucasus, PJSC			
Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year			

Nikolay Ivanovich Sasin

Independent member of the Board of Directors

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on June 20, 2016.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Year of Birth		1969	
Information on education		1990 Volsk Higher Military Base School of Red Star Order of Lenin Komsomol, engineer-economist; 2001 Federal State-Funded Educational Institution of Higher Professional Education Moscow State University of Economics, Statistics and Informatics, degree in “Business Valuation”; 2003 Federal State-Funded Educational Institution of Higher Professional Education Moscow Aviation Institute (NRU), Presidential program for managerial personnel “Management”; 2004 Federal State-Funded Educational Institution of Higher Professional Education Stavropol State Agrarian University, “Anti-crisis Management”, economist-manager	
Principal place of employment, position		Chairman of the Stavropol regional branch of OPORA RUSSIA	
Information on positions held:			
Period		Name of organization	Position
from	to		
from 2010	as of the end of 2024	Stavropol regional branch of the All-Russian Non-Governmental Organization of Small and Medium Business “OPORA RUSSIA”	Chairman of the Board

2014	as of the end of 2024	All-Russian Non-Governmental Organization of Small and Medium Business "OPORA RUSSIA"	Coordinator in the Northern Caucasus Federal District, member of the Management Board
2015	2020	Goryachevodsky APC	Director for Investments
2016	as of the end of 2024	Regional branch in the Stavropol Territory of the All-Russia Political Party "PARTY OF GROWTH"	Chairman of the regional branch
2017	2020	Market Line, LLC	Deputy General Director
2020	as of the end of 2024	Market Line, LLC	General Director
2021	as of the end of 2024	Interregional public organization "Association of Author, Individual and Event Tourist"	President of the Association
2022	as of the end of 2024	SAS GROUP, LLC	General Director
Participation in management and control bodies, as well as committees			
As of the end of 2024 – a member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Does not own shares of Rosseti Northern Caucasus, PJSC			
Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year			

Dmitriy Vladimirovich Ustyugov

Non-executive Director

First elected to the Board of Directors of Rosseti Northern Caucasus, PJSC on June 15, 2023.

General information about the member of the Board of Directors of Rosseti Northern Caucasus, PJSC			
Year of Birth		1976	
Information on education		1999, Omsk State University, Jurisprudence, lawyer	
Principal place of employment, position		Director for Legal Affairs of Federal Grid Company – Rosseti, Public Joint-Stock Company	
Period		Name of organization	Position
from	to		
2015	2020	FGC UES, PJSC	Director for Legal Issues
2020	2021	FGC UES, PJSC	Head of Legal Department
2021	2022	FGC UES, PJSC	Director for Legal Issues
2021	2023	Rosseti, Public Joint-Stock Company	Director for Legal Issues
2023	as of the end of 2024	Federal Grid Company – Rosseti, Public Joint-Stock Company	Director for Legal Issues
Participation in management and control bodies			
As of the end of 2024 – a member of the Boards of Directors of Rosseti Siberia, PJSC, Rosseti Northern Caucasus, PJSC, UES SakRusenergo, JSC, RES, JSC, NTC FGC UES, JSC			
Does not own shares of Rosseti Northern Caucasus, PJSC			

Did not enter into any transactions to acquire or dispose of shares of Rosseti Northern Caucasus, PJSC during the reporting year

Current Board of Directors as of the end of 2024

Criteria description	Indicator value
Total number	11 directors
Status, including	
Independent directors	9% (1 director)
Executive directors	9% (1 director)
Non-executive directors	82% (9 directors)
Age, including	
Under 35 years old, inclusive	0% (0 directors)
From 36 to 65 years old inclusive	100% (11 directors)
66 years and older	0% (0 directors)
Length of service as a member of the Board of Directors of the Company*, including	
1 year	0% (0 directors)
2–6 years	91% (10 directors)
7 years and older	9% (1 director)

* The corporate year is taken as the year. The total length of service in the Company's Board of Directors is indicated.

Members of the Board of Directors elected by the annual General Meeting of Shareholders on June 15, 2023 (Minutes No. 26 dated June 19, 2023) and exercising powers until the election of new members of the Board of Directors in accordance with the resolution of the annual General Meeting of Shareholders dated June 13, 2024 (Minutes No. 27 dated June 13, 2024)

No.	Candidate's full name	Status of director during the period of exercise of powers of a member of the Board of Directors of this composition	Position (as of the candidate nomination)
1.	Aleksey Valeryevich Molsky	Non-executive	Deputy General Director for Investment and Capital Construction of Rosseti, PJSC
2.	Roman Alekseevich Levchenko	Executive	General Director of Rosseti Northern Caucasus, PJSC
3.	Yelena Viktorovna Andreeva	Non-executive	Deputy General Director for Sales of Services and Electricity Transmission of Rosseti, PJSC
4.	Dmitriy Vladimirovich Ustyugov	Non-executive	Director for Legal Issues of Rosseti, PJSC

5.	Aleksandr Petrovich Kamyshnikov	Non-executive	Director for Security of Rosseti, PJSC
6.	Yevgeny Viktorovich Lyapunov	Non-executive	Deputy General Director – Chief Engineer of Rosseti, PJSC
7.	Yulia Aleksandrovna Leshchevskaya	Non-executive	Deputy General Director for Strategy of Rosseti, PJSC
8.	Natalya Nikolaevna Baranyuk	Non-executive	Head of the Office of the Chairman of the Board of Directors of Rosseti, PJSC
9.	Vladimir Aleksandrovich Makarov	Non-executive	Director for Internal Control and Risk Management – Head of the Internal Control and Risk Management Department of Rosseti, PJSC
10.	Nikolay Ivanovich Sasin	Independent	Chairman of the Stavropol regional branch of OPORA RUSSIA
11.	Nataliya Vladimirovna Paramonova	Non-executive	First Deputy Head of the Department of Economy of Rosseti, PJSC

Based on the information available, members of the Board of Directors of Rosseti Northern Caucasus, PJSC do not have participatory interest in the authorized capital of Rosseti Northern Caucasus, PJSC and its subsidiaries, do not own ordinary shares of Rosseti Northern Caucasus and its subsidiaries, and also in 2024 did not make transactions for the acquisition and/or alienation of the Company's shares.

In the reporting year, the Company had in effect a directors and officers (D&O) liability insurance contract dated April 1, 2024, No. 24 DO 0011, concluded with a collective participant: SOGAZ, JSC (Leader), VSK Insurance Company, AlfaStrakhovaniye, JSC, Sberbank Insurance, LLC, for the period from March 1, 2024 to February 28, 2025, within the framework of which the liability insurance of insured persons (members of the Board of Directors, members of the Management Board, CEO, deputy CEOs and chief accountant) is provided for obligations arising as a result of damage/harm caused to third parties as a result of unintentional/erroneous actions/inactions of insured persons in the context of performance of their functional duties in Rosseti Northern Caucasus, PJSC. The total insurance sum is 1.5 billion rubles.

In addition, in 2024, there was a discovery period acquired for the period from July 1, 2023 to June 30, 2024 under the Directors and Officers (D&O) Liability Insurance Contract No. 2200RB20R5214 dated September 19, 2022, concluded with VSK Insurance Company. During the said discovery period the insurer may be notified of any claim first made during such period or during the Period of Insurance in respect of any wrongful act occurred before the expiry of the Period of Insurance.

This type of insurance was provided as part of the Insurance Coverage Program for 2024 approved by the Board of Directors of Rosseti Northern Caucasus, PJSC on February 9, 2024 (Minutes No. 548 dated February 12, 2024), the total insurance premium for this type of insurance in 2024 amounted to 40,000.00 thousand rubles.

5.3.3. Committees of the Board of Directors

Committees of the Board of Directors of Rosseti Northern Caucasus, PJSC were established to improve the efficiency of the Board of Directors, develop recommendations for the Board of Directors and executive bodies of Rosseti Northern Caucasus, PJSC.

In Rosseti Northern Caucasus, PJSC the following committees are established and operate:

- Audit Committee;
- Personnel and Remuneration Committee;
- Reliability Committee;
- Strategy Committee;
- Committee for Technological Connection to Electric Power.

In their activities, members of the Committees of the Board of Directors of the Company are guided by:

- Russian law;
- the Company Charter;
- Regulations on the Committees and by-laws of the Company;
- action plans for the Committees.

Regulations on Committees

Committee name	Information on the approval by the Board of Directors of the Regulation on the Committee as amended
Reliability Committee	Minutes No. 310 dated July 31, 2017
Audit Committee	Minutes No. 518 dated December 8, 2022
Personnel and Remuneration Committee	Minutes No. 172 dated August 4, 2014
Strategy Committee	Minutes No. 395 dated October 31, 2019
Committee for Technological Connection to Electric Power	Minutes No. 417 dated April 10, 2020

Texts of the Regulations on the Committees are available on the website of Rosseti Northern Caucasus, PJSC in “For Shareholders and Investors/Charter and By-laws / Documents of Corporate Governance Procedures” at: https://www.rossetisk.ru/shareholders_and_investors/dokumenty/dokumenty_protsehdur_upravleniya/.

Audit Committee

In order to assist the efficient discharge of the functions of the Board of Directors of the Company to the extent of preliminary consideration of issues related to control over the financial and economic activities of the Company, the Audit Committee of the Board of Directors of the Company was established under the Board of Directors of the Company.

Key tasks of the Committee:

- Consideration of accounting (financial) statements of the Company and supervision over the process of their preparation;
- Control over the functional reliability and efficiency of internal control system, the risk management system and the corporate governance practices;
- Control over conductance of external audit and selection of the auditor;

- Ensuring of the independence and objectivity in the performance of the internal audit function;
- Supervision over the functional efficiency of the system for non-admittance of fraudulent actions of the Company's workers and third parties.

The number of the Committee members shall be no less than three (3) members. Members of the Committee are elected by the Board of Directors of the Company from among the candidates presented to members of the Board of Directors of the Company. During nomination of members of the Audit Committee, it is recommended that the following candidates have preferential treatment:

- those having a higher education in the field of finance, law, economics or management;
- those having experience of work in the field of internal audit, internal control and risk management, accounting (financial) statements, financial management (the candidates must understand the principles of preparation of accounting (financial) statements and be capable to "read" accounting (financial) statements), those having comparison and analysis skills;
- those having basic knowledge in the internal audit and control field;
- those having knowledge of the Company's activities (branch, characteristics of the products produced, market position, competitive advantages, etc.) and understanding the general regularities of business conductance.

Additionally, members of the Committee shall have a reputation giving rise to no doubts as to whether they will discharge the obligations of members of the Committee in a conscientious way and act in the interests of the Company.

Compositions of the Audit Committee in 2024

Elected by the resolution of the Board of Directors dated August 4, 2023 (Minutes No. 537 dated August 7, 2023)	Elected by the resolution of the Board of Directors dated July 15, 2024 (Minutes No. 562 dated July 16, 2024)
<ul style="list-style-type: none"> • Anton Sergeevich Ulyanov, Internal Audit Director, Head of Department of Internal Audit, Rosseti, PJSC (Chairman) • Vladimir Aleksandrovich Makarov, Director for Internal Control and Risk Management – Head of the Department of Internal Control and Risk Management of Rosseti, PJSC (member of the Board of Directors) • Nikolay Ivanovich Sasin, Chairman of the Stavropol regional branch of OPORA RUSSIA (member of the Board of Directors) 	<ul style="list-style-type: none"> • Anton Sergeevich Ulyanov, Internal Audit Director, Head of Department of Internal Audit, Rosseti, PJSC (Chairman) • Yuri Vladimirovich Goncharov, Chief Advisor of Rosseti, PJSC (member of the Board of Directors) • Nikolay Ivanovich Sasin, Chairman of the Stavropol regional branch of OPORA RUSSIA (member of the Board of Directors)

Comment. The positions are specified as of the date of approval of the Committee composition.

Report on committee activity in 2024

14 meetings were held (in 2023 – 17, in 2022 – 17), of which 5 were held in the form of joint presence (in 2023 – 3, in 2022 – 3). At the meetings of the Committee in 2024, 46 issues were considered, including the following.

Individual decisions and issued recommendations

The written information (auditor's report) on the main accounting and reporting issues of Rosseti Northern Caucasus, PJSC presented by the audit organization and the information of the management of Rosseti Northern Caucasus, PJSC on the adjustments made based on the results of the external audit of the accounting statements were reviewed.

- The Written Information (auditor's report) on the main accounting and reporting issues of Rosseti Northern Caucasus, PJSC presented by the external auditor on the main issues of the interim accounting (financial) statements of the Company for 9 months of 2023, prepared in accordance with RAS, and the information of the Company's management on the absence of adjustments considered for disclosure in the annual statements (Minutes No. 180 dated January 18, 2024, meeting date – January 18, 2024) were taken under advisement.

The material aspects of the accounting policy of Rosseti Northern Caucasus, PJSC were considered.

- The following information submitted by the Company was taken under advisement:
 - information on the significant aspects of the accounting policy of Rosseti Northern Caucasus, PJSC in 2023 and planned changes for 2024 (Minutes No. 180 dated January 18, 2024, meeting date – January 18, 2024);
 - information on the material aspects of the accounting policy of Rosseti Northern Caucasus, PJSC in 2024 and planned changes for 2025 (Minutes No. 193 dated December 19, 2024, meeting date – December 19, 2024).

The method of organizing internal audit in Rosseti Northern Caucasus, PJSC, was determined and the Regulation on the internal audit division of Rosseti Northern Caucasus, PJSC, was preliminarily reviewed.

- The following was agreed upon:
 - method of organizing the internal audit of the Company in the form of a separate structural unit functionally subordinate to the Board of Directors of the Company, administratively subordinate to the General Director of the Company, by reorganizing the Internal Audit and Control Directorate of Rosseti Northern Caucasus, PJSC into the Internal Audit Directorate of Rosseti Northern Caucasus, PJSC;
 - Regulation on the Internal Audit Directorate of Rosseti Northern Caucasus, PJSC subject to the determination by the Board of Directors of the Company of the method of organizing internal audit in the Company in the form of a separate structural unit;
- It was recommended that the Board of Directors:
 - determine the method of organizing the internal audit of the Company in the form of a separate structural unit functionally subordinate to the Board of Directors of the Company, administratively subordinate to the General Director of the Company, by reorganizing the Internal Audit and Control Directorate into the Internal Audit Directorate;
 - approve the organizational structure of the Company's executive office;
 - approve the Regulation on the Internal Audit Directorate of Rosseti Northern Caucasus, PJSC;
 - instruct the sole executive body of Rosseti Northern Caucasus, PJSC to approve the Regulation on the Internal Audit Directorate of Rosseti Northern Caucasus, PJSC in the manner established in Rosseti Northern Caucasus, PJSC (Minutes No. 181 dated January 22, 2024, meeting date – January 22, 2024).

The terms and conditions of the procurement procedures for selecting an audit organization for the right to conclude an agreement to conduct an audit of the Company's accounting (financial) statements for 2024–2026, the nomination of the Company's audit organization

to conduct an audit of the Company's accounting (financial) statements for 2024–2026, as well as the amount of payment for the services of the audit organization to conduct an audit of the accounting (financial) statements and consolidated financial statements of the Company for 2024 were preliminarily reviewed.

- The terms and conditions of the centralized procurement procedure for the right to conclude a contract for the provision of services for the mandatory annual audit of RAS financial statements and the audit of IFRS financial statements of Rosseti Northern Caucasus, PJSC for 2024–2026 were agreed upon in terms of requirements for participants in the centralized procurement procedure, determining the set and significance of criteria, the procedure for assessing participants, the initial (maximum) purchase price in the amount of 17,109,429.00 rubles, including VAT (Minutes No. 182 dated January 30, 2024, meeting date – January 30, 2024).
- It was recommended that the Board of Directors:
 - carry out procurement procedures for the right to conclude a contract for the provision of services for the mandatory annual audit of RAS statements and audit of IFRS statements of Rosseti Northern Caucasus, PJSC for 2024–2026 by participating in a centralized electronic tender organized by Rosseti, PJSC (Minutes No. 182 dated January 30, 2024, meeting date – January 30, 2024);
 - propose to the annual General Meeting of Shareholders of the Company to appoint an association of auditors (joint participant) consisting of TSATR – Audit Services, LLC (leader of the joint participant) and Intercom-Audit, LLC (member of the joint participant) as the audit organization of Rosseti Northern Caucasus, PJSC (Minutes No. 185 dated April 26, 2024, meeting date – April 26, 2024);
 - determine the amount of payment for services of the audit organization of the Association of Auditors (joint participant) consisting of TSATR – Audit Services, LLC (leader of the joint participant) and Intercom-Audit, LLC (member of the joint participant) for the provision of services for the audit of accounting (financial) statements for 2024, prepared in accordance with RAS, and audit of consolidated financial statements prepared in accordance with IFRS, for the year ending 31.12.2024, in the amount of 4,994,236 (four million nine hundred ninety four thousand two hundred thirty six) rubles 97 kopecks, including VAT (20%), subject to its appointment at the annual General Meeting of Shareholders of the Company as the Auditing Organization of Rosseti Northern Caucasus, PJSC – Association of Auditors (joint participant) consisting of TSATR – Audit Services, LLC (leader of the joint participant) and Intercom-Audit, LLC (member of the joint participant) (Minutes No. 187 dated May 17, 2024, meeting date – May 17, 2024).

The format of the external assessment (terms of reference) and the essential terms and conditions of the contract for the provision of services for external independent assessment of internal audit activities was preliminary reviewed.

- The format of the external assessment (terms of reference) and the essential terms and conditions of the contract for the provision of services for external independent assessment of internal audit activities was agreed upon.
- The Company is recommended to carry out procurement procedures for the right to conclude a contract for the provision of services for conducting an external independent assessment of internal audit activities by participating in a centralized electronic tender organized by Rosseti, PJSC.
- It was recommended that the Board of Directors of the Company approve the format of the external independent assessment of the internal audit activity (terms of reference) (Minutes No. 187 dated May 17, 2024, meeting date – May 17, 2024).

The nomination of an independent organization for the provision of services for conducting an external independent assessment of internal audit activities was approved.

- The information of TSATR – Audit Services, LLC (part of the international network of B1 Group of Companies) – an independent auditor of the mandatory annual audit of the RAS financial statements and the audit of the IFRS financial statements of the Company, according to which TSATR – Audit Services, LLC assessed all planned services of B1-CONSULT, LLC from the point of view of audit independence and did not identify potential threats to independence, was taken under advisement.
- Based on the results of the electronic tender, B1-CONSULT, LLC was approved as an organization for conducting an external independent assessment of the internal audit activities of Rosseti Northern Caucasus, PJSC (Minutes No. 191 dated October 9, 2024, meeting date – October 9, 2024).

Issues related to the implementation of the Company’s Anti-Corruption Policy were considered.

- It was recommended that the Board of Directors of the Company take under advisement the report on the results of anti-corruption monitoring in Rosseti Northern Caucasus, PJSC based on the results for 2023 (Minutes No. 183 dated February 8, 2024, meeting date – February 8, 2024).
- The report on the review of management information on the implementation of the Anti-Corruption Policy of Rosseti Northern Caucasus, PJSC including the results of anti-corruption monitoring for the first half of 2024, was taken under advisement (Minutes No. 189 dated August 12, 2024, meeting date – August 12, 2024).

The Company’s internal audit reports (information) were reviewed periodically.

- The report on compliance with the plan of work and results of internal audit activities, including the results of self-assessment of internal audit quality activity at the end of 2023, and compliance with plan of activities to develop and improve the internal audit of Rosseti Northern Caucasus, PJSC was agreed upon (Minutes No. 184 dated March 18, 2024, meeting date – March 18, 2024).
- The report of the Internal Audit Directorate of the Company on the implementation of the work plan of the Internal Audit Directorate of the Company was taken under advisement (Minutes No. 188 dated May 31, 2024, meeting date – May 31, 2024, No. 190 dated September 24, 2024, meeting date – September 24, 2024, No. 192 dated November 27, 2024, meeting date – November 27, 2024).
- It was recommended that the Board of Directors:
 - approve the report on compliance with the plan of work and results of internal audit activities, including the results of self-assessment of internal audit quality activity at the end of 2023, and compliance with plan of activities to develop and improve the internal audit was approved (Minutes No. 184 dated March 18, 2024, meeting date – March 18, 2024);
 - take under advisement information on the results of assessment of progress in identifying and selling the Company’s non-core assets in 2023 (Minutes No. 186 dated May 13, 2024, meeting date – May 13, 2024);
 - take under advisement the Audit Report No. 04-2024-SK dated July 30, 2024 “Assessment of corporate governance of Rosseti Northern Caucasus, PJSC for the 2023–2024 corporate year” (Minutes No. 191 dated October 9, 2024, meeting date – October 9, 2024).

An assessment of the effectiveness of the external audit of the accounting (financial) statements of the Company for 2023 is given.

- Opinion of the Audit Committee of the Board of Directors of the Company on the results of the assessment of the quality of the audit, opinions of auditors and the effectiveness of

the process of conducting an external audit of the financial (accounting) statements of the Company for 2023.

- It was recommended that the sole executive body of the Company include the opinion of the Audit Committee in the list of materials provided to persons entitled to participate in the annual General Meeting of Shareholders of the Company (Minutes No. 185 dated April 26, 2024, meeting date – April 26, 2024).

Written information provided by the audit organization on the main issues of the Company's accounting (financial) statements was reviewed.

- Written information provided by the audit organization on the main issues of the accounting (financial) statements of the Company, prepared in accordance with RAS for 2023, and the consolidated financial statements of Rosseti Northern Caucasus, PJSC for 2023, prepared in accordance with IFRS, and the information of the Company's management on the absence of adjustments based on the results of the external audit of the statements (Minutes No. 186 dated May 13, 2024, meeting date – May 13, 2024) was taken under advisement.

The Company's management information was discussed on non-standard operations and events of the Company, as well as the formation of a reserve for doubtful debts and estimated liabilities.

- The information of management of Rosseti Northern Caucasus, PJSC on non-standard operations and events, as well as on the formation of a reserve for doubtful debts and estimated liabilities based on the results of 2023 (Minutes No. 186 dated May 13, 2024, meeting date – May 13, 2024) was taken under advisement.

RAS accounting (financial) statements of the Company, as well as IFRS consolidated financial statements were reviewed on a regular basis.

- The Board of Directors of the Company was recommended to submit for approval to the Annual General Meeting of Shareholders of the Company the annual accounting (financial) statements of the Company for 2023 (Minutes No. 186 dated May 13, 2024, meeting date – May 13, 2024);
- The following was taken into advisement:
 - consolidated financial statements of the Company for 2023, prepared in accordance with IFRS (Minutes No. 186 dated May 13, 2024, meeting date – May 13, 2024);
 - accounting (financial) statements of the Company prepared in accordance with RAS (Minutes No. 188 dated May 31, 2024, meeting date – May 31, 2024; Minutes No. 190 dated September 24, 2024, meeting date – September 24, 2024; Minutes No. 193 dated December 19, 2024, meeting date – December 19, 2024).

The reports of the Audit Committee to the Board of Directors of the Company on the work done, as well as on the fulfillment of orders of the Audit Committee under the Board of Directors of the Company for the 2023–2024 corporate year were reviewed.

- The Report on fulfillment of orders of the Audit Committee under the Board of Directors of the Company in the 2023–2024 corporate year (Minutes No. 188 dated May 31, 2024, meeting date – May 31, 2024) was taken under advisement.
- It was recommended that the Board of Directors of the Company take under advisement the Report of the Audit Committee under the Board of Directors of the Company on the work done in the 2023–2024 corporate year (Minutes No. 188 dated May 31, 2024, meeting date – May 31, 2024).

The report on the organization of the risk management and internal control system was reviewed.

- It was recommended that the Board of Directors:
 - take under advisement the report on the organization, functioning and efficiency of the risk management system and internal control system of the Company for 2023 (Minutes No. 186 dated May 13, 2024, meeting date – May 13, 2024).
 - take under advisement the report of the internal audit of the Company on assessment of the reliability and efficiency of the risk management and internal control system of Rosseti Northern Caucasus, PJSC for 2023 and the opinion of the internal auditor of Rosseti Northern Caucasus, PJSC based on the results of assessment of the reliability and efficiency of the risk management and internal control system, the efficiency of corporate governance of Rosseti Northern Caucasus, PJSC (Minutes No. 187 dated May 17, 2024, meeting date – May 17, 2024);
 - recommend that the sole executive body of the Company include the opinion of the internal auditor of Rosseti Northern Caucasus, PJSC based on the results of assessment of reliability and efficiency of the risk management and internal control system, the efficiency of corporate governance of Rosseti Northern Caucasus, PJSC in the list of materials provided to persons entitled to participate in the annual General Meeting of Shareholders of the Company.

The information from the Company's management on implementation of corrective actions to address deficiencies revealed by the Company's Auditing Commission, internal auditor, external control (supervision) bodies, on implementation of measures taken following information received on potential cases of fraudulent actions by employees and the results of the completed investigations, was considered.

- The information from the Company's management on implementation of corrective action plans was taken under advisement (Minutes No. 184 dated March 18, 2024, meeting date – March 18, 2024 and No. 190 dated September 24, 2024, meeting date – September 24, 2024).

The information on cooperation of the Audit Committee under the Board of Directors of the Company with the internal and third party auditors was considered.

- The information of the external auditor on the plan for the audit of the Company's financial statements for 2024 and the information of the internal auditor on the organization of internal audit activities in the Company and interaction with the Audit Committee of the Board of Directors of the Company were taken under advisement (Minutes No. 190 dated September 24, 2024, meeting date – September 24, 2024).

The issues of organizing the activities of the Internal Audit Directorate of the Company were preliminarily reviewed.

- The work plan, budget of the Internal Audit Directorate of the Company, target values of functional key performance indicators of the head and employees of the Internal Audit Directorate, as well as the Methodology for calculating and assessing the implementation of functional key performance indicators of the head and employees of the Internal Audit Directorate, target values of functional key performance indicators of the head and employees of the Internal Audit Directorate were agreed upon (Minutes No. 186 dated May 13, 2024, meeting date – May 13, 2024, No. 187 dated May 17, 2024, meeting date – May 17, 2024, No. 192 dated November 27, 2024, meeting date – November 27, 2024, No. 193 dated December 19, 2024, meeting date December 19, 2024).
- The nomination of Rauf Yurievich Argunov for the position of Head of the Internal Audit Directorate of the Company and the terms of the employment contract, including remuneration, with the Head of the Internal Audit Directorate of the Company were agreed upon (Minutes No. 188 dated May 31, 2024, meeting date – May 31, 2024).
- It was recommended that the Board of Directors:

- approve the work plan and budget of the Internal Audit Directorate of the Company (Minutes No. 186 dated May 13, 2024, meeting date – May 13, 2024, No. 193 dated December 19, 2024, meeting date – December 19, 2024);
- approve the Methodology for calculating and assessing the implementation of functional key performance indicators of the head and employees of the Internal Audit Directorate of the Company (Minutes No. 187 dated May 17, 2024, meeting date – May 17, 2024);
- approve the target values of functional key performance indicators for assessing the efficiency of performance of the head and employees of the Internal Audit Directorate of the Company (Minutes No. 192 dated November 27, 2024, meeting date – November 27, 2024);
- approve the nomination of Rauf Yurievich Argunov for the position of Head of the Internal Audit Directorate of the Company and approve the terms of the employment contract, including remuneration, with the Head of the Internal Audit Directorate of the Company (Minutes No. 188 dated May 31, 2024, meeting date – May 31, 2024).

The issues of organizing the activities of the Audit Committee of the Board of Directors of the Company were considered.

- The Action Plan of the Audit Committee under the Board of Directors of the Company for the 2024–2025 corporate year was approved;
- Yuri Vladimirovich Goncharov, Chief Advisor of Rosseti, PJSC was elected Deputy Chairman of the Audit Committee of the Board of Directors of the Company;
- The Secretary of the Audit Committee of the Board of Directors of the Company was elected;
- It was decided to engage an expert in the activities of the Audit Committee of the Board of Directors of the Company;
- it was recommended that the Board of Directors of the Company approve the budget of the Audit Committee under the Board of Directors of the Company for the 2024–2025 corporate year (Minutes No. 189 dated August 12, 2024, meeting date – August 12, 2024).

Participation of members of the Audit Committee in meetings of the Committee in 2024*

Full name of the Committee member	Decision of the Board of Directors on the election of the Committee	Corporate year when the person was a member of the Committee	Number of meetings, pcs
Total meetings held in 2024			14
including meetings in presentia (in presentia/absentia)			5
Yuri Vladimirovich Goncharov	July 15, 2024 (Minutes No. 562 dated July 16, 2024)	2024–2025	5/5
including in presentia			3/3
Vladimir Aleksandrovich Makarov	August 4, 2023 (Minutes No. 537 dated August 7, 2023)	2023–2024	9/9
including in presentia			2/2
Anton Sergeevich Ulyanov	August 4, 2023 (Minutes No. 537 dated August 7, 2023); July 15, 2024 (Minutes No. 562 dated July 16, 2024)	2023–2024 2024–2025	14/14
including in presentia			5/5
Nikolay Ivanovich Sasin	August 4, 2023 (Minutes No. 537 dated August 7, 2023); July 15, 2024 (Minutes No. 562 dated July 16, 2024)	2023–2024 2024–2025	14/14
including in presentia			5/5

* In presentia – meetings that the person attended in the form of joint presence. A/B: A – number of meetings that the person attended; B – number of meetings held for the period, when the person was a member of the Committee.

Personnel and Remuneration Committee

Key tasks of the Committee:

- elaboration of recommendations on the amount of remuneration payable to members of the Board of Directors of the Company;
- elaboration of principles and criteria for determination of the amount of awards payable to members of the Board of Directors, members of the collegial executive body and the person discharging the functions of Sole Executive Body of the Company including a management organization or executive manager;
- elaboration of proposals on determination of essential conditions of contracts concluded with members of the Board of Directors, members of the collegial executive body and the person discharging the functions of Sole Executive Body of the Company;
- determination of the criteria for selection of candidates for membership in the Board of Directors, the collegial executive body and for the position of Sole Executive Body of the Company as well as preliminary assessment of such candidates;
- regular evaluation of the activities of the person discharging the functions of Sole Executive Body (management organization, executive manager) and members of the collegial executive body of the Company, and also preparation of proposals on their re-appointment possibility for the Board of Directors.

The quantitative structure of the Committee shall be defined by the decision of the Company Board of Directors in the number that should not be less than 3 persons. Members of the Committee are elected by the Board of Directors of the Company from among the candidates presented to members of the Board of Directors of the Company. During the election of Committee members, their education, professional training, experience in the field of the Committee's activities and other special knowledge necessary for realization by Committee members of their authority should be considered.

Compositions of Personnel and Remuneration Committee in 2024

Elected by the resolution of the Board of Directors dated August 22, 2023 (Minutes No. 538 dated August 24, 2023)	Elected by the resolution of the Board of Directors dated July 1, 2024 (Minutes No. 561 dated July 2, 2024)
<ul style="list-style-type: none"> • Daria Viktorovna Borisova, HR Director at Rosseti, PJSC (Chairman) • Sergey Nikolaevich Mashchenko, Head of the Security Department of Rosseti, PJSC • Konstantin Sergeevich Suvorovsky, Head of the Department of Remuneration, Organizational Design and Personnel Administration of Rosseti, PJSC 	<ul style="list-style-type: none"> • Daria Viktorovna Borisova, HR and Organizational Development Director at Rosseti, PJSC (Chairman) • Andrey Vladimirovich Kazachkov, Head of the Corporate Security Department of Rosseti, PJSC • Konstantin Sergeevich Suvorovsky, Head of the Department of Remuneration, Organizational Design and Personnel Administration of Rosseti, PJSC

Comment. The positions are specified as of the date of approval of the Committee composition.

Report on committee activity in 2024

6 meetings were held (11 in 2023, 7 in 2022), all in absentia (both in 2023 and 2022). At the meetings of the Committee in 2024, 8 issues were considered, including the following.

Individual decisions and issued recommendations

- The Company's General Director shall:
 - in connection with the expiration of the term of office of the First Deputy General Director - Chief Engineer of Rosseti Northern Caucasus, PJSC V. M. Abaimov, taking into account the results of his activities during the period of work in the Company, extend the employment contract with him for a new term (Minutes No. 114 dated March 2024, meeting date – March 12, 2024);
 - in connection with the expiration of the term of office of the Deputy General Director for Corporate Governance of Rosseti Northern Caucasus, PJSC, S. A. Usevich, taking into account the results of his activities during his period of work in the Company, extend the employment contract with him for a new term (Minutes No. 116 dated July 5, 2024, meeting date – July 5, 2024).
- Organizational structure of management of branch of Rosseti Northern Caucasus, PJSC, Dagerengo, was approved (Minutes No. 115 dated May 31, 2024, meeting date – May 31, 2024, No. 118 dated September 30, 2024, meeting date – September 30, 2024).
- It was recommended that the Board of Directors:
 - approve the report on the work of the Corporate Secretary of the Company (Minutes No. 115 dated May 31, 2024, meeting date – May 31, 2024);
 - approve key performance indicators and bonus cancellation indicators of the Company, their target and threshold values for 2024, 2025 and 2026 (Minutes No. 119 dated November 27, 2024, meeting date – November 27, 2024).

Decisions were made regarding the organization of the Committee activities.

- The Work Plan of the Personnel and Remuneration Committee of the Board of Directors of the Company for 2024–2025 corporate year was approved (Minutes No. 117 dated August 12, 2024, meeting date – August 12, 2024).
- It was recommended that the Board of Directors of the Company approve the budget of the Personnel and Remuneration Committee of the Board of Directors of the Company (Minutes No. 117 dated August 12, 2024, meeting date – August 12, 2024).

Participation of members of the Personnel and Remuneration Committee in meetings of the Committee in 2024*

Full name of the Committee member	Decision of the Board of Directors on the election of the Committee	Corporate year when the person was a member of the Committee	Number of meetings, pcs
Total meetings held in 2024			6
including meetings in presentia (in presentia/absentia)			0
Daria Viktorovna Borisova	August 22, 2023 (Minutes No. 538 dated August 24, 2023);	2023–2024 2024–2025	6/6
including in presentia	July 1, 2024 (Minutes No. 561 dated July 2, 2024)		0/0
Sergey Nikolaevich Mashchenko	August 22, 2023 (Minutes No. 538 dated August 24, 2023)	2023–2024	2/2
including in presentia			0/0
Konstantin Sergeevich Suvorovsky	August 22, 2023 (Minutes No. 538 dated August 24, 2023);	2023–2024	6/6
including in presentia	July 1, 2024 (Minutes No. 561 dated July 2, 2024)		0/0
Andrei Vladimirovich Kazachkov	July 1, 2024 (Minutes No. 561 dated July 2, 2024)	2024–2025	4/4
including in presentia			0/0

* In presentia – meetings that the person attended in the form of joint presence. A/B: A – number of meetings that the person attended; B – number of meetings held for the period, when the person was a member of the Committee.

Reliability Committee

Key objectives of the Committee

Elaboration and presentation of recommendations (conclusions) to the Board of Directors of the Company on the following aspects of the activities of the Board of Directors:

- expert evaluation of production programs, plans for technical re-equipment, reconstruction, new construction and repair of electrical power grid complex facilities, analysis of their elaboration and execution from the point of view of ensuring satisfaction of the requirements to the reliability of functioning and technical condition of electric power grids;
- assessment of the completeness and sufficiency of measures taken based on the results of accident investigation in accordance with the Rules for Investigation into the Causes of Accidents in Power Industry (approved by Decree of the Government of the Russian Federation dated October 28, 2009 No. 846), and their implementation control;
- expert evaluation of the quality of investigation into causes of technological disturbances (accidents);
- expert evaluation of the Company's activities in the field of accident prevention work (ensuring preparedness, organization and conductance of emergency recovery works at electric power industry facilities);
- expert assessment of the programs for prevention of the injury risks the Company's personnel and third parties are exposed to at the Company's power units, as well as control over their implementation;
- control and evaluation of the Company's technical services activities to the extent of ensuring reliable functioning of electric power grids and production safety;
- expert evaluation of the system of internal control within the Company;
- expert evaluation of the occupational safety management system within the Company;
- expert evaluation of the environmental policy implementation program;
- expert evaluation of fire and industrial safety.

The number of members of the Committee is determined by a decision of the Board of Directors of the Company in an amount of not more than 7 people. Members of the Committee are elected by the Board of Directors of the Company from among the candidates presented to members of the Board of Directors of the Company.

Compositions of Reliability Committee in 2024

Elected by the resolution of the Board of Directors dated August 22, 2023 (Minutes No. 538 dated August 24, 2023)	Elected by the resolution of the Board of Directors dated July 15, 2024 (Minutes No. 562 dated July 16, 2024)
<ul style="list-style-type: none"> • Leonid Vladimirovich Buzaev, Head of the Department for Operational and Technical Management of Rosseti, PJSC (Chairman) • Aleksandr Viktorovich Pilyugin, Deputy General Director of Technical Supervision Center, Branch of Rosseti, PJSC • Viktor Mikhailovich Abaimov, First Deputy General Director – Chief Engineer, Rosseti Northern Caucasus, PJSC • Anna Vladimirovna Mudretsova, Head of the Department for the Development of 	<ul style="list-style-type: none"> • Leonid Vladimirovich Buzaev, Head of the Department for Operational and Technical Management of Rosseti, PJSC (Chairman) • Aleksandr Viktorovich Pilyugin, Deputy General Director of Technical Supervision Center, Branch of Rosseti, PJSC • Viktor Mikhailovich Abaimov, First Deputy General Director – Chief Engineer, Rosseti Northern Caucasus, PJSC • Anna Vladimirovna Mudretsova, Head of the Department for the Development of

Production Programs of the Department of Production Activities of Rosseti, PJSC	Production Programs of the Department of Production Activities of Rosseti, PJSC
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Comment. The positions are specified as of the date of approval of the Committee composition.

Report on committee activity in 2024

6 meetings were held (9 in 2023, 3 in 2022), all in absentia (both in 2023 and 2022). At the meetings of the Committee in 2024, 13 issues were considered, including the following.

Individual decisions and issued recommendations.

It was recommended that the Board of Directors:

- take under advisement the report:
 - on the progress of implementation of the updated Company Production Asset Management System Development Plan for 2022–2024 and on the resource plan for 2023 (Minutes No. 92 dated April 3, 2024, meeting date – April 3, 2024);
- approve:
 - Program for Renovation of the Power Grid Facilities of the Company for 2024–2028 (Minutes No. 91 dated March 27, 2024, meeting date – March 27, 2024);
 - report on the progress of implementation in 2023 of the Program for Renovation of the Power Grid Facilities of the Company (Minutes No. 93 dated May 13, 2024, meeting date – May 13, 2024).

The Sole Executive Body of the Company is recommended to:

- approve the organizational structure of the management office of branch of Rosseti Northern Caucasus, PJSC, Dagenergo (Minutes No. 94 dated June 3, 2024, meeting date – June 3, 2024).

The following reports on the results of the Company's operation were taken into account:

- on the progress of the Company's preparation for work in the autumn-winter period of 2023–2024, including readiness to organize and carry out emergency recovery work in the autumn-winter period of 2023–2024 (Minutes No. 91 dated March 27, 2024, meeting date – March 27, 2024);
- on the progress of implementing programs to improve the reliability of electrical grids of the Company's branches for 6 months of 2024 (Minutes No. 95 dated August 12, 2024, meeting date – August 12, 2024);
- on the progress of the Company's work during the flood period of 2024 (Minutes No. 96 dated December 17, 2024, meeting date – December 17, 2024);
- on the progress of the Company's work during the stormy period of 2024 (Minutes No. 96 dated December 17, 2024, meeting date – December 17, 2024);
- on the progress of the Company's work during the fire hazard period of 2024 (Minutes No. 96 dated December 17, 2024, meeting date – December 17, 2024);
- on the progress of the Company's preparation for work in the autumn-winter period of 2024–2025, including readiness to organize and carry out emergency recovery work in the autumn-winter period of 2024–2025 (Minutes No. 96 dated December 17, 2024, meeting date – December 17, 2024).

Decisions were made regarding the organization of the Committee activities.

- The Work Plan of the Committee for Reliability of the Board of Directors of the Company for 2024–2025 corporate year was approved (Minutes No. 95 dated August 12, 2024, meeting date – August 12, 2024).
- It was recommended that the Board of Directors of the Company approve the budget of the Committee for Reliability of the Board of the Company (Minutes No. 95 dated August 12, 2024, meeting date – August 12, 2024).

Participation of members of the Reliability Committee in meetings of the Committee in 2024*

Full name of the Committee member	Decision of the Board of Directors on the election of the Committee	Corporate year when the person was a member of the Committee	Number of meetings, pcs
Total meetings held in 2024			6
including meetings in presentia (in presentia/absentia)			0
Viktor Mikhailovich Abaimov	August 22, 2023 (Minutes No. 538 dated August 24, 2023); July 15, 2024 (Minutes No. 562 dated July 16, 2024)	2023–2024 2024–2025	6/6
including in presentia			0/0
Leonid Vladimirovich Buzaev	August 22, 2023 (Minutes No. 538 dated August 24, 2023); July 15, 2024 (Minutes No. 562 dated July 16, 2024)	2023–2024 2024–2025	6/6
including in presentia			0/0
Anna Vladimirovna Mudretsova	August 22, 2023 (Minutes No. 538 dated August 24, 2023); July 15, 2024 (Minutes No. 562 dated July 16, 2024)	2023–2024 2024–2025	6/6
including in presentia			0/0
Aleksandr Viktorovich Pilyugin	August 22, 2023 (Minutes No. 538 dated August 24, 2023); July 15, 2024 (Minutes No. 562 dated July 16, 2024)	2023–2024 2024–2025	6/6
including in presentia			0/0

* In presentia – meetings that the person attended in the form of joint presence. A/B: A – number of meetings that the person attended; B – number of meetings held for the period, when the person was a member of the Committee.

Strategy Committee

Key objectives of the Committee

Development and submission of recommendations (conclusions) to the Board of Directors of the Company on areas of activity of the Board of Directors that are within the competence of the Committee, in particular: strategic development and priority areas of activity, innovation development, organization of business processes, business planning, dividend policy, risk management, assessment of the performance of the Company and its subsidiaries, as well as other tasks and areas defined by the Corporate Governance Code of the Bank of Russia.

The number of members of the Committee is determined by the Board of Directors of the Company and may not be less than 5 and more than 11 people. The personal structure of Committee shall be elected by the Company Board of Directors from the candidates presented by the members of the Company Board of Directors. During the election of Committee members, their education, professional training, experience in the field of the Committee's activities and other special knowledge necessary for realization by Committee members of their authority should be considered.

Compositions of the Strategy Committee in 2024

Elected by the resolution of the Board of Directors dated September 12, 2023 (Minutes No. 539 dated September 14, 2023)	Elected by the resolution of the Board of Directors dated August 9, 2024 (Minutes No. 563 dated August 12, 2024)
• Natalya Vladimirovna Paramonova, First Deputy Head of the Department of Economy	• Natalya Vladimirovna Paramonova, First Deputy Head of the Department of Economy

<p>of Rosseti, PJSC (Chairman, member of the Board of Directors)</p> <ul style="list-style-type: none"> • Yuri Yurievich Kalabin, Head of the Strategic Development Department of Rosseti, PJSC • Aleksandr Yurievich Korneev, Head of the Department of Technological Connection and Infrastructure Development of Rosseti, PJSC • Palina Nikolaevna Kanyuka, Acting Deputy Chief Engineer – Head of the Department of Production Activities of Rosseti, PJSC • Rustem Rafaelevich Aymetov, Head of the Department for Interaction with Customers and Market of Rosseti, PJSC • Sergey Aleksandrovich Usevich, Deputy General Director for Corporate Governance of Rosseti Northern Caucasus, PJSC 	<p>of Rosseti, PJSC (Chairman, member of the Board of Directors)</p> <ul style="list-style-type: none"> • Yuri Yurievich Kalabin, Head of the Strategic Development Department of Rosseti, PJSC • Aleksandr Yurievich Korneev, Head of the Department of Technological Connection and Infrastructure Development of Rosseti, PJSC • Palina Nikolaevna Kanyuka, Acting Deputy Chief Engineer – Head of the Department of Production Activities of Rosseti, PJSC • Rustem Rafaelevich Aymetov, Head of the Department for Interaction with Customers and Market of Rosseti, PJSC • Sergey Aleksandrovich Usevich, Deputy General Director for Corporate Governance of Rosseti Northern Caucasus, PJSC
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Comment. The positions are specified as of the date of approval of the Committee composition.

Report on committee activity in 2024

12 meetings were held (14 in 2023, 11 in 2022), one in the form of joint presence (in 2023 and 2022, all in absentia). At the meetings of the Committee in 2024, 16 issues were considered, including the following.

Individual decisions and issued recommendations

Issues related to the Company's investment activities were considered.

- It was recommended that the Board of Directors:
 - take under advisement the report on consideration of the report on the implementation of the Company's investment program, including the progress of implementation of the Company's investment projects included in the list of priority facilities on the progress of implementation of the Company's investment program (Minutes No. 202 dated January 25, 2024, meeting date – January 25, 2024, No. 204 dated February 21, 2024, meeting date – February 21, 2024, No. 207 dated June 14, 2024, meeting date – June 14, 2024, No. 213 dated November 12, 2024, meeting date – November 12, 2024);
 - approve the draft investment program of the Company for the 2024–2028 period (Minutes No. 208 dated July 17, 2024, meeting date – July 17, 2024).

Issues related to business planning and financial and economic activities of the Company were considered.

- It was recommended that the Board of Directors:
 - approve:
 - ✓ estimates of the Company's expenses for the reporting periods (Minutes No. 203 dated January 30, 2024, meeting date – January 30, 2024, No. 205 dated April 26, 2024, meeting date – April 26, 2024);
 - ✓ the Company's business plan for 2024 and take under advisement the forecast indicators for 2025–2028 (Minutes No. 206 dated June 7, 2024, meeting date – June 7, 2024);

- ✓ the Company's business plan for 2024, consolidated based on IFRS principles, and the forecast indicators for 2025–2028 (Minutes No. 209 dated September 10, 2024, meeting date – September 10, 2024);
- take under advisement the reports on execution of:
 - ✓ business plan of Rosseti Northern Caucasus, PJSC consolidated based on IFRS principles for 2023 (Minutes No. 211 dated October 24, 2024, meeting date – October 24, 2024);
 - ✓ business plan of the Company (Minutes No. 202 dated January 25, 2024, meeting date – January 25, 2024; No. 210 dated September 25, 2024, meeting date – September 25, 2024; No. 212 dated October 28, 2024, meeting date – October 25, 2024).

Issues related to the organization and functioning of the internal control system and risk management system of the Company were considered.

- It was recommended that the Board of Directors:
 - take under advisement the report on the organization, functioning and efficiency of the risk management system and internal control system of the Company for 2023 (Minutes No. 205 dated April 26, 2024, meeting date – April 26, 2024).

Decisions were made regarding the organization of the Committee activities.

- It was recommended that the Board of Directors of the Company approve the budget of the Strategy Committee of the Board of Directors of the Company (Minutes No. 209 dated September 10, 2024, meeting date – September 10, 2024).
- The Work Plan of the Strategy Committee of the Board of Directors of the Company for 2024–2025 corporate year was approved (Minutes No. 209 dated September 10, 2024, meeting date – September 10, 2024);

Participation of members of the Strategy Committee in meetings of the Committee in 2024*

Full name of the Committee member	Decision of the Board of Directors on the election of the Committee	Corporate year when the person was a member of the Committee	Number of meetings, pcs
Total meetings held in 2024			12
including meetings in presentia (in presentia/absentia)			1
Rustem Rafaelevich Aymetov	September 12, 2023 (Minutes No. 539 dated September 14, 2023); August 9, 2024 (Minutes No. 563 dated August 12, 2024)	2023–2024 2024–2025	12/12
including in presentia			1/1
Yuri Yurievich Kalabin	September 12, 2023 (Minutes No. 539 dated September 14, 2023); August 9, 2024 (Minutes No. 563 dated August 12, 2024)	2023–2024 2024–2025	11/12
including in presentia			1/1
Palina Nikolaevna Kanyuka	September 12, 2023 (Minutes No. 539 dated September 14, 2023); August 9, 2024 (Minutes No. 563 dated August 12, 2024)	2023–2024 2024–2025	12/12
including in presentia			0/1
Aleksandr Yurievich Korneev	September 12, 2023 (Minutes No. 539 dated September 14, 2023); August 9, 2024 (Minutes No. 563 dated August 12, 2024)	2023–2024 2024–2025	11/12
including in presentia			0/1
Nataliya Vladimirovna Paramonova	September 12, 2023 (Minutes No. 539 dated September 14, 2023); August 9, 2024 (Minutes No. 563 dated August 12, 2024)	2023–2024 2024–2025	12/12
including in presentia			1/1
Sergey Aleksandrovich Usevich	September 12, 2023 (Minutes No. 539 dated September 14, 2023); August 9, 2024 (Minutes No. 563 dated August 12, 2024)	2023–2024 2024–2025	12/12
including in presentia			1/1

* In presentia – meetings that the person attended in the form of joint presence. A/B: A – number of meetings that the person attended; B – number of meetings held for the period, when the person was a member of the Committee.

Committee for Technological Connection to Electric Power

Key objectives of the Committee

Elaboration and presentation of recommendations (conclusions) to the Board of Directors on the following aspects of activities of the Board of Directors:

- develop proposals on improving the legal base of anti-monopoly legislation and provide consumers with non discriminatory access to technical connection to the electricity grid;
- development of proposals for the improvement of the Company’s internal regulations and standards for maintenance of the non-discriminatory access to services for the technical connection of consumers to electric power grids;
- development of principles and criteria for performance assessment of the Company’s activity on technical connection of consumers to electric power grids;
- performance assessment of the Company’s activity on technical connection of consumers to electric power grids;
- assessment of the Company’s performance on improving the quality of planning the power grid development;
- analysis of the current situation of the Company and preparation of proposals for the Company’s Board of Directors concerning the technical connection of consumers to power grids and prospective development of power grids;
- development of proposals for improving the internal regulations and standards of the Company for the implementation of additional (non-tariff) services of the Company;
- development of proposals for optimizing and improving the efficiency of services, expanding the list of non-tariff services and additional services for consumers in the direction of other activities;
- development of principles and criteria for evaluating the effectiveness of the Company in the development and implementation of additional services;
- assessment of the effectiveness of the Company in the development and implementation of additional services;
- analysis of the current situation in the Company, and preparation of proposals to the Board of Directors of the Company regarding the development and implementation of additional (non-tariff) services, additional digital services for consumers.

The number of members of the Committee is determined by a decision of the Board of Directors of the Company in an amount of not more than 5 people. The personal structure of Committee shall be elected by the Company Board of Directors from the candidates presented by the members of the Company Board of Directors. During the election of Committee members, their education, professional training, experience in the field of the Committee's activities and other special knowledge necessary for realization by Committee members of their authority should be considered.

Compositions of Committee for Technical Connection to Electric Grids in 2024

Elected by the resolution of the Board of Directors dated August 22, 2023 (Minutes No. 538 dated August 24, 2023)	Elected by the resolution of the Board of Directors dated August 9, 2024 (Minutes No. 563 dated August 12, 2024)
• Dmitry Nikolaevich Skripalshchikov, Head of the Department for the Prospective Development of the Electric Grid	• Dmitry Nikolaevich Skripalshchikov, Head of the Department for the Prospective Development of the Electric Grid

Elected by the resolution of the Board of Directors dated August 22, 2023 (Minutes No. 538 dated August 24, 2023)	Elected by the resolution of the Board of Directors dated August 9, 2024 (Minutes No. 563 dated August 12, 2024)
Infrastructure of the Department of Technological Connection and Infrastructure Development of Rosseti, PJSC (Chairman) <ul style="list-style-type: none"> • Stanislav Mikhailovich Kuryavyi, Head of the Operations Control Department of subsidiaries and affiliates of Rosseti, PJSC • Aslan Isufovich Dokshukin, Deputy General Director for Interaction with Electricity Market Entities of Rosseti Northern Caucasus, PJSC • Yuri Nikolaevich Ashikhmin, Director for Network Development of MES of the South 	Infrastructure of the Department of Technological Connection and Infrastructure Development of Rosseti, PJSC (Chairman) <ul style="list-style-type: none"> • Stanislav Mikhailovich Kuryavyi, Head of the Operations Control Department of subsidiaries and affiliates of Rosseti, PJSC • Aslan Isufovich Dokshukin, Deputy General Director for Interaction with Electricity Market Entities of Rosseti Northern Caucasus, PJSC • Yuri Nikolaevich Ashikhmin, Director for Development of Branch Network of Rosseti, PJSC – MES of the South

Comment. The positions are specified as of the date of approval of the Committee composition.

Report on committee activity in 2024

6 meetings were held (7 in 2023, 6 in 2022), 2 in the form of joint presence (in 2023 and 2022, all in absentia). At the meetings of the Committee in 2024, 8 issues were considered, including the following.

Individual decisions and issued recommendations

- The reports and reporting information of the Company were considered:
 - on the results of the implementation of measures to increase the availability of energy infrastructure in 2023 as part of the National Investment Climate Index prepared on an annual basis by Autonomous Non-Profit Organization “The Agency for Strategic Initiatives” (ASI) in the field of “Efficiency of Electric Power Connection Procedures” (Minutes No. 59 dated April 18, 2024, meeting date – April 18, 2024);
 - on preparation by Rosseti Northern Caucasus, PJSC of initial data for consideration in the development of the Schemes and Programs for the Development of Electric Power Systems in Russia (S&PD of EPS of Russia) for the period of 2025–2030 (Minutes No. 59 dated April 18, 2024, meeting date – April 18, 2024).
- It was recommended that the Board of Directors of the Company take under advisement the reports of the General Director of the Company on the current situation in the Company’s activities regarding the technical connection of consumers to electric grids (Minutes No. 60 dated April 23, 2024, meeting date – April 23, 2024; No. 61 dated August 8, 2024, meeting date – August 8, 2024; No. 63 dated September 19, 2024, meeting date – September 19, 2024, No. 64 dated December 17, 2024; meeting date – December 17, 2024).

Decisions were made regarding the organization of the Committee activities.

- The Work Plan of the Committee for Technological Connection to Electric Power of the Board of Directors of the Company for 2024-2025 corporate year was approved.
- it was recommended that the Board of Directors of the Company approve the budget of the Committee for Technological Connection to Electric Power of the Board of Directors of the Company (Minutes No. 62 dated September 10, 2024, meeting date – September 10, 2024).

Participation of members of the Committee for Technological Connection to Electric Power in Committee meetings in 2024*

Full name of the Committee member	Decision of the Board of Directors on the election of the Committee	Corporate year when the person was a member of the Committee	Number of meetings, pcs
Total meetings held in 2024			6
including meetings in presentia (in presentia/absentia)			2
Yuri Nikolaevich Ashikhmin	August 22, 2023 (Minutes No. 538 dated August 24, 2023); August 9, 2024 (Minutes No. 563 dated August 12)	2023–2024 2024–2025	6/6
including in presentia			2/2
Aslan Isufovich Dokshukin	August 22, 2023 (Minutes No. 538 dated August 24, 2023); August 9, 2024 (Minutes No. 563 dated August 12)	2023–2024 2024–2025	6/6
including in presentia			2/2
Stanislav Mikhailovich Kuryavyi	August 22, 2023 (Minutes No. 538 dated August 24, 2023); August 9, 2024 (Minutes No. 563 dated August 12)	2023–2024 2024–2025	6/6
including in presentia			1/2
Dmitry Nikolaevich Skripalshchikov	August 22, 2023 (Minutes No. 538 dated August 24, 2023); August 9, 2024 (Minutes No. 563 dated August 12)	2023–2024 2024–2025	6/6
including in presentia			2/2

* In presentia – meetings that the person attended in the form of joint presence. A/B: A – number of meetings that the person attended; B – number of meetings held for the period, when the person was a member of the Committee.

5.3.4. Corporate Secretary

In accordance with the decision of the Board of Directors of the Company dated August 26, 2022 (Minutes No. 509 dated August 29, 2022), Marina Khalitovna Kumukova, Director of the Department for Corporate Governance and Shareholder Relations of the Company, was elected Corporate Secretary of Rosseti Northern Caucasus, PJSC. A Corporate Secretary ensures the proper compliance with the procedure for preparation and holding the General Meeting of Shareholders and operations of the Board of Directors. The status of the Corporate Secretary, requirements to the candidate, procedure for appointment and dismissal of the Corporate Secretary, subordination and procedure for communication with the management bodies and subdivisions of the Company as well as other aspects of the functions of the Corporate Secretary are established by the Regulations on the Corporate Secretary of the Company approved by the decision of the Board of Directors of the Company on November 18, 2016 (Minutes No. 268 dated November 21, 2016) (as amended, Minutes No. 402 dated December 16, 2019).

In accordance with the Regulations on the Corporate Secretary of Rosseti Northern Caucasus, PJSC, the functions of the Corporate Secretary of the Company include:

- taking part in ensuring smooth cooperation between the Company and regulatory authorities, trade organizers, registrar and any other professional players in the securities market;
- notification of the Company's Board of Directors of any revealed violations of the Russian law or any internal policies of the Company, compliance with which shall be overseen by the Corporate Secretary of the Company as a part of its job duties;
- taking part in the Company's interactions with its shareholders and in preventing any corporate conflicts, in implementation of the procedures as established by the law of the Russian Federation and the internal policies of the Company safeguarding the rights and legitimate interests of the Company's shareholders, overseeing execution thereof;

- participating in organizing the preparation and holding of the General Meetings of Shareholders of the Company;
- taking part in implementation of the Company's disclosure policy and ensuring safe keeping of the Company's corporate documents within the powers conferred;
- participating in improvement of the Company's corporate governance system and practice;
- rendering support to ensure ongoing operations of the Board of Directors;
- assistance to ensure ongoing operation of the Committees of the Board of Directors.

The Corporate Secretary of the Company shall have the right to:

- request and receive documents of the Company;
- upon instruction of the Chairman of the Board of Directors put forward questions within its competence for review to the executing bodies of the Company;
- supervise compliance of the Company officers and employees with the Charter and internal policies of the Company in the part falling within functions of the Corporate Secretary of the Company;
- interact with the Chairman of the Board of Directors of the Company and the Chairmen of the Committees under the Board of Directors of the Company;
- inform the Chairman of the Board of Directors and/or the Director General of the Company of any facts leading to inability of the Corporate Secretary to perform its functions.

Ensuring independence from the executive bodies of the Company

The Corporate Secretary of the Company is elected by the members of the Board of Directors of the Company in the manner prescribed by the Charter and the Regulations on the Corporate Secretary of the Company. The Corporate Secretary of the Company shall be functionally subordinate to the Board of Directors. The status of the Corporate Secretary, requirements to the candidate, procedure for appointment and dismissal of the Corporate Secretary, subordination and procedure for communication with the management bodies and subdivisions of the Company as well as other aspects of the functions of the Corporate Secretary are established by the Regulations on the Corporate Secretary of the Company to be approved by the Board of Directors of the Company.

Candidate for a position of the Company's Corporate Secretary shall be nominated by the Chairman of the Board of Directors of the Company with account of requirements outlined in the Regulations on the Corporate Secretary of the Company. The Personnel and Remuneration Committee under the Board of Directors of the Company shall give recommendations to the Board of Directors of the Company with regard to the nominees, size of remuneration and principles of bonus pay to the Corporate Secretary of the Company. The Board of Directors of the Company shall make a decision regarding election of the Corporate Secretary of the Company, determine the size of remuneration and principles of bonus pay to the Corporate Secretary of the Company with account of recommendations given by the Personnel and Remuneration Committee under the Board of Directors of the Company.

The Corporate Secretary shall report to the Board of Directors of the Company, which shall annually assess the performance of and approve the report on work performed by the Corporate Secretary of the Company.

Information about the Corporate Secretary of the Company

Marina Khalitovna Kumukova
Corporate Secretary

Was elected Corporate Secretary of Rosseti Northern Caucasus, PJSC in August 2022.

Year of birth: 1973

Education:

- higher, Saratov State Academy of Law, jurisprudence, lawyer.

Information on positions held:

since 2009 has been working at Rosseti Northern Caucasus, PJSC, as of the end of 2024 – Director of the Department for Corporate Governance and Shareholder Relations of Rosseti Northern Caucasus, PJSC.

In 2024, the Corporate Secretary of the Company did not make transactions for the acquisition and/or alienation of shares of the Company and/or its subsidiaries, does not own shares of the Company and its subsidiaries.

5.3.5. Executive Management Bodies of the Company

The management of the current activity of the Company shall be executed by the sole executive body – General Director, and by the collegial executive body – Company’s Management Board. The General Director and the Management Board shall be accountable to the Company’s General Meeting of Shareholders and the Company’s Board of Directors.

The Management Board is the collegial executive body of the Company

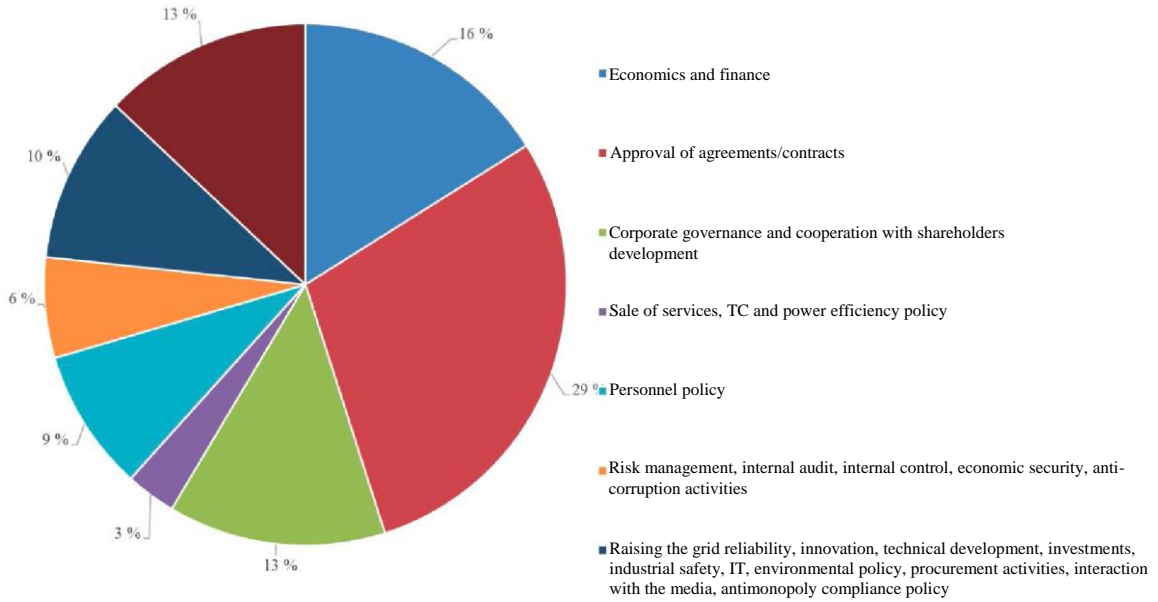
Election and size of the Management Board are determined by the Board of Directors of Rosseti Northern Caucasus, PJSC, based on the proposal of the General Director.

The competence of the Board is established by Article 22 of the Charter of Rosseti Northern Caucasus, PJSC and includes the following issues:

- working-out of the Company’s development strategy and its submission for consideration to the Board of Directors;
- preparation of a business plan and a quarterly report on the business plan fulfillment, as well as approval of the cash flow (budget) of the Company;
- preparation of the annual report of the Company, report on implementation by the Management Board of the resolutions passed by the Company’s General Meeting of Shareholders and the Board of Directors;
- consideration of reports (information) of the Deputy General Directors of the Company, heads of standalone structural divisions of the Company on the activities of the Company and its subsidiaries and affiliates submitted for consideration by the Management Board of the Company in accordance with instructions from the Management Board or the Board of Directors of the Company;
- making decisions on matters assigned to the responsibility of supreme management bodies of business entities in which the Company owns 100%;
- making decisions on closing transactions dealing with properties, works and services book value whereof is equal to 1–25% of the book value of assets of the Company as defined according to the accounting (financial) statements as of the latest reporting date;
- effective risk management within the framework of the Company’s current activity; approval of the budget for risk management measures in the Company within the limits agreed by the Board of Directors' resolution; solving cross-functional (accomplished by several structural subdivisions) issues for risk management;
- solution of other issues of the Company’s current activities management according to the decisions of the Company’s General Meeting of Shareholders, the Company’s Board of Directors, and the issues which were submitted by the Company’s General Director for the Management Board’s consideration.

In 2024, 59 meetings of the Management Board of Rosseti Northern Caucasus, PJSC were held (68 in 2023, 62 in 2022), one in the form of joint presence (one in-person meeting in 2023, all in absentia in 2022), 193 issues were considered (218 in 2023, 249 in 2022).

Categories of matters considered by the Management Board in 2024, %



Members of the Management Board of Rosseti Northern Caucasus, PJSC, as of December 31, 2024

**Roman Alekseevich Levchenko
Chairman of the Management Board**

Was elected member of the Management Board of Rosseti Northern Caucasus, PJSC, in May 2021. Information about R. A. Levchenko was provided as part of the information on the current membership of the Board of Directors of Rosseti Northern Caucasus, PJSC.

Viktor Mikhailovich Abaimov

Was elected member of the Management Board of Rosseti Northern Caucasus, PJSC, in September 2020.

Year of birth: 1972.

Education:

- Novocherkassk State Polytechnic University, degree in Power Supply for Industrial Enterprises, electrical engineer;
- South-Russian State Technical University (Novocherkassk Polytechnic Institute), Economics and Enterprise Management (Electricity Power Industry), managing economist.

Information about the employment of a member of the Management Board over the past 5 years and about participation in the management and control bodies of other organizations:

Period		Name of organization	Position
from	to		
2016	2020	IDGC of North-West, PJSC	Deputy Chief Engineer for Operation – Head of DTP RO ROEX

2020	2020	Rosseti Northern Caucasus, PJSC	Acting First Deputy General Director – Chief Engineer
2020	as of the end of 2024	Rosseti Northern Caucasus, PJSC	First Deputy General Director – Chief Engineer, member of the Management Board
2023	as of the end of 2024	Rosseti Northern Caucasus, PJSC	Member of the Board of Directors’ Committee for Reliability

Information on ownership of shares of the Company during the reporting year: did not own shares of the Company during the reporting year.

Information about transactions with shares of the Company made by a member of the Management Board in the reporting year: did not enter into transactions with shares of the Company in the reporting year.

Information on the participation of a member of the Management Board in other organizations: does not participate in other organizations.

Information about potential conflict of interest of a member of the Management Board (including related to participation in the management bodies of other organizations): there is no conflict of interest.

Ivan Sergeevich Komissarov

Was elected member of the Management Board of Rosseti Northern Caucasus, PJSC, in October 2022.

Year of birth: 1983.

Education:

- Tver State Technical University, degree in Power Supply, engineer.

Information about the employment of a member of the Management Board over the past 5 years and about participation in the management and control bodies of other organizations:

Period		Name of organization	Position
from	to		
2018	2019	First Professional Association, LLC	Technical Director
2019	2020	TOK, LLC	Deputy General Director – organizer of design activities in the construction sector, Deputy General Director
2020	2020	Teplosnabzhenie MTD, LLC	Technical Director
2020	2021	A Group Engineering, LLC	Technical Director
2021	2022	Rosseti Northern Caucasus, PJSC	Assistant Director General
2021	2022	Rosseti Northern Caucasus, PJSC	Acting Deputy General Director for Investment Activities
2022	as of the end of 2024	Rosseti Northern Caucasus, PJSC	Deputy General Director for Investment Activities, member of the Management Board

Information on ownership of shares of the Company during the reporting year: did not own shares of the Company during the reporting year.

Information about transactions with shares of the Company made by a member of the Management Board in the reporting year: did not enter into transactions with shares of the Company in the reporting year.

Information on the participation of a member of the Management Board in other organizations: does not participate in other organizations.

Information about potential conflict of interest of a member of the Management Board (including related to participation in the management bodies of other organizations): there is no conflict of interest.

Sergey Vladimirovich Smagin

Was elected member of the Management Board of Rosseti Northern Caucasus, PJSC, in May 2021. Year of birth: 1972.

Education:

- State Higher Professional Education Institution “Stavropol State University” degree in economics and management at the enterprise, managing economist.

Information about the employment of a member of the Management Board over the past 5 years and about participation in the management and control bodies of other organizations:

Period		Name of organization	Position
from	to		
2012	2020	Rostekhinventarizatsyya – Federal Bureau of Technical Inventorying, JSC	Advisor, Deputy Head of Department, Advisor
2020	2021	Federal State Budgetary Institution “Stavropolmeliovodkhoz Directorate” in the Stavropol Territory	Deputy Director
2021	2021	Federal State Budgetary Institution “Department for Land Reclamation, Water Management and Safety of Hydraulic Structures “Spetsmeliovodkhoz”	Deputy Director
from 2021	as of the end of 2024	Rosseti Northern Caucasus, PJSC	Member of the Management Board
2021	2022	Rosseti Northern Caucasus, PJSC	Assistant Director General
from 2022	as of the end of 2024	Rosseti Northern Caucasus, PJSC	Deputy General Director – Chief of Staff

Information on ownership of shares of the Company during the reporting year: did not own shares of the Company during the reporting year.

Information about transactions with shares of the Company made by a member of the Management Board in the reporting year: did not enter into transactions with shares of the Company in the reporting year.

Information on the participation of a member of the Management Board in other organizations: does not participate in other organizations.

Information about potential conflict of interest of a member of the Management Board (including related to participation in the management bodies of other organizations): there is no conflict of interest.

Sergey Aleksandrovich Usevich

Was elected member of the Management Board of Rosseti Northern Caucasus, PJSC, in May 2021.

Year of birth: 1978.

Education:

- FSFEI HE Bashkir State University, degree in jurisprudence;
- FSFEI HE Russian Academy of National Economy and Public Administration under the President of the Russian Federation, state and municipal administration.
- Moscow State Institute of International Relations of the Ministry of Foreign Affairs of the Russian Federation, State and Municipal Administration.

Information about the employment of a member of the Management Board over the past 5 years and about participation in the management and control bodies of other organizations:

Period		Name of organization	Position
from	to		
2019	2020	Administration of the city of Ryazan	Head of Control and Analytical Department
2020	as of the end of 2024	Rosseti Northern Caucasus, PJSC	Deputy General Director for Corporate Management
2021	as of the end of 2024	Rosseti Northern Caucasus, PJSC	Member of the Management Board
2023	as of the end of 2024	Sevkavkazenergo, JSC	Member of the Board of Directors
2023	as of the end of 2024	Rosseti Northern Caucasus, PJSC	Member of the Committee for Strategy under the Board of Directors of

Information on ownership of shares of the Company during the reporting year: did not own shares of the Company during the reporting year.

Information about transactions with shares of the Company made by a member of the Management Board in the reporting year: did not enter into transactions with shares of the Company in the reporting year.

Information on the participation of a member of the Management Board in other organizations: does not participate in other organizations.

Information about potential conflict of interest of a member of the Management Board (including related to participation in the management bodies of other organizations): there is no conflict of interest.

Igor Vladimirovich Shmakov

Was elected member of the Management Board of Rosseti Northern Caucasus, PJSC, in December 2021.

Year of birth: 1974

Education:

- Kuban State University;
- Federal State Budgetary Educational Institution of Higher Education Don State Agrarian University.

Information about the employment of a member of the Management Board over the past 5 years and about participation in the management and control bodies of other organizations:

Period		Name of organization	Position
from	to		
2016	2020	Rosseti Kuban, PJSC	Deputy General Director for Controlling
2020	2021	Rosseti Yug, PJSC	Property Management Director – Head of the Property Management Department of the Executive Office
2021	as of the end of 2024	Rosseti Northern Caucasus, PJSC	Member of the Management Board
2021	2022	Rosseti Northern Caucasus, PJSC	Assistant to General Director, acting as the First Deputy General Director
from 2022	as of the end of 2024	Rosseti Northern Caucasus, PJSC	First Deputy General Director

Information on ownership of shares of the Company during the reporting year: did not own shares of the Company during the reporting year.

Information about transactions with shares of the Company made by a member of the Management Board in the reporting year: did not enter into transactions with shares of the Company in the reporting year.

Information on the participation of a member of the Management Board in other organizations: does not participate in other organizations.

Information about potential conflict of interest of a member of the Management Board (including related to participation in the management bodies of other organizations): there is no conflict of interest.

During 2024, the Company did not provide loans to members of the Management Board of the Company.

During 2024, there were no changes in the composition of the Company's Management Board.

General Director – the sole executive body of the Company

The General Director shall perform the management by the Company's current activities in accordance with the decisions of the Company's General Meetings of Shareholders, Company's Board of Directors and Company's Management Board which were made in accordance with their competences.

The General Director acts without a power of attorney, taking into account the restrictions provided for by the law of the Russian Federation, the Charter and resolutions of the Board of Directors of the Company.

The competence of the Company's General Director includes all matters pertaining to the management of the Company's day-to-day activities, with the exception of those matters which

are referred to the competence of the Company's General Meeting of Shareholders, Board of Directors or Management Board. The competence of the General Director is established by Article 69 of the Federal Law "On Joint-Stock Companies" and Article 23 of the Charter of Rosseti Northern Caucasus, PJSC.

The General Director shall be governed by:

- Federal Law "On Joint-Stock Companies" and other regulations of the Russian Federation;
- Charter of Rosseti Northern Caucasus, PJSC;
- labor agreement.

The General Director shall be elected by the Company's Board of Directors by the majority of votes of the members of the Board of Directors participating in the meeting. Recommendation of candidates for the position of the Company's General Director for his/her election by the Company's Board of Directors shall be carried out according to the internal document regulating the procedure of convocation and holding the Company's Board of Directors.

In accordance with the decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated April 2, 2021 (Minutes No. 457 dated April 5, 2021), **Roman Alekseevich Levchenko**, Deputy General Director for Interaction with Electricity Market Entities of Rosseti Northern Caucasus, PJSC, was appointed Acting General Director of Rosseti Northern Caucasus, PJSC, from April 6, 2021 until the date the Board of Directors of Rosseti Northern Caucasus, PJSC makes a decision to elect the sole executive body. By the decision of the Board of Directors dated February 18, 2022 (Minutes No. 486 dated February 18, 2022), Roman Alekseevich Levchenko was elected General Director of Rosseti Northern Caucasus, PJSC from February 18, 2022 to February 17, 2025, inclusive. By the resolution of the Board of Directors of Rosseti Northern Caucasus, PJSC dated February 14, 2025 (Minutes No. 574 dated February 17, 2025), Roman Alekseevich Levchenko was elected General Director of Rosseti Northern Caucasus, PJSC from February 18, 2025 to February 17, 2027, inclusive.

As of December 31, 2024, **Roman Alekseevich Levchenko** is the General Director of Rosseti Northern Caucasus, PJSC.

In 2024, General Director of Rosseti Northern Caucasus, PJSC did not make transactions to acquire and/or alienate shares of Rosseti Northern Caucasus, PJSC and/or its subsidiaries; does not own shares of the Company and its subsidiaries.

5.4. System of Remuneration for Management Bodies and Committees of the Board of Directors of the Company

Remuneration of Board of Directors Members

Remuneration due to members of the Board of Directors fits with the market conditions and is established so that to ensure attraction of highly qualified specialists to participate in the Company's work and to motivate such specialists for honest and efficient activities.

The procedure for determining and payment of remuneration to members of the Board of Directors is reflected in detail in the Regulation on Payment of Remuneration and Compensations to Members of the Board of Directors of Rosseti Northern Caucasus, PJSC.

The general procedure for determining and paying remuneration established by the Regulations on the payment of remuneration and compensation to members of the Board of Directors of IDGC of Northern Caucasus, PJSC, approved by the annual General Meeting of Shareholders on June 25, 2019 (Minutes No. 20 dated June 27, 2019).

Remuneration criteria

The principal criterion is participation in meetings and work of the Board of Directors.

Payment of remuneration to a member of the Board of Directors of the Company shall be made for the period from the date of election of a candidate to the Board of Directors of the Company until the date of termination of powers of a member of the Board of Directors of the Company.

Remuneration to each member of the Board of Directors shall be paid quarterly.

The amount of quarterly remuneration for membership in the Company's Board of Directors of each member of the Company's Board of Directors shall be calculated taking into account the total number of meetings of the Company's Board of Directors for the reporting quarter and the number of meetings in which the member of the Board of Directors participated.

Additional charges and remuneration

The following bonuses shall be additionally determined:

30% of S(1)¹ – to the Chairman of the Board of Directors of the Company;

20% of S(1) – to the Chairman of the specialized Committee of the Board of Directors of the Company;

10% of S(1) – for membership in a specialized committee of the Board of Directors of the Company

Bonuses for chairmanship and/or membership in a specialized Committee of the Board of Directors of the Company shall not be paid if there has not been a single meeting of the Committee for the reporting quarter.

Remuneration shall not be paid, if the member of the Board of Directors did not attend more than 50% of the meetings held in the reporting quarter.

¹ S(1) – the amount of the quarterly remuneration for participation in meetings of the Board of Directors of the Company.

Payment of remuneration shall be made at the expense of profits from unregulated activities.

Expenses related to participation in meetings of the Board of Directors, a specialized Committee of the Board of Directors, General Meetings of Shareholders of the Company are also planned to be compensated at the rates of reimbursement of travel expenses in force at the time of the meeting established for the Company's top managers.

Texts of the Regulations are available on the website of Rosseti Northern Caucasus, PJSC in "For Shareholders and Investors/Charter and By-laws/Documents of Corporate Governance Procedures" at: https://www.rossetisk.ru/shareholders_and_investors/dokumenty/dokumenty_protседur_upravleniya/.

Amount of remuneration paid and expenses compensated to members of the Board of Directors of Rosseti Northern Caucasus, PJSC, during 2022–2024, thousand rubles

Indicator	2024	2023	2022
Remuneration for participation in the management body work	16,141.00	14,376.15	13,074.23
Salaries	–	–	–
Bonuses	–	–	–
Fees	–	–	–
Other types of remuneration	–	–	–
Total	16,141.00	14,376.15	13,074.23
Reimbursement of expenses	–	–	–

Remuneration to members of the Management Board

Management Board members as staff members of Rosseti Northern Caucasus, PJSC, receive the payment for their work on the positions held in accordance with the labor contracts.

Besides, in accordance with cl. 3.12 of Regulations on the remuneration of employees of the Executive Office of Rosseti Northern Caucasus, PJSC (Appendix 2.6 to the Collective Agreement of Rosseti Northern Caucasus, PJSC for 2019–2021, considering the extension until December 31, 2024) when an employee is elected a member of the Management Board of the Company by order of the General Director of the Company, such employee may be given a personal allowance of 5% of the salary.

Also, in accordance with cl. 2.3 of the Regulations on material incentives for the heads of branches of Rosseti Northern Caucasus, PJSC, approved by order of the Company No. 458 dated September 30, 2022, when the head of the corresponding branch of the Company is elected as a member of the Management Board of the Company, by order of the General Director of the Company, such employee may be given a personal allowance of 15% of the salary established for the head of the relevant branch of the Company.

In accordance with cl. 4.1 of the Regulations on remuneration and material incentives for senior managers of Rosseti Northern Caucasus, PJSC, approved by the decision of the Board of Directors of the Company dated August 4, 2023 (Minutes No. 537 dated August 7, 2023) the system of remuneration and material incentives for the top manager of the Company consists of the annual maximum possible total personal remuneration, which includes additional payment for membership in the collegial executive body (Management Board) of the Company, including payments in the form of remuneration on the basis of a separate employment contract concluded

with a member of the Management Board of the Company and in accordance with cl. 5.4 of the Regulations on remuneration and material incentives for Senior Managers of Rosseti Northern Caucasus, PJSC, approved by the decision of the Board of Directors of the Company dated August 4, 2023 (Minutes No. 537 dated August 7, 2023) additional payment for membership in the collegial executive body (Management Board) of the Company for the senior manager of the Company is established in an amount corresponding to the minimum wage on the basis of Article 133 of the Labor Code of the Russian Federation.

The amount of the remuneration paid and costs compensated to members of the Management Board of Rosseti Northern Caucasus, PJSC, during 2022–2024, thousand rubles

Indicator	2024	2023	2022
Remuneration for participation in the management body work	685.33	1,506.43	1,692.85
Salaries	51,188.73	48,899.34	35,318.53
Bonuses	–	12,915.06	7,023.59
Fees	–	–	–
Other types of remuneration	–	–	–
Total	51,874.06	63,320.83	44,034.97
Reimbursement of expenses	-	2,006.37	2,639.42

Remuneration of the General Director

The General Director's employment conditions, guarantees, and compensation for the period of fulfillment of duties shall be determined by the employment agreements, which terms and conditions are determined by the person authorized by the Board of Directors.

Remuneration of members of Committees under the Board of Directors

Payment of remunerations to members of the committees at the Board of Directors shall be made in compliance with the Regulations on Payment of Remuneration and Compensations to Members of the Committees. Texts of the Regulations are available on the website of Rosseti Northern Caucasus, PJSC in "To Shareholders and Investors/Charter and Internal Documents/Documents of Corporate Governance Procedures" at:

https://www.rossetisk.ru/shareholders_and_investors/dokumenty/dokumenty_protsehdur_upravleniya/.

Remuneration for participation in each meeting held in the form of joint presence

A member of the Committee shall receive the remuneration in the amount equivalent to two minimal monthly wages of the first category worker established by the sectoral tariff agreement in the RF power complex (the Agreement) on the day of the committee meeting, taking into account indexation established by the Agreement.

To the Chairman (Deputy Chairman) for the meeting where he or she served as Chairman of the Committee, remuneration was increased by 50%.

Remuneration for participation in each meeting held in absentia

A member of the Committee is paid a remuneration in the amount equivalent to a minimum monthly tariff rate of the first category worker subject to indexation established by the Agreement. For Chairman (Deputy Chairman) of the Committee for the meeting where he or she acted as Chairman of the Committee, the remuneration was increased by 50%. In case the Chairman and/or

members of the Committees at the Board of Directors are simultaneously members of the Board of Directors of the Company, payment of the remuneration due to them shall be effected following the procedure and in the amount as stipulated by the by-laws of the Company governing payment of remuneration and compensations to members of the Board of Directors of the Company as approved by the General Meeting of Shareholders of the Company.

Remuneration paid to members of the committees of the Board of Directors of Rosseti Northern Caucasus, PJSC, in 2022–2024, thousand rubles

Committee name	2024	2023	2022
Strategy Committee	684.46	566.28	327.78
Personnel and Remuneration Committee	205.79	418.84	243.35
Reliability Committee	245.58	350.63	100.84
Audit Committee	335.73	102.32	–
Committee for Technological Connection to Electric Power	431.24	404.46	312.88
Total	1,902.80	1,842.53	984.85

Remuneration payment was made in cash.

5.5. Risk Management, Internal Control and Internal Audit

Risk Management, Internal Control

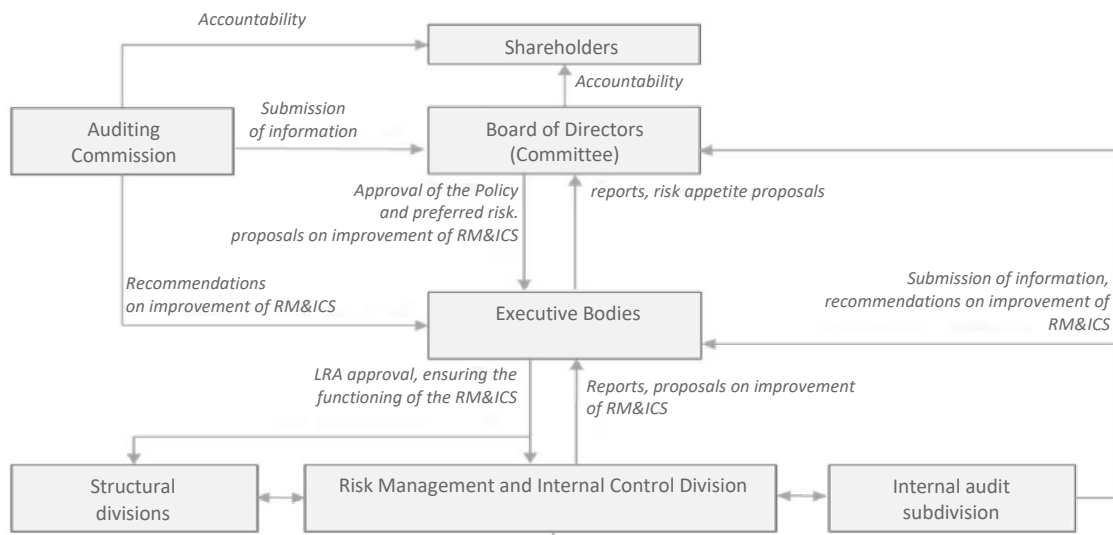
The Company has established and runs a risk management and internal control system (hereinafter referred to as RM&ICS), the purpose of which is to provide reasonable assurance in achieving the Company's goals and development strategy of the Rosseti Group of Companies, including provision of reliable, high-quality and affordable power supply to consumers, as well as operational goals of financial and economic activities of the Company.

The main documents regulating the organization and operation of RM&ICS in the Company are:

- Risk Management and Internal Control Policy (Resolution of the Board of Directors dated July 7, 2023, Minutes No. 535 dated July 10, 2023);
- Preferred risk (risk appetite) (decision of the Board of Directors dated October 9, 2023, Minutes No. 540 dated October 11, 2023);
- Program for the development of the risk management and internal control system (order No. 249 dated June 19, 2023);
- The procedure for organizing the risk management and internal control (Order No. 270 dated September 10, 2024);
- Methodology for Risk Assessment and Monitoring (Order No. 560 dated November 21, 2023);
- Procedure for Determining the Preferred Risk (Risk Appetite) (Order No. 507 dated October 24, 2023);
- Glossary in the field of risk management and internal control (Order No. 19 dated January 24, 2023);
- Risk register (Decision of the Management Board dated December 26, 2023, Minutes No. 392 dated December 26, 2023).

Scheme of interaction of participants of the risk management and internal control system

Functions of the participants of RM&ICS, established by the Company's Risk Management and Internal Control Policy, are integrated into the general management system and are set forth in the Charter, regulations on structural divisions, and job descriptions of employees.



In order to coordinate risk management and internal control processes and implement operational control over the risk management process, the Company has established the Division for Internal Control and Risk Management.

In accordance with the Risk Management and Internal Control Policy, the Division for Internal Control and Risk Management:

- coordinate risk management and internal control processes;
- organize and conduct training of employees in the field of risk management and internal control;
- review the risk portfolio and develop proposals for a risk management response strategy and resource reallocation;
- generate risk reporting;
- carry out operational control over the risk management process of structural divisions;
- carry out control activities in the field of organization and functioning of RM&ICS;
- prepare and submit to the executive bodies information on the organization, functioning and effectiveness of the RM&ICS, as well as on other issues stipulated by the Policy.

To guarantee that RM&ICS is efficient and conforms to the objectively changing requirements and conditions, the Company's internal auditor assesses the reliability and efficiency of RM&ICS for conformity to the target condition and maturity level.

The internal audit report on the assessment of the reliability and efficiency of the RM&ICS based on the results of 2024 was reviewed at a meeting of the Board of Directors (Minutes No. 579 dated April 23, 2025). Based on the results of 2024, the maturity level of RM&ICS was assessed as intermediate between "Moderate" and "Optimal" (the average value for all criteria was 4.7 points). Based on the results of 2023, the maturity level of RM&ICS was assessed as intermediate between "Moderate" and "Optimal" (the average value for all criteria was 4.7 points).

List of Key Measures Aimed at Improving the RM&ICS Implemented in 2024

During the reporting year, the Company implemented the following key actions to improve RM&ICS:

1. Regulatory and methodological documents in the field of risk management and internal control were developed/updated:
 - The procedure for organizing risk management and internal control;
 - Format of the report on the organization, functioning and efficiency of the risk management and internal control system, format of the risk management report;
2. Monitoring activities were carried out to assess the sufficiency, efficiency and effectiveness of the RM&ICS, including as part of comprehensive audits of the financial and economic activities of the Company's branches and audits of Managed Companies.

3. Monitoring of financial stability, control over support of liquidation and bankruptcy procedures of counterparties was carried out.

Key Areas for Improving RM&ICS for 2025

The main objectives of the Company for 2025 in the field of RM&ICS are:

1. Decomposition and interrelation of corporate-level risks with business process risks.
2. Updating the Methodology for Risk Assessment and Monitoring.
3. Participation in risk management in liquidation and bankruptcy procedures.

Internal Auditing

Business unit responsible for the implementation of the internal audit function in the Company is the Internal Audit Directorate.

Internal Audit functionally reports to the Board of Directors of the Company, which means that the Board of Directors implements control and organization of the internal audit function, including approval of the plan of the internal audit activity, report on implementation of the plan of the internal audit and the budget of the internal audit business unit, the approval of the appointment decision, removal from office and determination of the remuneration of the head of the internal audit business unit.

The internal audit assists the Board of Directors and executive bodies of the Company in increasing the efficiency of the Company management and in improving its financial and business activities due to systematic and consistent approach to analysis and assessment of the risk management, internal control and corporate governance systems intended to ensure reasonable certainty of achieving the Company's goals.

Targets and objectives, main principles of organization and operation of internal audit, functions and responsibilities of internal audit are defined in the Internal Audit Policy of Rosseti Northern Caucasus, PJSC (new edition), approved by the decision of the Board of Directors on July 7, 2023 (Minutes No. 535 dated July 10, 2023).

In 2024, the average number of employees that perform the internal audit function was 5 people.

The Company approved the following documents that regulate internal audit function:

- Internal Audit Policy of the Company and Code of Ethics for Internal Auditors of Rosseti Group of Companies approved by the decision of the Board of Directors dated July 7, 2023 (Minutes No. 535 dated July 10, 2023);
- Regulation on the Internal Audit Directorate of Rosseti Northern Caucasus, PJSC approved by the decision of the Board of Directors of the Company dated January 31, 2024 (Minutes No. 547 dated February 02, 2024);
- Internal Audit Quality Guarantee and Improvement Program of Rosseti Northern Caucasus, PJSC approved by the decision of the Board of Directors dated February 28, 2023 (Minutes No. 526 dated March 3, 2023);
- internal standards of internal audit activity and standards of practical application developed in accordance with the International Standards for the Professional Practice of Internal Auditing¹.

The feedback from the Audit Committee is provided by the head of internal audit in various forms during the interaction with the Audit Committee, including analysis of decisions/recommendations of the Audit Committee on issues falling within the competence of the internal audit, as well as through polling of members of the Audit Committee.

The indicator of satisfaction of the Audit Committee under the Board of Directors of the Company with the performance of the Internal Audit Business Unit (the average weighted points on the

¹ In connection with the entry into force on 09.01.2025 of new International Standards of Internal Auditing of the Institute of Internal Auditors, the internal standards regulating the internal audit activities of the Company are planned to be updated.

questionnaires of voted members of the Audit Committee to the number of voted members) according to the results of 2024 corresponds to the assessment “generally complies”.

Based on the results of a third party independent assessment of the quality of internal audit activities in 2019, in order to fulfill clause 2 of issue No. 2 of the Minutes of the meeting of the Board of Directors dated February 14, 2020 (Minutes No. 409 dated February 17, 2020) and in accordance with the recommendations of the third party independent expert, employees of the Directorate of Internal Audit and Control of the Company developed an Action Plan for the development and improvement of the activities of the Company’s internal audit for the period from 2020 to 2024. The above-mentioned Plan was agreed with the Audit Committee (Minutes No. 116 dated March 5, 2020), approved by the Board of Directors of the Company (Minutes No. 417 dated April 10, 2020). By the decision of the Audit Committee of Rosseti Northern Caucasus, PJSC, the above-mentioned Plan was amended (Minutes No. 128 dated January 19, 2021). By the decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated January 29, 2021 (Minutes No. 448 dated February 1, 2021) amendments to the Action Plan for the development and improvement of the internal audit activities of Rosseti Northern Caucasus, PJSC for the period from 2020 to 2024 were approved.

By decision of the Audit Committee of Rosseti Northern Caucasus, PJSC dated March 23, 2022 (Minutes No. 149 dated March 23, 2022), the Action Plan for the professional development of internal auditors in Rosseti Northern Caucasus, PJSC was approved. By decision of the Board of Directors of the Company dated June 14, 2022 (Minutes No. 503 dated June 17, 2022), the Action Plan for the Professional Development of Internal Auditors was approved. By decision of the Audit Committee of Rosseti Northern Caucasus, PJSC dated October 2, 2023 (Minutes No. 177 dated October 3, 2023), the restated Action Plan for the professional development of internal auditors in Rosseti Northern Caucasus, PJSC was approved. By decision of the Board of Directors of the Company dated October 9, 2023 (Minutes No. 540 dated October 11, 2023), the restated Action Plan for the professional development of internal auditors at Rosseti Northern Caucasus, PJSC was approved.

In 2024, B1-CONSULT, LLC conducted an external independent assessment of the Company’s internal audit activities. Based on the results of the said assessment, an opinion was received from B1-CONSULT, LLC, according to which the Company’s internal audit activities partially comply with the requirements of the International Professional Standards of Internal Auditing, the Code of Ethics, the Internal Audit Policy, and recommendations were issued to improve the internal audit activities.

Risk Management and Internal Control Indicators

Indicator	Unit of measurement	Period			Change, 2024/2023, %
		2022 actual	2023 actual	2024 actual	
Number of control activities taken to identify and minimize risks	pcs	7,319	8,788	9,400	6.96
Number of reviewed materials (issues) of procurement activities	pcs	4,094	3,662	4,139	13.03
Number of violations eliminated based on the results of audits conducted by third party supervisory authorities	pcs (%)	82	6,883	1,678	-75.62*
Total amount of canceled fines based on the results of an appeal against decisions on bringing to administrative responsibility	million rubles	16.9	14.6	7.4	-49.3
Total amount of funds received by the Company’s budget from counterparties in bankruptcy and liquidation procedures	million rubles	995.0	387.2	584.6	50.98

Total amount of funds saved by the Company in connection with the acquisition through a bidding process of its own debt to debtors in bankruptcy proceedings	million rubles	–	–	–	–
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* During inspections by Rostekhnadzor in 2024, fewer violations were identified compared to 2023.

5.6. Auditing Commission

In order to ensure control over the Company's financial and economic activities, the General Meeting of Shareholders shall elect the Auditing Commission of the Company.

The competence of the Auditing Commission of the Company is established by Article 85 of the Federal Law "On Joint-Stock Companies" and Article 24 of the Charter of Rosseti Northern Caucasus, PJSC.

The competence of the Company's Auditing Commission shall include the following:

- examination (audit) of the financial, accounting, settlement and other documentation of the Company related with carrying out by the Company of financial and economic activities in order to ensure its compliance with the Russian Federation laws, this Articles of Association, and internal documents of the Company;
- verification of the integrity of data in the Company's annual report, annual accounting (financial) reports;
- checking and analysis of the Company's financial position, its solvency, the internal control and risk management system functioning, liquidity of assets, relation of own and borrowed funds, correctness and timeliness of accruing and payment of the interest under the obligations, income arising out of other securities;
- control over cash spending of the Company in accordance with the approved business plan and budget of the Company;
- control over buildup of reserves and other special-purpose funds of the Company;
- audit of timeliness and correctness of managing settlement operations related to contracting parties and settlement of budgetary payments, as well as settlement operations related to salaries and emoluments, distribution and payment of dividends, and other settlement operations;
- control over compliance with the established procedure for managing bad debt expense;
- audit of business transactions of the Company conducted under concluded contracts;
- audit to verify whether material, manpower and financial resources necessary for conducting financial and economic activities are used in compliance with the terms and conditions of the ongoing contracts, applicable rules, regulations and standards, approved estimates and other documents that regulate the Company's activities;
- supervision over preservation and use of main assets;
- confirmation of the reliability of the data contained in the report on the interested party transactions;
- checking the Company's cashier's department and property, the effectiveness of using the Company's assets and other resources, establishing the reasons for non-productive losses and expenses, finding the reserves for the Company's financial position improvement;
- checking of fulfillment of the orders for elimination of the violations and drawbacks previously found by the Company's Auditing Commission;
- developing recommendations for the Company's management bodies;
- carrying out of other actions (measures) related to examination of the Company's financial and economic activities.

The Auditing Commission is entitled to (and – should any material violation in finance and economic activities be found – shall) require the calling of an extraordinary General Meeting of Shareholders.

Functionality and performance of the Auditing Commission of the Company in the reporting year

Objectives of the Auditing Commission are as follows:

- 1) exercising control over Company's financial and business activities;
- 2) carrying out independent evaluation of consistency of data contained in the Company's annual report and annual accounting (financial) statements;
- 3) confirmation of the reliability of data contained in the Company's report on interested-party transactions.

The Auditing Commission functions are set forth in the Regulation on the Auditing Commission of Rosseti Northern Caucasus, PJSC approved by the resolution of the Annual General Meeting of Shareholders on June 16, 2022 (Minutes No. 25 dated June 17, 2022). Texts of the Regulations are available on the website of Rosseti Northern Caucasus, PJSC in "For Shareholders and Investors/Charter and By-laws/Documents of Corporate Governance Procedures" at: https://www.rossetisk.ru/shareholders_and_investors/dokumenty/dokumenty_protседur_upravleniya/.

In 2024, the Auditing Commission of the Company conducted an audit of the financial and economic activities of Rosseti Northern Caucasus, PJSC for 2023. The audit program for the financial and economic activities of the Company for 2023 was approved by the decision of the Auditing Commission of Rosseti Northern Caucasus, PJSC dated January 17, 2024 (Minutes No. 3 dated January 17, 2024).

This Program included the following issues:

- assessment of the reliability of annual accounting (financial) statements formed as of December 31, 2023;
- analysis of profit and loss and financial standing of the Company as of December 31, 2023;
- assessment of the reliability of the Company's Annual Report for 2023;
- verification of compliance with the law of the Russian Federation in terms of following the procedure for concluding interested party transactions;
- verification of the Company's activities in the field of organizing procedures and price audits of reports on the implementation of the Company's investment program, as well as measures aimed at eliminating violations and shortcomings contained in the expert opinions prepared based on the results of procedures and price audits of reports on the implementation of the Company's investment program;
- other issues.

The Auditing Commission report was approved by the Auditing Commission of Rosseti Northern Caucasus, PJSC on April 25, 2024 (Minutes No. 4 dated April 25, 2024), according to which an opinion is expressed on the reliability of the data in all material respects contained in the Annual Report for 2023, the annual accounting (financial) statements of the Company for 2023, except for the impact on the accounting (financial) statements for 2023 of the following event: the Auditing Commission was unable to confirm the accuracy of the indicators on line 1180 "Deferred tax asset" of the balance sheet as of 31.12.2023, 31.12.2022, 31.12.2021. No facts of misrepresentation of

the information contained in the report on interested party transactions concluded in 2023 were revealed. This conclusion was included in the materials provided to the shareholders of Rosseti Northern Caucasus, PJSC in preparation for the annual General Meeting of Shareholders of the Company in 2024.

Composition of the Auditing Commission

In accordance with the Charter of the Company, the number of members of the Auditing Commission is 5 persons.

In 2024 the Company had two memberships of the Internal Auditing Commission.

**The current composition of the Auditing Commission was elected by the annual General Meeting of Shareholders of Rosseti Northern Caucasus, PJSC on June 13, 2024
(Minutes No. 27 dated June 13, 2024)**

Item No.	Full name	Information on members of the Auditing Commission
1	Anton Sergeevich Ulyanov, Chairman of the Auditing Commission	<p>Year of birth: 1979 Education: higher State Higher Professional Education Institution “Moscow State Law Academy”, degree in Jurisprudence, lawyer (2004). Completed professional retraining in: Association “Institute of Internal Auditors”, professional retraining, Chief Auditor, year of graduation (2024); Training Center “IVA”, LLC, “Internal Auditor. Level “Professional” (2021); professional retraining, KUMTS APR, LLC, Head of an independent internal control unit. Professional standard “Internal control specialist (internal inspector). Level 7” (2021). Work experience: 2021–2022 – Public Joint-Stock Company “Federal Grid Company of the Unified Energy System”, Director for Internal Control and Risk Management – Head of the Department for Internal Control and Risk Management; 2021–2022 – Rosseti, Public Joint-Stock Company, Director for Internal Control and Risk Management – Head of the Internal Control and Risk Management Department (concurrently); from 2022 and as of the end of 2024 – Public Joint-Stock Company “Federal Grid Company – Rosseti” (until October 2022 – Public Joint-Stock Company “Federal Grid Company of the Unified Energy System”), Director for Internal Audit – Head of Department of Internal Audit. Positions that were held or are currently held by a member of the Auditing Commission in Rosseti Northern Caucasus, PJSC and in the management bodies of other organizations over the past three years: 2022–2023 Rosseti Center and Volga Region, PJSC, Rosseti Siberia, PJSC, Rosseti Volga, PJSC, Rosseti Northern Caucasus, PJSC, Mobile GTPP, JSC (until 26.09.2023 – Mobile GTPP, JSC), Member of the Board of Directors; 2022–2023 – Rosseti Northern Caucasus, PJSC, Member of the Strategy Committee; from 2023 to the present –Rosseti Tyumen, JSC, Rosseti Yantar, PJSC, Rosseti Tomsk, PJSC (until 04.07.2024 TRK, PJSC), Rosseti Northern Caucasus, PJSC, RES, JSC, Elektromagistral, JSC, Rosseti Kuban, JSC, Chairman of the Audit Committee; from 2023 to the present – Rosseti Lenenergo, PJSC, Rosseti Yug, PJSC, Member of the Audit Committee. from 2023 to 2024 – TNS Energo Group of Companies, PJSC, Member of the Audit Committee.</p>

2	<p>Kirill Evgenievich Rogachev <i>(from 24.10.2024, he is a retired member of the Auditing Commission of Rosseti Northern Caucasus, PJSC in accordance with paragraph 3.7 of the Regulation on the Auditing Commission of Rosseti Northern Caucasus, PJSC)</i></p>	<p>Year of birth: 1984. Education: higher MATI – Russian State University of Aviation Technology named after K. E. Tsiolkovsky, qualification “Economist – Manager”, degree in: Economics and Enterprise Management (2006); Moscow Border Institute of the Federal Security Service of the Russian Federation, qualification “Lawyer”, degree in “Jurisprudence. State Legal” (2011). Qualification upgrade: General Education Organization Additional Professional Education “International Academy of Expertise and Evaluation”, advanced training in “Internal Audit” (2021); Center for Enterprise Reforms LLC, qualification certificate (Order of the Ministry of Labor No. 398n). Code E qualification – “Management (control) of the internal audit service”, date of issue: December 1, 2021. Work experience: 2010 – October 2024 – Public Joint-Stock Company “Federal Grid Company – Rosseti” (until October 2022 – Public Joint-Stock Company “Federal Grid Company of the Unified Energy System”), Chief Expert of the Operational Audit Directorate of the Internal Audit Department, Head of the Operational Audit Division of the Department of Internal Audit; 2020 – March 2022 – Rosseti, Public Joint-Stock Company, chief expert of the Operational Audit Directorate of the Department of Internal Audit (concurrently). March 2020 – October 2024 – Rosseti, Public Joint-Stock Company, Head of the Operational Audit Directorate of the Department of Internal Audit (concurrently).</p>
3	<p>Irina Vadimovna Volkova</p>	<p>Year of birth: 1998. Education: higher Federal State Budgetary Institution of Higher Education “National Research University “Moscow Power Engineering Institute” (2022); Financial Management Work experience: 2022 – 2022 – Rosseti, Public Joint-Stock Company (until October 2022 – Public Joint-Stock Company “Federal Grid Company of the Unified Energy System”), Chief Expert of the Operational Audit Unit of the Internal Audit Department (part-time); from 2022 – December 2024 – Public Joint-Stock Company “Federal Grid Company – Rosseti”, Chief Expert of the Operational Audit Unit of the Internal Audit Department; from December 2024 and as of the end of 2024 – Public Joint-Stock Company “Federal Grid Company – Rosseti”, Chief Expert of the Corporate Audit and Control Unit of the Internal Audit Department.</p>
4	<p>Svetlana Mikhailovna Trishina, Secretary of the Auditing Commission</p>	<p>Year of birth: 1979. Education: higher Amur State University, degree in: Finance and Credit, qualification: Financial Economist, Bank Employee (2001); additional: 1. International Academy of Expertise and Evaluation: - advanced training in the “Internal Audit and Control in Profit-making Companies”, graduated in 2018; - advanced training in “Internal Audit”, graduated in 2021. 2. Center for Enterprise Reforms, LLC, qualification certificate (Order of the Ministry of Labor No. 398n). Code E qualification 7 “Management (control) of the internal audit service”, date of issue: 18.10.2024. Work experience:</p>

		<p>from 2017 and as of the end of 2024 – Public Joint- Stock Company “Federal Grid Company – Rosseti” (until October 2022 – Public Joint-Stock Company “Federal Grid Company of the Unified Energy System”), Head of Financial Auditing Department; Head of Financial Auditing, Methodology and Reporting Department; Head of SC Corporate Audit and Control Department; Deputy Head of the Department of Internal Audit – Head of the SC Corporate Audit and Control Unit of the Internal Audit Department.</p> <p>2020 – 2022 – Rosseti, Public Joint-Stock Company, Deputy Head of the Department of Internal Audit – Head of the SC Internal Audit and Control Directorate of the Department of Internal Audit (concurrently).</p>
5	Viktor Vladimirovich Tsarkov, Deputy Chairman of the Auditing Commission	<p>Year of birth: 1977. Education: higher Moscow Institute of Economics, Management and Law, economist (2005); Russian Academy of Public Administration under the President of the Russian Federation, state and municipal administration, manager (2007). Work experience: from 2017 and as of the end of 2024 – Public Joint-Stock Company “Federal Grid Company – Rosseti” (until October 2022 – Public Joint-Stock Company “Federal Grid Company of the Unified Energy System”), First Deputy Head of the Department of Internal Audit; 2020–2023 – Rosseti, Public Joint-Stock Company, First Deputy Head of the Department of Internal Audit (concurrently).</p>

The composition of the Auditing Commission of the Company, as of June 16, 2023 to June 13, 2024, elected by the annual General Meeting of Shareholders of Rosseti Northern Caucasus, PJSC on June 15, 2023 (Minutes No. 26 dated June 19, 2023).

No.	Candidate's full name	Position (as of the candidate nomination time)
1.	Anton Sergeevich Ulyanov	Director for Internal Audit – Head of the Department of Internal Audit of Rosseti, PJSC
2.	Viktor Vladimirovich Tsarkov	First Deputy Head of the Department of Internal Audit, Rosseti, PJSC
3.	Svetlana Mikhailovna Trishina	Deputy Head of the Internal Audit Department – Head of the Corporate Audit and Control Directorate of the Internal Audit Department of Rosseti, PJSC
4.	Kirill Evgenievich Rogachev	Head of the Operational Audit Directorate of the Department of Internal Audit of Rosseti, PJSC
5.	Olga Viktorovna Ostroukhova	Chief Expert of the Corporate Audit and Control Directorate of the Internal Audit Department of Rosseti PJSC

CVs of members of the Auditing Commission of the Company elected by the annual General Meeting of Shareholders of Rosseti Northern Caucasus, PJSC on June 15, 2023 (Minutes No. 26 dated June 19, 2023) are published in the Company's Annual Report for 2023: https://www.rossetisk.ru/shareholders_and_investors/raskrytie_informatsii/godovye_otchety/.

Members of the Auditing Commission do not have stakes in the authorized capital (shares of any type) of Rosseti Northern Caucasus, PJSC and in the authorized capital of affiliated companies of Rosseti Northern Caucasus, PJSC.

There were no transactions between the Company and members of the Auditing Commission in 2024. Rosseti Northern Caucasus, PJSC did not file any claims against the members of the Auditing Commission.

Based on the questionnaires provided by the members of the Auditing Commission, the Company considers:

- members of the Auditing Commission do not have family relations (spouses, parents, children, adoptive parents, adopted children, siblings, grandparents, grandchildren) with members of the Board of Directors, members of the collegial executive body, person holding the position (performing functions) of the sole executive body of Rosseti Northern Caucasus, PJSC;
- members of the Auditing Commission were not brought to administrative liability for offenses in the field of finance, taxes and fees, insurance, securities market or criminal liability (criminal record) for crimes in the field of economics and/or for crimes against the state;
- members of the Auditing Commission did not hold positions in the management bodies of profit-making organizations during the period when a bankruptcy case was initiated against these organizations and/or one of the bankruptcy procedures provided for in Article 27 of the Federal Law “On Insolvency (Bankruptcy)” was introduced.

Remuneration of Members of the Auditing Commission

In 2018, the Annual General Meeting of Shareholders approved the revised Regulation on Payment of Remuneration and Compensations to Members of the Auditing Commission (Minutes No. 19 dated May 29, 2018).

The remuneration shall be payable to a member of the Auditing Commission of the Company following the outcome of work in the corporate year and depending on the degree of their participation in work of the Auditing Commission.

The remuneration due to a member of the Auditing Commission shall be determined relying on the remuneration base component. The basic remuneration to a member of the Auditing Committee shall be established based on the Company’s revenue calculated according to the Russian Accounting Standards for the reporting year. The personal contribution coefficient is also taken into account, which is representative of participation of a member of the Auditing Commission in sessions of the Auditing Commission as well as their discharging additional duties in the capacity of Chairman or Secretary of the Auditing Commission. No remuneration shall be payable to a member of the Auditing Commission having missed more than half of the sessions that took place during the period of their membership in the Auditing Commission. If, during the corporate year, a member of the Auditing Commission actively participated in additional reviews carried out by the Auditing Commission or control actions undertaken by the Auditing Commission or control actions dedicated to individual issues that were made by decision of the General Meeting of Shareholders, the Board of Directors of the Company or by demand of the shareholder(s) jointly holding at least 10 % of voting shares of the Company, Chairman of the Auditing Commission shall be entitled to solicit from the General Meeting of Shareholders the increase in the actual amount of remuneration.

Members of the Auditing Commission, who are not subject to restrictions or prohibitions on receiving any payments from commercial organizations in accordance with federal laws, in case of visiting the Company’s facilities, participating in meetings of the Company’s Auditing Commission held at the actual location of the Company, as well as accomplishing other tasks of the Auditing Commission of the Company, the Company compensates documented expenses related to participation in the activities of the Auditing Commission of the Company.

Texts of the specified Regulations are available on the corporate website of Rosseti Northern Caucasus, PJSC in “For Shareholders and Investors/Charter and By-laws/Documents of Corporate Governance Procedures” at:

https://www.rossetisk.ru/shareholders_and_investors/dokumenty/dokumenty_protседur_upravleniya/.

In 2024 members of the Revision Commission received payments in the amount of 795.29 thousand rubles. Payment of remuneration was done with monetary funds.

This Regulation also provides for payment to members of the Auditing Commission of the Company of expenses related to participation in the activities of the Company's Auditing Commission. In 2024, the Company did not make any relevant reimbursement of expenses.

5.7. Third Party Auditor

Key information on the Auditor of Rosseti Northern Caucasus, PJSC

Full business name CENTER FOR AUDIT TECHNOLOGIES AND SOLUTIONS – AUDITING SERVICES, Limited Liability Company

Abbreviated business name TSATR – AUDIT SERVICES, LLC

TIN [Taxpayer's Identification Number] 7709383532 PSRN [Principal State Registration Number]: 1027739707203

Location: 77 Sadovnicheskaya embankment, building 1, 115035 Moscow

Website: <https://www.b1.ru/>

E-mail: info@b1.ru

Reception phone/fax: (495) 755-97-00/755-97-01

TSATR – AUDIT SERVICES, LLC is a member of the Self-regulatory Organization of Auditors Association “Sodruzhestvo” (SRO AAS). An entry in the Register of Auditors and Audit Organizations was made on January 31, 2020 under main registration record number 12006020327.

No assessment of the performance of the third-party audit was conducted.

Auditor Selection Procedure

In accordance with the minutes of the absentee meeting of the tender committee for summing up the results of the electronic tender for the provision of services for conducting mandatory annual audit of RAS financial statements and audit of IFRS financial statements dated March 14, 2024 No. 4/2977634, TSATR – Audit Services, LLC was declared the winner.

To participate in such tender auditing companies shall comply with the following requirements:

- have civil capacity in full to enter and perform the Agreement;
- not to be under the liquidation;
- not be included in the Register of Bad-faith Suppliers;
- a bidder must have no arrears on taxes, fees, other overdue obligatory payments to the budgets of the budget system of the Russian Federation for the previous calendar year, the amount of which exceeds 25% of the book value of the assets of the procurement bidder, according to the financial statements for the last reporting period;
- a bidder shall be a member of a self-regulatory organization of auditors;
- a bidder's professional liability shall be insured.

The Audit Committee of the Issuer's Board of Directors exercises control over the selection of the auditor. In particular, the competence of the Audit Committee of the Board of Directors includes:

- a) participation in development and agreement of the conditions for conductance of procurement procedures for selection of the external auditor, in particular – determination of the set and significance of the criteria for evaluation of procurement participants and the procedure for evaluation of the procurement participants' bids;
- b) supervision over the Company's Auditor selection procedure compliance with the legislation and the in-house regulatory documents of the Company by way of participation of a representative of the Audit Committee in the work of the procurement commission related to selection of the external auditor in the capacity of the commission member or an independent observer;

c) assessing independence and impartiality of the Company's external auditor and exploring conflicts of interests (if any), analyzing all relations between the external auditor and the Company (delivery of any services in addition to the audit services, amount of remuneration for audit and nonaudit services, etc.) in order to detect any circumstances which may have effect on independence of the external auditor;

d) preparing recommendations for the Board of Directors on nominees for the position of the Company's external auditor.

The Board of Directors nominates an auditor for the consideration and approval by the General Meeting of Shareholders.

The cost of services for Rosseti Northern Caucasus, PJSC for 2024 is determined in the amount of 4,994,236.97 rubles, including VAT of 20%.

The specified auditor was also approved by the decision of the annual General Meeting of Shareholders of Rosseti Northern Caucasus, PJSC on June 13, 2024 (Minutes No. 27 dated June 13, 2024).

The amount of payment for the auditor's services was approved by the Board of Directors of Rosseti Northern Caucasus, PJSC dated May 21, 2024 (Minutes No. 557 dated May 22, 2024).

In 2024, Rosseti Northern Caucasus, PJSC did not provide other (non-audit) services as auditors.

No assessment of the performance of the third-party audit was conducted.

5.8. Registrar

By decision of the Board of Directors of Rosseti Northern Caucasus, PJSC dated April 19, 2007 (Minutes No. 8 dated April 20, 2007), Registrar Society STATUS, Joint-Stock Company (License No. 10-000-1-00304 dated March 12, 2004 (unlimited) issued by the Federal Securities Market Commission of the Russian Federation) was approved as a registrar.

The information about transfer agents is published at <https://rostatus.ru>.

5.9. Management of Subsidiaries and Affiliates

Subsidiaries

Dagestan Grid Company, JSC (until April 3, 2015 – Energoservice, OJSC) was founded in 2011 on the basis of the decision of the Board of Directors of the Company dated December 21, 2010 (Minutes No. 68 dated December 24, 2010). Energoservice, OJSC was called upon to increase the power efficiency of the Company and other grid companies in the Northern Caucasus Federal District. In June 2015, an agreement was signed between the Republic of Dagestan and Rosseti Northern Caucasus, PJSC on cooperation in the implementation of the project on establishment of joint venture company Dagestan Grid Company, and a Roadmap was signed for establishment of the joint power grid company and consolidation of the power grid complex of the Republic of Dagestan (Roadmap). Dagestan Grid Company, JSC arose as a result of the renaming of Energoservice, OJSC, which was given a new name, a new location and new OKVED codes (including 40.10.2 “Electricity Transmission”). As part of the Roadmap, the power grid property of Rosseti Northern Caucasus, PJSC, located on the territory of the Republic of Dagestan, was leased to Dagestan Grid Company, JSC from July 1, 2015. The Board of Directors of Rosseti Northern Caucasus, PJSC made a decision to define the maintenance of business continuity of the local grid operator in the Republic of Dagestan as a priority area of the Company's activity, and also approved the Roadmap for maintenance of activity of the local grid operator in the Republic of Dagestan (meeting date May 8, 2020, Minutes No. 421 dated May 12, 2020). The power transmission activities of Dagestan Grid Company, JSC were terminated in June 2020, after which the operational activities of Dagestan Grid Company, Branch of Rosseti Northern Caucasus, PJSC, began; 100% of shares of Dagestan Grid Company, PJSC is owned by Rosseti Northern Caucasus, PJSC.

Dagenergoset, OJSC was established on January 27, 2010. From April 1, 2010, the power grid assets of Dagenergo was leased to Dagenergoset OJSC. Dagenergoset OJSC carried out activity on power transmission in the territory of the Republic of Dagestan from 2010 to 2015. 100% of the shares of Dagenergoset OJSC are owned by Rosseti Northern Caucasus, PJSC.

There are no **affiliated companies** of Rosseti Northern Caucasus, PJSC.

Interaction of Rosseti Northern Caucasus, PJSC with subsidiaries is regulated by the Charter and internal documents. The procedure for the interaction of IDGC of Northern Caucasus, OJSC with business entities whose shares (stakes) are owned by IDGC of Northern Caucasus, OJSC, approved by decision of the Board of Directors of the Company on March 25, 2009 (Minutes No. 39 dated March 25, 2009) are also applicable in Rosseti Northern Caucasus, PJSC. This Procedure:

- regulates the implementation of the rights of a shareholder, a participant by Rosseti Northern Caucasus, PJSC in relation to its subsidiaries and affiliates (subsidiaries and affiliates), certified by shares, participatory interests, to ensure the effective operation of the Company's representatives at general meetings of shareholders / participants, boards of directors and auditing commissions of subsidiaries and affiliates (Representatives of the Company);
- establishes the general conditions for corporate interaction between the Company and subsidiaries and affiliates in the areas specified in the Procedure, including corporate planning, organization and control of corporate actions when the management bodies of subsidiaries and affiliates consider issues on which, in accordance with the Company's Charter, the Company (Company's Representatives) are required to formulate their position.

The text of the document is posted on the Company's corporate website – <https://www.rossetisk.ru> – in the section “For Shareholders and Investors / Charter and By-laws”.

5.10. Authorized Capital

General Information on Shares

Type and category of shares	Ordinary shares
Location in accordance with the Charter	2,093,354,170 rubles
Nominal value of one share	1 RUB
Authorized shares	6,280,062,510 pcs
Stock exchange platform	Moscow Stock Exchange (Russia, Moscow) Saint Petersburg Stock Exchange, PJSC (Russia, Moscow)
Security code	MRKK
Number and date of state registration of the main issue	1-01-34747-E dated December 27, 2006
Date of commencement of trading at Moscow Stock Exchange	June 19, 2008
Entry in index calculation base	Moscow Stock Exchange index of shares of companies with regulated activities

Information on the Share Issues

The initial placement of shares was effected on the date of state registration of Rosseti Northern Caucasus, PJSC on August 4, 2006 through the acquisition of shares of a sole founder – Unified Energy System of Russia (RAO UES of Russia).

Issue (additional issue)	Date of registration of the Securities Prospectus	State registration date and state registration number of the issue (additional issue)	State registration date of the report (notice) on the share issue (additional issue)	Number of placed shares of the issue (additional issue), pcs	Nominal value of one share (rubles)
1	Not registered	December 27, 2006 1-01-34747-E	December 27, 2006	150,000	1
2	March 20, 2008	March 20, 2008 1-01-34747-E-001D	May 6, 2008	9,644,385	1
3	March 20, 2008	March 20, 2008 1-01-34747-E-002D	May 6, 2008	2,695,250	1
4	March 20, 2008	March 20, 2008 1-01-34747-E-003D	May 6, 2008	8,352,060	1
5	March 20, 2008	March 20, 2008 1-01-34747-E-004D	May 6, 2008	8,690,357	1
6	February 28, 2012	February 28, 2012 1-01-34747-E-005D	August 30, 2012	26,560,436	1
7	May 30, 2013	May 30, 2013 1-01-34747-E-006D	November 14, 2013	98,469,787	1
8	December 15, 2016	December 15, 2016 1-01-34747-E	December 18, 2019	734,751,321	1
9	March 20, 2020	March 20, 2020 1-01-34747-E	March 21, 2023	1,204,040,574	1
Total				2,093,354,170	

On August 10, 2023, the Bank of Russia registered an additional issue of securities of Rosseti Northern Caucasus, PJSC – ordinary shares (registration number 1-01-34747-E) in the amount of 6,280,062,510 shares.

Basic conditions for additional share issue:

- method of placement: closed subscription;
- the placement price of one additional ordinary share is 13.82 rubles (determined by the decision of the Board of Directors of the Company dated May 22, 2023, Minutes No. 533 dated May 23, 2023);
- method of payment for additional shares: additional ordinary shares can be paid in cash in rubles of the Russian Federation, by bank transfer and/or by property rights, which represent the right to enforce performance by Rosseti Northern Caucasus, PJSC in terms of payment of funds, including rights that will arise in the future from existing or future obligations;
- the end date for the placement of shares of this additional issue is August 10, 2025 (can be extended until August 10, 2026).

Areas of using funds received by the Company in 2024 as a result of placement of shares of the current issue:

- debt discharge;

- implementation of the Program of priority measures to bring industrial buildings and structures of power distribution sections and zones of Dagenergo, Branch of Rosseti Northern Caucasus, PJSC, to standard condition;
- financing of design and survey work;
- financing a program to reduce power losses;
- construction of substations.

These measures are provided for the by Company's Development Plan and allow it to implement the critical projects related to improving the reliability and development of the power grid infrastructure of the Northern Caucasus Federal District, creating the necessary conditions for the social and economic development of the region in general. In the reporting year, the Company implemented the updated Development Plan of Rosseti Northern Caucasus, PJSC approved by the decision of the Board of Directors of Public Joint-Stock Company "Federal Grid Company – Rosseti" dated December 29, 2022 (Minutes No. 604 dated December 30, 2022), taking into account the amendments and addenda made to it by decisions of the Board of Directors of Public Joint-Stock Company "Federal Grid Company – Rosseti" (Minutes No. 630 dated October 31, 2023, No. 638 dated December 22, 2023, No. 661 dated July 22, 2024, No. 672 dated December 19, 2024), and by the decision of the Board of Directors of the Company dated March 10, 2023 (Minutes No. 528 dated March 13, 2023), taking into account the amendments and addenda made by the decision of the Board of Directors of the Company (Minutes No. 549 dated 28.02.2024). Successful implementation of the Development Plan will contribute to achieving the development milestones for the integrated power grid established by the Strategy for the Development of the Integrated Power Grid of the Russian Federation, approved by Order of the Government of the Russian Federation No. 511-r dated April 3, 2013.

Equity Capital Structure

As of December 31, 2024

Information on number of registered persons in register of shareholders (without disclosure of data on nominal holders customers)*

Share holder type	Number of accounts	Number of shares, pcs	Share of placed shares, %
Owners – individuals	2,159	777,701	0.0153
Owners – legal entities	56	5,068,071,406	99.804
Joint ownership	9	6,803	0.0001
Nominee holders	11	9,157,336	0.1803
Securities of unknown person	1	13,904	0.0003
Total	2,236	5,078,027,150	100

* Taking into account the actually placed additional shares as of August 10, 2023 No. 1-01-34747-E-009D.

Information on shareholders with a share in the authorized capital of more than 5%

Shareholder, location	Reporting date	Number of shares, pcs	Share of charter capital, %
Federal Grid Company – Rosseti, Public Joint-Stock Company, Russia, Moscow	As of December 31, 2024*	5,006,154,819	98.58
Federal Grid Company – Rosseti, Public Joint-Stock Company, Russia, Moscow	As of December 31, 2023*	3,995,005,823	98.23

Rosseti, Public Joint-Stock Company, Russia, Moscow	as of December 31, 2022**	1,763,783,737	96.47
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* Taking into account the actually placed additional shares as of August 10, 2023 No. 1-01-34747-E-009D.

* Taking into account the actually placed additional shares as of March 20, 2020 No. 1-01-34747-E.

Information on the participation of residents and non-residents in the authorized capital of Rosseti Northern Caucasus, PJSC (as for May 19, 2024 – the date of making the list of persons entitled to be present at the Annual General Meeting of Shareholders)

Share holder type	Number of shareholders	Number of shares, pcs	Share of charter capital, %
Residents	5,997	4,196,325,774	99.997
Non-residents	23	114,749	0.003

The Company does not have shares of Rosseti Northern Caucasus, PJSC. The controlled legal entities of Rosseti Northern Caucasus, PJSC do not own shares in the Company. Preference shares were not issued by the Company.

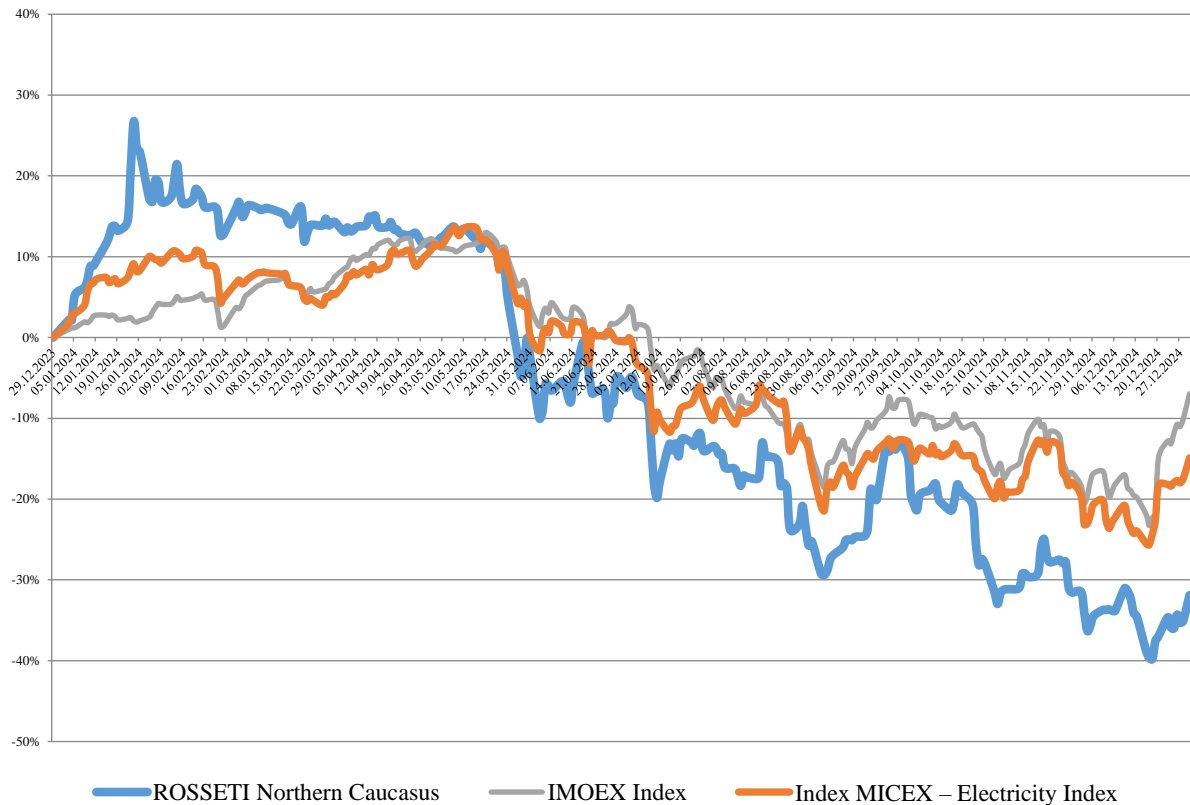
Company on the Stock Market

Capitalization, value and dynamics of shares of Rosseti Northern Caucasus, PJSC, for 2022–2024 based on the results of trading on Moscow Stock Exchange, PJSC

Indicator	December 30, 2022	December 30, 2023	December 28, 2024	Dynamics for 12 months (2024), %
Market Price, rubles*	11.76	24.08	16.4	-31.9
Capitalization, million rubles*	10,458.33	50,407.97	34,331.01	-31.9
Indicator	2022	2023	2024	Dynamics for 12 months (2024), %
Maximum price per year, RUB	27.32	43.6	31.9	-26.8
Minimum price per year, RUB	8.54	11.7	14.1	20.7
Average daily trading amount, million rubles	3.1	9.6	1.9	-80.2
Average daily trading amount, thousand pcs	246.7	396.1	75.5	-80.9
Average daily volume of trading, transactions	466	1,265	264.7	-79.1

* Source – Moscow Exchange PJSC website, <https://www.moex.com/s26>.

Dynamics of the market value of the shares of Rosseti Northern Caucasus, PJSC, the MICEX-Electricity Index and the Moscow Exchange Index in 2024, %



In 2024, the market share price and capitalization of Rosseti Northern Caucasus, PJSC decreased by 31.9%. The Moscow Exchange-Electricity Index (MOEXEU) for the same period decreased by 14.9%, while the Moscow Exchange Index (IMOEX) by 7%. The average daily volume of transactions with shares of Rosseti Northern Caucasus, PJSC in 2024 amounted to 1.9 million rubles, which is 80.2% less than the same indicator for 2023. The dynamics of the market price of shares of Rosseti Northern Caucasus, PJSC throughout 2024 were multidirectional, with an average downward trend.

In accordance with the Decree of the Government of the Russian Federation No. 1102 dated July 4, 2023 “On the specifics of disclosure and/or provision of information subject to disclosure and/or provision in accordance with the requirements of Federal Law “On Joint-Stock Companies” and Federal Law “On the Securities Market”, in 2024, public joint-stock companies had the right not to disclose or to provide in a limited amount and/or volume information that must be disclosed in accordance with the requirements of the above laws.

During 2024, Rosseti Northern Caucasus, PJSC strived not to reduce the set level of transparency by continuing the purposeful implementation of the information policy of the Company. Based on the opinion of the Company, the information policy implementation is one of the most important tools for interaction with shareholders, investors and other stakeholders, which contributes to the long-term relationships and trust. In 2024, for the purpose of transparency and development of corporate governance practices of the Company, the Board of Directors of the Company reviewed the report on compliance with the Provisions on Information Policy of Rosseti Northern Caucasus, PJSC for 2023 (Minutes No. 503 dated June 17, 2024).

5.11. Relationships with Shareholders and Investors

The activities of Rosseti Northern Caucasus, PJSC are associated with responsibility to shareholders, the State, suppliers, consumers, employees and society at large.

The Company carries out its activities taking into account the interests of shareholders. The Company strives after maintenance of an efficient dialogue with shareholders based on commonality of goals of the Company and their shareholders. The Company shareholders possess a bundle of rights with regard to the Company with the Board of Directors and the executive authorities of the Company to ensure compliance with and protection of such rights. Company shareholder rights are regulated by current laws, Charter by-laws and internal Company documents.

Main shareholder rights¹

Right	Reference to a provision of the regulation and the Charter of Rosseti Northern Caucasus, PJSC	Ownership interest of shareholder (shareholders*) in voting shares				
		Any	1%	2%	10%	25%
Participation in the General Meeting of Shareholders personally or by proxy and vote on all issues falling within its competence	Sub-cl. 1 of cl. 6.2 of Article 6, cl. 11.8 of Article 11 of the Charter, sub-cl. 2 of Article 31 of Federal Law "On Joint-Stock Companies"	✓	✓	✓	✓	✓
Disposal of shares owned by them without consent of other shareholders and Rosseti Northern Caucasus, PJSC	Sub-cl. 4 of cl. 2.5 of Article 2 of Charter, sub-cl. 4 of cl. 1 of Article 2 of Federal Law "On Joint-Stock Companies"	✓	✓	✓	✓	✓
Entry of a proposal to the agenda of the General Meeting of Shareholders	Sub-clause 2 of cl. 6.2 of Article 6, cl. 13.1 of Article 13 of the Charter, cl. 1 of Article 53 of Federal Law "On Joint-Stock Companies"	X	X	✓	✓	✓
Obtaining of information on the activities of Rosseti Northern Caucasus, PJSC and familiarization with documents	Sub-cl. 3 of cl. 6.2 of Article 6, cl. 26.5 of Article 26 of the Charter, cl. 4 of Article 11, Article 91 of Federal Law "On Joint-Stock Companies" ²	✓	✓	✓	✓	✓
Receipt of dividends declared	Sub-cl. 4 of cl. 6.2 of Article 6 of the Charter, sub-cl. 2 of Article 31 of Federal Law "On Joint-Stock Companies"	✓	✓	✓	✓	✓
Exercise of the right of pre-emptive purchase of shares and issuable securities convertible into shares which are issued by subscription, in amounts proportional to the number of ordinary shares they own	Cl. 5.5 of Article 5, sub-cl. 5 of cl. 6.2 of Article 6 of the Charter; sub-cl. 1 of cl. 1 of Article 40 of Federal Law "On Joint-Stock Companies"	✓	✓	✓	✓	✓
In case of liquidation of Rosseti Northern Caucasus PJSC, obtaining of a part of its property	Sub-cl. 6 of cl. 6.2 of Article 6 of the Charter, sub-cl. 2 of Clause 31 of Federal Law "On Joint-Stock Companies"	✓	✓	✓	✓	✓

¹ Based on regulations in effect as of December 31, 2024.

² Until July 01, 2024, shareholders (shareholder) owning in the aggregate no less than 5% of the voting shares of the company had the right to access information and documents provided for in cl. 2 of Article 91 of the Federal Law "On Joint-Stock Companies" (Federal Law No. 55-FZ dd. March 14, 2022). From July 1, 2024 until December 31, 2024, the right to access information and documents under cl. 2 of Article 91 shall be granted to shareholders (shareholder) who own in total at least 5% of voting shares, if foreign restrictive measures have been introduced with respect to the JSC and in other cases specified in Federal Law No. 55-FZ dd. March 14, 2022.

Right	Reference to a provision of the regulation and the Charter of Rosseti Northern Caucasus, PJSC	Ownership interest of shareholder (shareholders*) in voting shares				
		Any	1%	2%	10%	25%
Familiarization with the list of persons having the right to participate in the General Meeting of Shareholders	Cl. 4 of Article 51 of Federal Law "On Joint-Stock Companies" ¹	X	✓	✓	✓	✓
Nomination of candidates to the Board of Directors	Cl. 13.1 of Article 13, sub-cl. 14.9.2 of cl. 14.9 of Clause 14 of the Charter, cl. 1 of Clause 53 of Federal Law "On Joint-Stock Companies"	X	X	✓	✓	✓
Nomination of candidates to the Audit Commission	Cl. 13.1 of Article 13 of the Charter, cl. 1 of Article 53 of Federal Law "On Joint-Stock Companies"	X	X	✓	✓	✓
Initiation of the Extraordinary General Meeting of Shareholders	Sub-cl. 1 of cl. 14.3 of Clause 14 of the Charter, cl. 1 of Article 55 of Federal Law "On Joint-Stock Companies"	X	X	X	✓	✓
Initiation of the examination (audit) of the financial and economic activity of Rosseti Northern Caucasus, PJSC	Cl. 24.7 of Clause 24 of the Charter, cl. 3 of Article 85 of Federal Law "On Joint-Stock Companies"	X	X	X	✓	✓
Familiarization with the accounting documents and minutes of the meetings of the Management Board and request of copies of these documents	Article 26 of Charter, cl. 5 of Article 91 of Federal Law "On Joint-Stock Companies"	X	X	X	X	✓
Appeal of decisions of the management bodies of the Company entailing civil and legal consequences, in cases and in accordance with the procedure specified by the law of the Russian Federation	Sub-cl. 7 of cl. 6.2 of Article 6 of the Charter, cl. 7 of Article 49, cl. 6 of Article 68 of Federal Law "On Joint-Stock Companies"	✓	✓	✓	✓	✓
Claim for losses caused to the Company/shareholder	Sub-cl. 8 of cl. 6.2 of Article 6 of the Charter; sub-cl. 4 of cl. 3 of Article 6, cl. 5 of Article 71 of Federal Law "On Joint-Stock Companies" ²	✓	✓	✓	✓	✓
Challenging of transactions made by the Company on the grounds specified by the law of the Russian Federation and	Sub-cl. 9 of cl. 6.2 of Article 6 of the Charter, cl. 6 of Article 79 ³ ,	X	✓	✓	✓	✓

¹ Until July 01, 2024, shareholders (shareholder) owning in the aggregate no less than 5% of the voting shares of the company had the right to access information and documents provided for in cl. 2 of Article 91 of the Federal Law "On Joint-Stock Companies" (Federal Law No. 55-FZ dd. March 14, 2022). From July 1, 2024 until December 31, 2024, the right to access information and documents under cl. 2 of Article 91 shall be granted to shareholders (shareholder) who own in total at least 5% of voting shares, if foreign restrictive measures have been introduced with respect to the JSC and in other cases specified in Federal Law No. 55-FZ dd. March 14, 2022.

² Until July 01, 2024, shareholders (shareholder) owning in the aggregate no less than 5% of the voting shares of the company had the right to take legal action in accordance with sub-cl. 1 of cl. 5 of Article 71 of the Federal Law "On Joint-Stock Companies" (Federal Law No. 55-FZ dd. March 14, 2022). From July 01, 2024 and until December 31, 2024, shareholders (shareholder) who own in aggregate at least 5% of the voting shares of the company had the right to take legal action in accordance with sub-cl. 1 of cl. 5 of Article 71 of Federal Law "On Joint-Stock Companies" if foreign restrictive measures were introduced with respect to the JSC and in other cases specified in Federal Law No. 55-FZ dd. March 14, 2022.

³ Until July 01, 2024, shareholders (shareholder) owning in the aggregate no less than 5% of the voting shares of the company had the right to take legal action in accordance with cl. 6 of Article 79 of the Federal Law "On Joint-Stock Companies" (Federal Law No. 55-FZ dd. March 14, 2022). From July 01, 2024 and until December 31, 2024, shareholders (shareholder) owning in the aggregate no less than 5% of the voting shares of the company in accordance with cl. 6 of Article 79 of Federal Law "On Joint-Stock Companies" had the right to take legal action if foreign restrictive measures were introduced with respect to the JSC and in other cases specified in Federal Law No. 55-FZ dd. March 14, 2022.

Right	Reference to a provision of the regulation and the Charter of Rosseti Northern Caucasus, PJSC	Ownership interest of shareholder (shareholders*) in voting shares				
		Any	1%	2%	10%	25%
claiming of application of effects of their invalidity, as well as application of effects of invalidity of null and void transactions of the Company	cl. 1 of Article 84 ¹ of Federal Law “On Joint-Stock Companies”					

* Shareholders holding jointly the designated number of voting shares may jointly exercise the relevant right.

✓ – Right available.

X – Right unavailable.

In order to ensure that the shareholders of the Company can exercise their rights, the Company regularly discloses and/or provides the shareholders of the Company with information on various issues related to the activities of the Company. Rosseti Northern Caucasus, PJSC interacts with shareholders and investors and discloses the information, inter alia, on the basis of the relevant plan, which is published on the corporate [website](#) of the Company in the section “To Shareholders and Investors / Investor Calendar”.

See more details about the information disclosure policy for shareholders and investors in subsection “Disclosure of Information on the Securities Market”.

Contact details for shareholders and investors are available on the Company’s website – <https://www.rossetisk.ru> in sections "Company / Contact Data and Details" and "For Shareholders and Investors / Contact Data”.

5.12. Profit Distribution and Dividend Policy

Dividend Policy

The Company’s dividend policy is determined by the Regulation on the Dividend Policy approved by the decision of the Board of Directors of the Company on February 5, 2018 (Minutes No. 330 dated February 6, 2018). The text of the Regulations is published on the Company’s website in the “For Shareholders and Investors / Charter and By-Laws / Dividend Policy Documents” section at: https://www.rossetisk.ru/shareholders_and_investors/dokumenty/dokumenty_dividendnoy_politiki/.

Basic principles of the dividend policy of the Company:

- compliance of the practice of accrual and payment of dividends in the Company with the law of the Russian Federation and corporate governance standards (Decree of the Government of the Russian Federation No. 1094-r dated May 29, 2017);
- balance of the interests of the Company and shareholders;
- determination of the amount of dividends as at least 50% of the net profit determined according to the financial statements, including consolidated financial statements, prepared in accordance with the International Financial Reporting Standards and calculated in the manner established by the Regulation;

¹ Until July 01, 2024, shareholders (shareholder) owning in the aggregate no less than 5% of the voting shares of the company had the right to access information and documents and the right to take legal action provided for in cl. 1 of Article 84 of the Federal Law “On Joint-Stock Companies” (Federal Law No. 55-FZ dd. March 14, 2022). From July 01, 2024 and until December 31, 2024, shareholders (shareholder) owning in the aggregate no less than 5% of the voting shares of the company had the right to access information and documents and the right to take legal action in accordance with cl. 1 of Article 84 of Federal Law “On Joint-Stock Companies” if foreign restrictive measures were introduced with respect to the JSC and in other cases specified in Federal Law No. 55-FZ dd. March 14, 2022.

- ensuring of the possibility of dividend payments on a quarterly basis, if the relevant criteria are met;
- ensuring of the maximum transparency (clarity) of the mechanism for determining the amount of dividends and the procedure for their payment;
- ensuring of the positive dynamics of the amount of dividend payments subject to the growth of the Company's net profit;
- availability of information for shareholders and other stakeholders on the dividend policy of the Company;
- need to maintain the required level of financial and technical condition of the Company (implementation of the investment program), ensuring of the Company's development prospects.

Distribution of profit for 2021–2024, thousand rubles*

Indicator	For 2021 (Annual General Meeting of Shareholders in 2022)	For 2022 (Annual General Meeting of Shareholders in 2023)	For 2023 (Annual General Meeting of Shareholders in 2024)
Retained profit (loss) in the reporting period, including:	-14,241,288	-11,265,874	-11,863,215
Reserve fund	–	–	–
Profit for development	–	–	–
Dividends	–	–	–
Coverage of losses from previous years	–	–	–
For reference: Retained profit with due regard for retrospective reflection of changes in the accounting policy of the Company			

* Information on profit distribution in accordance with resolutions of Annual General Meetings of Shareholders:

- Annual General Meeting of Shareholders in 2022 (for 2021) – Minutes of the Annual General Meeting of Shareholders No. 25 dated June 17, 2022;
- Annual General Meeting of Shareholders in 2023 (for 2022) – Minutes of the Annual General Meeting of Shareholders No. 26 dated June 19, 2023;
- Annual General Meeting of Shareholders in 2024 (for 2023) – Minutes of the Annual General Meeting of Shareholders No. 27 dated June 13, 2024.

In the reporting year, no dividends were paid on the Company's shares.

In 2022–2024 the General Meeting of Shareholders of Rosseti Northern Caucasus, PJSC did not make decisions on the payment of dividends on the shares of Rosseti Northern Caucasus, PJSC due to the fact that the Company was operating at a loss.

The decision on distribution of the Company's net profit (loss) following the results of 2024 will be made at the annual General Meeting of Shareholders taking into account the recommendations of the Board of Directors of the Company.

Contact Details**Full business name**

Публичное акционерное общество «Россети Северный Кавказ» (Russian)
Public Joint-Stock Company «ROSSETI Northern Caucasus» (English)

Abbreviated business name

ПАО «Россети Северный Кавказ» (Russian)
ROSSETI Northern Caucasus, PJSC (English)

Postal address:

13a Podstantsionnaya str., Energetik Settlement, Pyatigorsk, Stavropol Territory, 357506, the Russian Federation

Corporate web-site:

<https://www.rossetisk.ru/>

Primary state registration number:

1062632029778

INN [Taxpayer Identification Number]/KPP [Tax Registration Reason Code]:

2632082033/785150001

Telephone (Reception Office):

+7 (8793) 40-17-11, 34-66-80/81/82

Fax:

+7 (8793) 40-18-20

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info@rossetisk.ru

General Director

Roman Alekseevich Levchenko

Telephone (Reception Office): +7 (8793) 40-17-11, 34-66-80/81/82

Fax (reception): +7 (8793) 40-18-20

Shareholder and Investor Relations Service

Anton Yurievich Yezhek, Acting Head of the Shareholder Interaction Unit of the Department for Corporate Governance and Shareholder Relations

Telephone: +7 (8793) 23-91-67

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Contact details for shareholders and investors are available on the Company's website – <https://www.rossetisk.ru> in sections “Company / Contact Data and Details” and “For Shareholders and Investors / Contact Data”.

Corporate Secretary

Marina Khalitovna Kumukova

Telephone: +7 (8793) 34-66-80

Email address: ir@rossetisk.ru

Customer Hot Line:

8 (800) 775-91-12

Customer Internet Reception Officer:

<https://www.rossetisk.ru/customer/sistema-obslyzhivaniia-potrebitelei/internet-priemnaia/reception/>

Registrar

STATUS JSC

Address: 23 Novokhokhlovskaya str., building 1, premise 1, 109052 Moscow

Address on the Internet: <http://www.rostatus.ru>E-mail address: office@rostatus.ru

Telephone: +7 (495) 280-04-87

Fax: +7 (495) 678-71-10

License dated March 12, 2004 No. 10-000-1-00304 (unlimited), issued by the Federal Securities Market Commission

Relevant contacts and details of Rosseti Northern Caucasus, PJSC are published on the Company's website in "Company/Contacts and Details".

Glossary

For the purposes of this Annual Report, the following basic concepts, definitions and abbreviations are used.

Abbreviations and acronyms	
COVID-19	(abbreviation from English CoronaVirus Disease 2019 is a potentially severe acute respiratory infection caused by the SARS-CoV-2 coronavirus (2019-nCoV))
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ESG	Environmental, Social, and Corporate Governance
PR	Public relations (public relations, public communication, public affairs, community connections, public interaction)
RAB	Regulatory Asset Base, return on investment method
JSC	Joint-Stock Company
AO-energo	joint-stock company of power engineering and energy connectivity
VTRK	All-season Tourist and Recreational Complex
OL	high-voltage power line
OL	overhead lines
HS	High school
city/year	city / year (as the context may require)
years	years
GTRK	state television and radio broadcasting company
HPP	hydraulic power plant / urban power distribution zones (as the context may require)
S&A	Subsidiary/affiliate
Director	Member of the Board of Directors of Rosseti Northern Caucasus, PJSC
pcs	pieces
unit	Measurement unit

UES Russia	Unified Energy System Russia
H&U	housing and utilities
n.a.	Named after
INN	Taxpayer identification number
IT	information technologies
km	kilometer
KPI	Key Performance Indicators
CIF	Caucasus Investment Forum
PTL	power transmission line
MEC	Multifunctional Exhibition Center
Mln	million
Bln	billion
MICEX	MICEX Stock Exchange, CJSC
IDGC	Interregional Distribution Grid Company
SME	small and medium entrepreneurship
IFRS	International Financial Reporting Standards
RGP	required gross proceeds
VAT	value added tax
NP	non-profit partnership
OJSC	Open Joint-Stock Company
LLC	Limited Liability Company
RAD	regulatory and administrative documents
WMEP	wholesale market for electricity and power
PJSC	Public Joint-Stock Company
sub-cl.	Subclause
pp	percentage point
SS	substation
RIS	Regional Investment Standard
RAS	Russian Accounting Standards
RTS	RTS Stock Exchange, JSC
rubles	ruble
RF	Russian Federation
DPG	district power grids
NCFD	Northern Caucasus Federal District
MM	mass media
BTGC	backbone territorial grid company
P.	page
TS	transformer substation/technical connection (depending on the context)
TGC	territorial grid organization
thsd	thousand
FKPI	functional key performance indicators
pcs.	piece
CPB	central procurement body
CEC	Central Electoral Commission

Units of measurement	
Ampere (A)	unit of electric current measurement in the International System of Units (SI)
Watt (W)	unit of power measurement in the International System of Units (SI)
Watt-hour (Wh)	non-standard measurement unit of work or amount of generated energy. It is used primarily for measuring power consumption at home, in national economy and for measurement of power generation in the power industry
Volt (V)	unit of voltage measurement in the International System of Units (SI). It is equal to the electrical voltage causing a constant current in the circuit at 1 amp power output 1 Watt
Volt-ampere (VA)	non-standard measurement unit of full capacity of electric current
Litre (l)	metric unit of volume measurement
Terms	
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	Analytical index equal to the amount of profit before the deduction of interest expenses, taxes, depreciation and amortization
Dividend Policy	set of principles and methods used by the Company to determine proportions between a capitalized part of the Company's profits and a part of the Company's profits paid out as dividends, as well as a system of relations and principles to determine the procedure and time frames for payment of dividends, to determine the Company's responsibility for non-fulfillment of obligation to pay dividends
Unified national (Russian) power grid	electricity grid network and other electricity grid facilities belonging by right or by other federal laws to power industry subjects. They provide stable supply of electricity to consumers, functioning of the wholesale market and also simultaneous operation of the Russian electricity system and electricity system of foreign states
Unified energy system Russia (UES Russia)	set of production and other power property assets of a single production process (including production in the mode of combined production of power and heat), and power transmission under centralized operational dispatch management in the power industry
Sole Executive Body	official acting on behalf of the Company on the basis of the Company's charter and having the right to exercise legal capacity of the Company in all issues not within the competence of other bodies of the Company
Investment community	investors, analysts, professional participants of the securities market, rating agencies, other specialized and consulting organizations in the field of finance and investment
Interregional Distribution Grid Company (IDGC)	open joint-stock companies created during the restructuring of the power industry, formed as operating (or operating and holding) companies within the framework of the reorganization of IDGC and DGC by merger
Required gross proceeds (RGP)	economically reasonable amount of funds necessary for a company to carry out regulated activities during the accounting regulation period
Distribution Grid Companies	open joint-stock companies formed as a result of the division of AO-energo by activity-based transmission facilities not belonging to the Unified National (All-Russian) Power Grid
Registrar	legal entity being a professional securities market participant, providing to joint-stock companies services for maintenance of the register of shareholders, registration of transfer of the right of ownership to shares, distribution of materials to shareholders and other services
Market capitalization	product of the number of issued shares of the relevant category (type) per market price of one share disclosed by the trading organizer in the stock market

Editorial assumptions in the text of the report	
Stakeholders (except for the information about transactions in case there is an interest in making thereof)	shareholders, customers, contractors and business partners, investors, public authorities, employees of Rosseti Northern Caucasus, PJSC and other individuals and legal entities with an interest in financial and economic activity of Rosseti Northern Caucasus, PJSC (definition of “stakeholders” is used in international practice to refer to this category of persons)
Executive office (Management office)	administrative office (headquarters) of Rosseti Northern Caucasus, PJSC, carrying out accounting and control functions, system-wide coordination and administration of branch offices and controlled companies
Executive Director	member of the executive body (bodies) of Rosseti Northern Caucasus, PJSC
Company	legal entity Rosseti Northern Caucasus, PJSC (may also be referred to under the previous names: YuSK, OJSC, IDGC of Northern Caucasus, OJSC/IDGC of Northern Caucasus, PJSC) Additional information on the use of the name of the Company is indicated in the “Limitation of Liability” section
Corporate governance	is the system of relations between the Company’s executive officers, its Board of Directors, shareholders and other stakeholders being the instrument of the Company’s goals setting and the means for such goals achieving and of effective control ensuring for the Company’s operations by its shareholders and other stakeholders
Independent director	In accordance with the recommendations contained in the Corporate Governance Code (recommended by the Bank of Russia in accordance with the letter dated April 10, 2014 No. 06-52/2463), Independent Director is a person who has sufficient professionalism, experience and independence to have own opinion and is able to make objective and honest judgements, independent from the influence of executive bodies of the Company, separate groups of shareholders or other interested parties. Thus in normal conditions a candidate may not be regarded as an independent candidate (elected member of the Board of Directors), if he or she is associated with the company, its major shareholder, major counterparty or competitor of the Company or is associated with the government. Additional conditions are contained in sub-clauses 103–107 of the Code
Non-executive Director	member of the Board of Directors, who is not a member of the executive bodies of the company and does not meet all the requirements for an independent director
Managed company	legal entity under the management of Rosseti Northern Caucasus, PJSC under the agreement on transfer of powers of the sole executive body. As of the end of 2023, managed companies of Rosseti Northern Caucasus, PJSC: grid company – Chechenenergo, JSC; others – Sevkavkazenergo, JSC

Disclosures

This Annual Report of Rosseti Northern Caucasus, PJSC for 2024 is only for information purposes and does not present itself an advice or a convincing reason for carrying out transactions with the securities of Rosseti Northern Caucasus, PJSC. The Annual Report was prepared on the basis of the information available to Rosseti Northern Caucasus, PJSC at the time of its preparation.

The Annual Report contains information on the results of Rosseti Northern Caucasus, PJSC activities for 2024 (in a number of cases for a longer period), assessments and forecasts by management bodies of Rosseti Northern Caucasus, PJSC concerning future events, development prospects for Rosseti Northern Caucasus, PJSC, and industry that Rosseti Northern Caucasus,

PJSC, is most involved in, as well as the likelihood of certain events or completion of certain actions.

Information about members of the management and control bodies of the Company is indicated on the basis of data for the last five years that are available to the Company.

All statements of a forecast nature, which are in this Annual Report, as well as all following oral and written forecasts which Rosseti Northern Caucasus, PJSC or any person working on behalf of the Company may be responsible for, are categorically limited by the reservations set out below. Forecast statements may include statements concerning business activities, financial condition, income, economic indicators, results of business and production activities, production and consumption volume policies, disbursements, expenses, growth prospects, useful life of assets, reserves, time scale for starting and completing production projects, acquisition, liquidation or disposal of certain legal entities, other similar factors and economic forecasts concerning Rosseti Northern Caucasus, PJSC activities, as well as the industry and market in which Rosseti Northern Caucasus, PJSC, operates. All claims included in this Annual Report, other than statements containing historical facts, may be statements of a forecast nature. Words such as “consider”, “expect”, “intend”, “plan”, “will”, “may”, “should”, “could be”, “suggest”, “anticipate”, “try”, “presume”, “rely upon”, “continue”, “aim” and any word or expression with similar meaning or facts with disclaimers usually indicate the forecast nature of the statement.

Any opinions or forecasts presented in this Annual Report are the views of Rosseti Northern Caucasus, PJSC, its governing bodies, management, and personnel at the time the report was compiled. If the date of this Annual Report is not relevant, the opinions and forecasts contained therein may not reflect the current judgement of the management or governance bodies of Rosseti Northern Caucasus PJSC. Therefore, the information contained in this Annual Report may not be considered complete, exhaustive, and justified.

Forecast statements are not a guarantee of future indicators, as the actual performance of Rosseti Northern Caucasus, PJSC in the future may differ from the forecast results for a number of reasons. The specified reasons concern a number of well-known and unknown risks, uncertainties, and other factors. Rosseti Northern Caucasus, PJSC, gives no guarantees (apart from situations provided for by the law of the Russian Federation) that the actual results, scales or indicators of its activities or the industry where it operates will correspond to the results, scales or indicators of its activities clearly expressed or suggested in any statement of a forecast nature contained in this Annual Report. Rosseti Northern Caucasus, PJSC does not take responsibility for distributing or publishing any updates or changes to statements of a forecast nature, which reflect changes in expected or new information, as well as subsequent events, conditions or circumstances. Acquisition of securities of Rosseti Northern Caucasus, PJSC is associated with risks described in this Annual Report. Neither Rosseti Northern Caucasus, PJSC, nor its governance bodies, nor the personnel shall bear any responsibility for any losses arising as a result of using this Annual Report or its contents or arising in connection with this Annual Report.

On March 24, 2020, amendments to the Company Charter were registered, providing for a change in its name from IDGC of Northern Caucasus PJSC to Rosseti Northern Caucasus, PJSC. In many cases, the text of this Annual Report indicates the name of the Company as Rosseti Northern Caucasus, PJSC when describing events or indicating reporting data before the renaming of the Company. In view of the above, it should be taken into account that during the period of its existence the Company had the following names: from August 4, 2006 to August 1, 2007 – YuSK, OJSC, from August 1, 2007 to July 2, 2015 – IDGC of Northern Caucasus, OJSC, from July 2, 2015 to March 24, 2020 – IDGC of Northern Caucasus, PJSC, from March 24, 2020 – Rosseti Northern Caucasus, PJSC.

Federal Grid Company of Unified Energy System, Public Joint-Stock Company (FGC UES, PJSC) (the former name of the legal entity) has changed its corporate name. The full name of the Company is: in Russian – Публичное акционерное общество «Федеральная сетевая компания – Россети», in English «Federal Grid Company – ROSSETI», PUBLIC JOINT-STOCK COMPANY. Abbreviated corporate name of the Company in Russian – ПАО «Россети», in English – «ROSSETI», PJSC. The relevant changes made to the Company's Charter were registered by the Inter-district Inspectorate of the Federal Tax Service No. 46 for Moscow on October 12, 2022 (under state registration number: 2227709623304).

On January 9, 2023, an entry was made in the Unified State Register of Legal Entities (USRLE) on the completion of the reorganization of legal entities through the merger of Rosseti, PJSC (OGRN 1087760000019), DVEUK-UNES, JSC, Tomsk Backbone Networks, PJSC and Kuban Backbone Networks, JSC with Public Joint-Stock Company "Federal Grid Company – Rosseti", in connection with which Rosseti, PJSC (OGRN 1087760000019), DVEUK-UNES, JSC, Tomsk Backbone Networks, PJSC and Kuban Backbone Networks, JSC ceased their activities as legal entities as of January 9, 2023.