



ITEM No. 1
ON APPROVAL OF THE ANNUAL REPORT OF THE
COMPANY FOR 2022, THE ANNUAL FINANCIAL
STATEMENTS OF THE COMPANY FOR 2022

09 June 2023



ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

Explanatory information on the item (in part of the approval of the Annual Report, including the report on related party transactions concluded by the Company in 2022)

In accordance with Federal Law of 26.12.1995 No. 208-FZ "On Joint-Stock Companies", the issue of approval of the annual report should be included in the agenda of the Annual General Meeting of Shareholders of the Company.

The Annual Report is the most important public document, annually considered by the Annual General Meeting of Shareholders and allowing to evaluate the results of the Company's activities for the year.

The main purpose of drafting the Annual Report is to inform shareholders, investors and other stakeholders about all significant aspects of the Company's activities and proper disclosure of information.

The Annual Report of Rosseti Centre for 2022 was developed in accordance with the requirements of the current legislation of the Russian Federation (including the Regulation on the disclosure of information by issuers of equity securities approved by the Bank of Russia 27.03.2020 No. 714-P), the recommendations of the Corporate Governance Code (Letter of the Bank of Russia dated 10.04.2014 No. 06-52/2463), Letter of the Bank of Russia dated 27.12.2021 No. IN-06-28/102 "On disclosure in the annual report of a public joint-stock company of a report on compliance with the principles and recommendations of the Corporate Governance Code", Letter of the Bank of Russia dated 11.12.2017 No. IN-06-28/57 "On recommendations for disclosing in the annual report of a public joint-stock company information on remuneration of members of the board of directors (supervisory board), members of executive bodies and other key executives of the public joint stock company", Information Letter of the Bank of Russia dated 12.07.2021 No. IN-06-28/49 on recommendations on disclosure by public joint-stock companies of non-financial information related to activities of such companies, as well as intracorporate standards of the Company.

The Annual Report contains the Management report, which includes an overview of the main business processes, financial indicators, a corporate governance report and the Sustainability Report dedicated to work in the field of management of environmental, social and corporate governance factors – ESG (ecological, social and corporate governance).

The Annual Report takes into account the Corporate Governance Code recommended by the Bank of Russia for application and complies with the international reporting standards GRI (Global Reporting Initiative) in the field of sustainable development.

Appendices to the Annual Report are also the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code and the Report on Related Party Transactions Concluded by the Company in the Reporting Year, submitted in accordance with Federal Law of 26.12.1995 No. 208-FZ "On Joint-Stock Companies" in preparation for the holding of the annual general meeting of shareholders of a public company to persons entitled to participate in the annual general meeting of shareholders. All related party transactions were concluded in the reporting year according to the rules stipulated by the Federal Law "On Joint-Stock Companies". Transactions (inter-related transactions), the value of which was 10 percent or more of the book value of the Company's assets, were not made in the reporting year.

Information on the conclusion of the Audit Commission

The Annual Report was signed by General Director of the Company, the reliability of the data contained in it was confirmed by the Audit Commission of the Company on 25.04.2023, recommended by the Board of Directors of the Company on 04.05.2023 (Minutes No. 23/23) in accordance with the recommendations regarding the Audit Committee on 28.04.2023 (Minutes No. 09/23) and the Strategy Committee on 25.04.2023 (Minutes No. 08/23) for approval at the Annual General Meeting of Shareholders of Rosseti Centre, PJSC.

Based on the results of the assessment of the reliability of the Company's statements at the end of 2022, the Audit Commission expresses its opinion on the reliability of the data contained in the Annual Report for 2022, the Financial Statements of the Company for 2022, the Report on related party transactions concluded in 2022 in all material respects.

The text of the Annual Report for 2022 (including the Report on related party transactions concluded in 2022) can be found on the Company's website at: <https://www.mrsk-1.ru/about/management/controls/stockholders/material/gosa2023/>

Information on the conclusion of the internal audit based on the results of assessing the reliability and effectiveness of the internal control system and the risk management system, the effectiveness of corporate governance

The conclusion was prepared in accordance with the requirements of Federal Law of 26.12.1995 No. 208-FZ "On Joint-Stock Companies", recommendations of the Bank of Russia (Letter dated 01.10.2020 No. IN-06-28/143) "On recommendations for organizing risk management, internal control, internal audit, the work of the audit committee of the board of directors (supervisory board) in public joint stock companies", as well as in pursuance of the provisions of the Internal Audit Policy of Rosseti Centre, PJSC P 1/02-04/2021, approved by the decision of the Board of Directors (Minutes dated 23.08.2021 No. 36/21).

The conclusion was prepared based on the analysis of the Company's internal regulations, financial and management reporting, the results of the monitoring of risk management processes, the implementation of control procedures, the results of internal audit and other internal and external guarantee providers (the Company's divisions, regulatory and supervisory bodies).

Based on the assessment, the Internal Audit Department has sufficient grounds to confirm that the risk management system and the internal control system and the corporate governance system of the Company are organized in accordance with the requirements of the legislation and the scope of the Company's activities, there are no significant deficiencies in the systems that impede the achievement of its goals.



ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

Explanatory information on the item (in part of the approval of the annual financial statements)

In accordance with Federal Law of 26.12.1995 No. 208-FZ “On Joint-Stock Companies”, the agenda of the Annual General Meeting of Shareholders of the Company should include the issue of approval of the annual financial statements.

The annual financial statements for 2022 proposed for approval by the shareholders’ meeting were compiled in accordance with Federal Law “On Business Accounting” dated 06.12.2011 No. 402-FZ and the Regulation on Business Accounting and Accounting Reporting in the Russian Federation (Order of the Ministry of Finance of the Russian Federation of 29.07.1998 No. 34-n) and the Accounting Regulations.

The annual financial statements include:

- Form No. 1 “Statement of Financial Position”
- Form No. 2 “Statement of Financial Results”
- Form No. 3 “Statement of Changes in Equity”
- Form No. 4 “Cash Flow Statement”

Notes

Auditor’s Report

The financial statements of Rosseti Centre, PJSC under Russian Accounting Standards for 12 months of 2022 have the following indicators:

RUB mln	for 2022	for 2021	Change	
			absolute	relative
Revenue	109 703	103 169	6 534	6,33%
from electricity transmission services	101 663	97 771	3 892	3,98%
from grid connection services	2 511	1 487	1 024	68,86%
from electricity sale	596	591	5	0,85%
from other activity	4 933	3 320	1 613	48,58%
Cost price	94 158	90 218	3 940	4,37%
cost price of electricity transmission	89 668	87 399	2 269	2,60%
cost price of grid connection	393	305	88	28,85%
cost price of electricity sale	513	510	3	0,59%
cost price of other sales	3584	2004	1 580	78,84%
Selling costs	18	16	2	12,50%
Management costs	2 236	2 316	-80	-3,45%
Sales profit	13 291	10 619	2 672	25,16%
Other income	6 927	3 770	3 157	83,74%
Other expenses	13 490	8 560	4 930	57,59%
Profit tax	1 982	1527	455	29,80%
Other	-208	-155	-53	34,19%
Net profit	4 538	4 147	391	9,43%



ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

Statement of Financial Results

The Company's revenue for 2022 compared to the same period in 2021 increased by RUB 6,534 million or by 6.33% and amounted to RUB 109,702 million.

The volume of proceeds from electricity transmission amounted to RUB 101,663 million. At the end of 2022, there was an increase in revenue from electricity transmission services compared to the same period last year by RUB 3,892 million (3.98%), which is associated with the abolition of quarantine measures, the climatic factor due to colder temperatures, an increase in consumption at oil pipeline facilities, an increase in tariffs in 2022 approved by the Regulator in the regions of the Company's operations, including indexation of tariffs in December 2022.

At the end of 2022, revenue from grid connection services amounted to RUB 2,511 million, excluding VAT, which is RUB 1,024 million more than the same period in 2021 by 68.9% in connection with completion in 2022 of major grid connection contracts.

The increase in revenue from the sale of other activities in 2022 compared to 2021 by RUB 1,613 million is due to the execution and completion of work under contracts for improvement of public territories (creation of a comfortable urban environment), an increase in revenue from maintenance and repair services and reconstruction of power grid equipment of consumers through the performance and completion of work under contracts for the overhaul and reconstruction of electric grid facilities of the contract grid, an increase in revenue from the construction of outdoor lighting networks due to the performance and completion of work under life cycle contracts and a contract for installation of architectural and artistic lighting, as well as an increase in revenue from consulting and organizational services through management agreements with subsidiaries and receipt in 2022 of revenue under an energy service contract for modernization of outdoor lighting.

The cost of sales of the Company for 2022 compared to the fact of 2021 increased by RUB 3,940 million or by 4.37%.

The Company's expenses (including management and commercial expenses) for 2022 increased by RUB 3,861 million compared to the same period in 2021 or by 4.17% and amounted to RUB 96,411 million and below the revenue growth rate by 2.16%.

The profit from sales of the Company for 2022 amounted to RUB 13,291 million or 25.16% more than in the same period of 2021 (RUB 10,619 million).

Other income of the Company (including income from participation in other organizations and interest receivable) for 2022 amounted to RUB 6,927 million or +83.74% more than in the same period of 2021 (RUB 3,770 million). The increase in income for 2022 occurred mainly in the following items:

“Interest receivable” (by RUB 341 million or 91.91% more than in the same period);

“Reversal of the provision for estimated liabilities” (by RUB 1,360 million or 924.14% more than in 2021);

“Reversal of the provision for doubtful debts” (by RUB 453 million or 60.81% more than in 2021);

“Profit of previous years” (RUB 341 million or 61.89% more than in 2021).

Other expenses of the Company (including interest payable) for 2022 amounted to RUB 13,490 million, which is 57.59% more than for the same period in 2021 (RUB 8,560 million). The increase in the other expenses in 2022 occurred mainly in the following items:

“Interest payable” (by RUB 1,628 million or 64.65% more than in the same period);

“Penalties, fines, forfeits” (by RUB 117 million or 55.71% more than in the same period);

“Losses of previous years” (by RUB 1,154 million or 123.95% more than in the same period);

“Provision for estimated liabilities” (by RUB 2,055 million or 186.99% more than in the same period).

The net profit of the Company for 2022 amounted to RUB 4,538 million (the net profit for the same period in 2021 - RUB 4,147 million).

Statement of Financial Position

The total assets of Rosseti Centre, PJSC as of 31 December 2022 compared to 31 December 2021 increased by RUB 8,096 million (6.10%) and amounted to RUB 140,848 million.

The non-current assets in comparison with the beginning of the year increased by RUB 1,456 million (1.32%) and amounted to RUB 112,077 million.

The current assets increased by RUB 6,640 million (30%) and as of 31 December 2022 amounted to RUB 28,771 million.

The net assets increased by RUB 1,735 million (or by 3.24%).

The debt burden as of 31 December 2022 amounted to RUB 42,288 million. The debt portfolio is mainly represented by long-term loans and borrowings. The share of bank loans in the portfolio reaches 64.9%, bond loans – 23.6%, corporate loans –11.5%.

The net debt of Rosseti Centre, PJSC amounted to RUB 40,798 million against RUB 44,502 million at the beginning of the year.

Information on the results of an independent audit

In the opinion of the independent auditor TSATR - Audit Services LLC, the attached financial statements accurately reflect, in all material aspects, the financial position of the Company as of 31 December 2022, as well as its financial results and cash flows for 2022 in accordance with the rules for drawing up financial statements established in the Russian Federation.

The Audit Committee at the meetings on 28.04.2023 (Minutes No. 08/23 and Minutes No. 09/23) acknowledged that the quality of the audit was in line with the expectations of the Company, the Auditor's report and the Management and Governance Letter (auditor's report) of the external auditor complied with the terms of the contract and the requirements of the legislation of the Russian Federation and recommended that the annual financial statements for 2022 be submitted for approval by the Annual General Meeting of Shareholders, and also include the Conclusion on assessing the quality of the audit, the auditor's opinions and the effectiveness of the process of conducting the external audit of the financial statements of Rosseti Centre, PJSC for 2022 in the list of materials provided to persons entitled to participate in the Annual General Meeting of Shareholders of the Company.

Information on the conclusion of the Audit Commission

Based on the audit performed, taking into account the opinion of the external auditor of the Company, the Audit Commission has sufficient grounds to confirm the reliability of the data contained in the annual financial statements of the Company for 2022 in all material respects.

The annual financial statements of the Company for 2022 were preliminarily approved by the Board of Directors of the Company on 04.05.2023 (Minutes No. 23/23) in accordance with the recommendations of the Audit Committee on 28.04.2023 (Minutes No. 08/23). The annual financial statements for 2022 are available on the Company's website at: <https://www.mrsk-1.ru/about/management/controls/stockholders/material/gosa2023/>



ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

Draft resolution on item No. 1

1. To approve the Annual Report of the Company for 2022.
2. To approve the annual financial statements of the Company for 2022.



ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

Annual Report of Rosseti Centre, PJSC for 2022.



Public Joint stock company
«Rosseti Centre»

EXTRACT FROM MINUTES of meeting of the Board of Directors of Rosseti Centre, PJSC (in the form of absent voting)

«04» May 2023

Moscow

No. 23/23

Form of the meeting: **absent voting.**

Total number of members of the Board of Directors: **11 people.**

Participants of the voting: E.V. Andreeva, A.V. Golovtsov, Y.Y. Goncharov, M.A. Dokuchaeva, V.Y. Zarkhin, M.V. Korotkova, E.V. Lyapunov, D.V. Krainskiy, I.V. Makovskiy, A.V. Morozov, A.A. Polinov.

Members who did not provide questionnaires: **none.**

The quorum is **present.**

Date of the minutes: **04.05.2023.**

Item 11. On the prior approval of the Company's Annual Report for 2022.

Decision:

Tentatively to approve the Company's Annual Report for 2022 and to recommend that the Annual General Meeting of Shareholders of the Company approve the Annual Report in accordance with Appendix # 5 to this decision of the Board of Directors of the Company.

Voting results:

- | | | |
|-----|---------------------------------|---------------|
| 1. | Elena Viktorovna Andreeva | - «FOR» |
| 2. | Alexander Viktorovich Golovtsov | - «ABSTAINED» |
| 3. | Yury Vladimirovich Goncharov | - «FOR» |
| 4. | Maria Alexandrovna Dokuchaeva | - «FOR» |
| 5. | Vitaly Yuryevich Zarkhin | - «FOR» |
| 6. | Maria Vyacheslavna Korotkova | - «FOR» |
| 7. | Daniil Vladimirovich Krainskiy | - «FOR» |
| 8. | Evgeny Viktorovich Lyapunov | - «FOR» |
| 9. | Igor Vladimirovich Makovskiy | - «FOR» |
| 10. | Andrey Vladimirovich Morozov | - «FOR» |
| 11. | Alexey Alexandrovich Polinov | - «FOR» |

Total:

«FOR»	- «10»
«AGAINST»	- «0»
«ABSTAINED»	- «1»

Decision is taken.

Appendix: The Company's Annual Report for 2022 (Appendix # 5).

Minutes signed by:

Chairperson of the Board of Directors

E.V. Lyapunov

Corporate Secretary

S.V. Lapinskaya

Extract is correct:

Corporate Secretary
of Rosseti Centre, PJSC

S.V. Lapinskaya

04.05.2023

SEE APPENDIX 1.1

The Company's Annual Report for 2022 is available for review on the Company's website at: <https://www.mrsk-1.ru/about/management/controls/stockholders/material/gosa2023/>

The report on related party transactions concluded by Rosseti Centre, PJSC in 2022 .

Public Joint stock company
«Rosseti Centre»**EXTRACT FROM MINUTES**
of meeting of the Board of Directors of Rosseti Centre, PJSC
(in the form of absent voting)

«04» May 2023

Moscow

No. 23/23

Form of the meeting: **absent voting**.Total number of members of the Board of Directors: **11 people**.

Participants of the voting: E.V. Andreeva, A.V. Golovtsov, Y.V. Goncharov, M.A. Dokuchaeva, V.Y. Zarkhin, M.V. Korotkova, E.V. Lyapunov, D.V. Krainskiy, I.V. Makovskiy, A.V. Morozov, A.A. Polinov.

Members who did not provide questionnaires: **none**.The quorum is **present**.Date of the minutes: **04.05.2023**.**Item 10. On approval of the report on related party transactions, concluded by the Company in 2022.****Decision:**

To approve the report on related party transactions, concluded by Rosseti Centre, PJSC in 2022, in accordance with Appendix # 4 to this decision of the Board of Directors of the Company.

Voting results:

- | | |
|------------------------------------|---------|
| 1. Elena Viktorovna Andreeva | - «FOR» |
| 2. Alexander Viktorovich Golovtsov | - «FOR» |
| 3. Yury Vladimirovich Goncharov | - «FOR» |
| 4. Maria Alexandrovna Dokuchaeva | - «FOR» |
| 5. Vitaly Yuryevich Zarkhin | - «FOR» |
| 6. Maria Vyacheslavna Korotkova | - «FOR» |
| 7. Daniil Vladimirovich Krainskiy | - «FOR» |
| 8. Evgeny Viktorovich Lyapunov | - «FOR» |
| 9. Igor Vladimirovich Makovskiy | - «FOR» |
| 10. Andrey Vladimirovich Morozov | - «FOR» |
| 11. Alexey Alexandrovich Polinov | - «FOR» |

Total:

«FOR»	- «11»
«AGAINST»	- «0»
«ABSTAINED»	- «0»

Decision is taken.**Appendix:** The report on related party transactions, concluded by Rosseti Centre, PJSC in 2022 (Appendix # 4).**Minutes signed by:**

Chairperson of the Board of Directors E.V. Lyapunov

Corporate Secretary S.V. Lapinskaya

Extract is correct:

Corporate Secretary of Rosseti Centre, PJSC S.V. Lapinskaya
04.05.2023**SEE APPENDIX 1.2**The report on related party transactions concluded by Rosseti Centre, PJSC in 2022 is available for review on the Company's website at: <https://www.mrsk-1.ru/about/management/controls/stockholders/material/gosa2023/>

Annual financial statements of Rosseti Centre, PJSC for 2022.



Public joint stock company
«Rosseti Centre»

EXTRACT FROM MINUTES
of meeting of the Board of Directors of Rosseti Centre, PJSC
(in the form of absent voting)

«04» May 2023

Moscow

No. 23/23

Form of the meeting: **absent voting.**

Total number of members of the Board of Directors: **11 people.**

Participants of the voting: E.V. Andreeva, A.V. Golovtsov, Y.V. Goncharov, M.A. Dokuchaeva, V.Y. Zarkhin, M.V. Korotkova, E.V. Lyapunov, D.V. Krainskiy, I.V. Makovskiy, A.V. Morozov, A.A. Polinov.

Members who did not provide questionnaires: **none.**

The quorum is **present.**

Date of the minutes: **04.05.2023.**

Item 12. On consideration of the annual financial statements of the Company for 2022.

Decision:

Tentatively to approve and submit the annual financial statements of the Company for 2022 for approval by the Annual General Meeting of Shareholders of the Company in accordance with Appendix # 6 to this decision of the Board of Directors of the Company.

Voting results:

- | | |
|------------------------------------|---------------|
| 1. Elena Viktorovna Andreeva | - «FOR» |
| 2. Alexander Viktorovich Golovtsov | - «ABSTAINED» |
| 3. Yury Vladimirovich Goncharov | - «FOR» |
| 4. Maria Alexandrovna Dokuchaeva | - «FOR» |
| 5. Vitaly Yuryevich Zarkhin | - «FOR» |
| 6. Maria Vyacheslavna Korotkova | - «FOR» |
| 7. Daniil Vladimirovich Krainskiy | - «FOR» |
| 8. Evgeny Viktorovich Lyapunov | - «FOR» |
| 9. Igor Vladimirovich Makovskiy | - «FOR» |
| 10. Andrey Vladimirovich Morozov | - «FOR» |
| 11. Alexey Alexandrovich Polinov | - «FOR» |

Total:

«FOR»	- «10»
«AGAINST»	- «0»
«ABSTAINED»	- «1»

Decision is taken.

The dissenting opinion of A.V. Golovtsov, a member of the Board of Directors of the Company: "I consider the discount rate (weighted average cost of capital of the Company) used for the impairment test of the Fixed Assets to be understated. The statement contained in the Statements that the weighted average cost of capital for 2022 decreased, in my opinion, is at odds with the dynamics of financial markets and the principles of IFRS."

Appendix: The annual financial statements of the Company for 2022 (Appendix # 6).

Minutes signed by:

Chairperson of the Board of Directors
Corporate Secretary

E.V. Lyapunov
S.V. Lapinskaya

Extract is correct:

Corporate Secretary
of Rosseti Centre, PJSC
04.05.2023

S.V. Lapinskaya

SEE APPENDIX 2

The annual financial statements of the Company for 2022 are available for review on the Company's website at: <https://www.mrsk-1.ru/about/management/controls/stockholders/material/gosa2023/>

Conclusion of the Audit Commission of Rosseti Centre, PJSC for 2022.
**I. INTRODUCTION
 INFORMATION ON THE AUDIT COMMISSION**

The Audit Commission
of Rosseti Centre, PJSC

Approved by
the Audit Commission
of Rosseti Centre, PJSC
(Minutes dated 25 April 2023 # 3)

**CONCLUSION
OF THE AUDIT COMMISSION**

of Public Joint stock company
«Rosseti Centre»

FOR 2022

25 April 2023

Moscow

Members of the Audit Commission were elected by the resolution of the General Meeting of Shareholders	Decision of the Annual General Meeting of Shareholders of IDGC of Centre, PJSC dated 17.06.2022 (Minutes dated 17.06.2022 # 01/22)
Chairperson, Deputy Chairperson, Secretary of the Audit Commission were elected by the decision of the Audit Commission	Minutes of the Audit Commission of Rosseti Centre, PJSC dated 20.07.2022 # 1
Chairperson of the Audit Commission	Svetlana Nikolaevna Kovaleva
Deputy Chairperson of the Audit Commission	Viktor Vladimirovich Tsarkov
Secretary of the Audit Commission	Svetlana Mikhailovna Trishina
Members of the Audit Commission	Gayane Robertovna Andriasova, Vitaly Viktorovich Sorokin

Term of the audit performance: In accordance with the work plan of the Audit Commission for the 2022-2023 corporate year (Minutes of the meeting of the Audit Commission of Rosseti Centre, PJSC dated 20.07.2022 # 1), the audit of the financial and economic activities of Rosseti Centre, PJSC for 2022 is carried out from February to June 2023.

Reason for the audit: Federal Law No. 208-FZ of 26.12.1995 “On Joint Stock Companies”, the Articles of Association of Rosseti Centre, PJSC, the Regulation on the Audit Commission of Rosseti Centre, PJSC, the decision of the Audit Commission of Rosseti Centre, PJSC (Minutes of the meeting dated 20.07.2022 # 1).

Purpose of the audit: Confirmation of the reliability of data contained in the Annual Report for 2022, the financial statements of Rosseti Centre, PJSC for 2022, the Report on related party transactions concluded in 2022 (hereinafter referred to as the Statements).

Reliability in all material respects means the accuracy of the Statements data, which allows shareholders to draw the right conclusions about the results of economic activities, financial and property status of Rosseti Centre, PJSC and take informed decisions based on these conclusions.

In accordance with Federal Law No. 208-FZ of 26.12.1995 “On Joint Stock Companies”, the Articles of Association of Rosseti Centre, PJSC, the Executive Body of Rosseti Centre, PJSC bears responsibility for the organization, condition and reliability of accounting in Rosseti Centre, PJSC, timely submission of financial statements.

Audited period: from 01.01.2022 to 31.12.2022.

Audited entity: the Annual Report for 2022, the Financial Statements for 2022, the Report on related party transactions concluded in 2022, resolutions of management bodies, local regulations and organizational and administrative documents of Rosseti Centre, PJSC, programs and plans, accounting registers, primary accounting documents and other documentation of financial and economic activities of Rosseti Centre, PJSC.

INFORMATION ON THE COMPANY

Full company name	Public Joint stock company «Rosseti Centre» (hereinafter referred to as the Company)
Abbreviated name	Rosseti Centre, PJSC (hereinafter referred to as the Company)
Location (Registered office)	Moscow, Russian Federation
Legal entity address	Malaya Ordynka st., 15, Moscow, 119017 Russian Federation
State registration (PSRN, date)	1046900099498 dated 17.12.2004
Taxpayer Identification Number (TIN)	6901067107
Branches and subdivisions with separate balance	Belgorodenergo, Bryanskenergo, Voronezhenergo, Kostromaenergo, Kurskenergo, Lipetskenergo, Orelenergo, Smolenskenergo, Tambovenergo, Tverenergo, Yarenergo
Executive Body (Full name, position, date of taking office (all in the reporting period and events after the reporting date))	Igor Vladimirovich Makovskiy from 19.09.2018 to the present
Chief Accountant (Full name, position, date of taking office)	Lyudmila Alexeevna Sklyarova, Chief Accountant – Head of Financial and Tax Accounting and Reporting Department from 19.04.2013 to the present
Average number of employees of the Company for 2022	27 429 persons
Major shareholders	PJSC Rosseti 50,23 %, NEW RUSSIAN GENERATION LIMITED 15,98
Primary activities	Electricity transmission and connection to distribution grids (OKVED code 35.12) Purchase and sale of electrical energy and capacity in the Tver region

II. FINAL PART

During the audit, the Company's compliance with the legislation of the Russian Federation and local regulations of the Company was considered.

The Audit Commission selectively checked a number of financial and business operations performed by the Company for accurate and timely reflection of the facts of economic life in accounting and financial statements for 2022, checking the reliability and completeness of information disclosure in the Annual Report for 2022.

During the assessment of the reliability of the financial statements for 2022, the Audit Commission relied on the opinion of the auditor of the Company "Centre of Audit Technologies and Solutions - Audit Services" LLC (hereinafter – TSATR - Audit Services LLC) (Member in the self-regulatory organization of auditors Association "Sodruzhestvo" Main registration number of record 12006020327), expressed in the auditor's report dated 21.03.2023 (audit contract No. I@C-2022-00084/7700/00218/22 dated 27.05.2022).

According to the auditor of the Company TSATR - Audit Services LLC: *«the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and its financial performance and its cash flows for 2022 in accordance with the rules on preparation of financial statements established in the Russian Federation».*

The statements were prepared in accordance with the laws and regulations of the Russian Federation (RAS) and local regulations of the Company in all material respects.



ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

During the audit, a selective reconciliation of the data of the annual financial statements and the data of the Company's annual report for 2022 was carried out. As part of the work done, the Audit Commission did not find any material misstatements of the financial information contained in the Company's annual report for 2022. The Company's annual report, submitted for approval by the Annual General Meeting of Shareholders, contains the information provided for by the Bank of Russia's Regulation No. 714-P dated 27 March 2020 "On Disclosure of Information by Issuers of Equity Securities". As of the date of issuance of this Conclusion, the annual report for 2022, submitted for approval by the Annual General Meeting of Shareholders, has not been approved by the Board of Directors of the Company.

The Audit Commission randomly verified the accuracy of the information in the report on related party transactions, concluded in 2022, for compliance with the requirements of Federal Law dated 26 December 1995 No. 208-FZ "On Joint-Stock Companies", the Instruction of the Bank of Russia "On Establishing Limit Values for the Size of Transactions of Joint-Stock Companies and Limited Liability Companies, Above which Such Transactions Can Be Recognized as Related Party Transactions" dated 31 March 2017 4335-U. No facts of distortion of the information contained in the report on related party transactions, concluded in 2022, were revealed. At the time of issuing this Conclusion, the report on related party transactions concluded in 2022 has not been approved by the Board of Directors of the Company.

No facts of violation of the legal acts of the Russian Federation in the course of financial and economic activities, which could significantly affect the Company's Statements, were revealed in the course of a random audit.

In accordance with Article 88 of Federal Law of 26 December 1995 No. 208-FZ "On Joint Stock Companies" based on the results of the audit of the financial and economic activities of the Company at the end of 2022, the Audit Commission expresses its opinion on the reliability of the data in all material respects contained in the Annual Report of the Company for 2022 and in the annual financial statements of the Company for 2022.

The Company's Statements confirmed by the Audit Commission:

Item #	Name of the statement form	Date of signature by the management	Number of sheets in the document
1.	Statement of Financial Position as of 31 December 2022	21.03.2023	2
2.	Statement of Financial Results for 12 months of 2022	21.03.2023	1
3.	Statement of Changes in Equity for 2022	21.03.2023	3
4.	Statement of Cash Flows for 12 months of 2022	21.03.2023	2
5.	Notes to the Statement of Financial Position and the Statement of Financial Results of Rosseti Centre, PJSC for 2022 in text and tabular form	21.03.2023	107
6.	Annual report of Rosseti Centre, PJSC for 2022 (with appendices, including the report on related party transactions, concluded in 2022)	-	618

This Conclusion of the Audit Commission should be considered together with all the approved forms of the Financial Statements and the Notes to the Statement of Financial Position and the Statement of Financial Results for 2022, the Annual Report of the Company for 2022, the Report on related party transactions, concluded in 2022.

Chairperson of the Audit Commission

S.N. Kovaleva

Members of the Audit Commission

V.V. Tsarkov, S.M. Trishina, G.R. Andriasova, V.V. Sorokin

Materials to the Annual General Meeting of Shareholders of Rosseti Centre, PJSC 2023

Independent auditor's report on the financial statements of Rosseti Centre, PJSC for 2022

Independent auditor's report
on the financial statements of
Public Joint stock company
«Rosseti Centre»
for 2022

March 2023

To the Shareholders and Board of Directors of Public Joint stock company «Rosseti Centre»

Opinion

We have audited the financial statements of Public Joint stock company «Rosseti Centre» (the Company), which comprise the statement of financial position as at 31 December 2022, the statement of financial results for 2022 and appendices thereto.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and its financial performance and its cash flows for 2022 in accordance with the rules on preparation of financial statements established in the Russian Federation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including international standards of independence) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Russian Federation, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
Recognition and measurement of revenue from electricity transmission services	
<p>Recognition and measurement of revenue from electricity transmission services was one of the most significant matters for our audit due to certain specifics of the electricity market mechanisms that gave rise to disagreements among electricity supply, utilities, and other companies in relation to the volume and cost of the transmitted electricity. The amount of revenue challenged by counterparties is material to the Company's financial statements. Management's assessment of the probability of settling disputes in the Company's favor is highly subjective. Revenue is recognized when disagreements are resolved in favor of the Company with regard to assumptions.</p> <p>Information on revenue from electricity transmission services is disclosed in Note 13 and 19 to the statement of financial position and the statement of financial results.</p>	<p>We considered the applied accounting policy with regard to the recognition of revenue from electricity transmission services; assessed internal controls over the recognition of this revenue; checked the calculation of the corresponding revenue amounts based on the existing electricity transmission contracts; received, on a selective basis, confirmations of balances of receivables from counterparties; analyzed the results of litigations concerning disputable amounts of services provided, if any; and assessed existing procedures to confirm the volume of electricity transmitted.</p>
Impairment of accounts receivable	
<p>Impairment of accounts receivable is one of the most significant matter for our audit due to significant balance of the Company's accounts receivable as at 31 December 2022, as well as due to the fact that management's assessment of recoverability of accounts receivable is based on assumptions, in particular, on the forecasted ability of the Company's customers to pay.</p> <p>Information on impairment of accounts receivable is disclosed in Note 13 to the statement of financial position and the statement of financial results.</p>	<p>We analyzed the adequacy of the Company's accounting policy with respect to impairment of accounts receivable, as well as the procedures for confirming the appropriateness of estimates made by the Company's management, including analysis of history of settlements, ageing and overdue receivables and customers' ability to pay.</p> <p>We performed audit procedures in relation to the information used by the Company to determine the impairment of receivables, as well as in relation to the structure of receivables by maturity, tested the calculation of the amount of the accrued provision.</p>

Key audit matter	How our audit addressed the key audit matter
Recognition, measurement and disclosure of provisions and contingent liabilities	
<p>Recognition, measurement and disclosure of provisions and contingent liabilities in respect of litigations and claims from counterparties (including territorial electric grid and utilities companies) were among the most significant matters for our audit as they require significant judgments of management with respect to material amounts of balances of settlements with counterparties that are challenged in litigations or under the pretrial settlement.</p> <p>Information on provisions and contingent liabilities is disclosed in Note 16 to the statement of financial position and the statement of financial results.</p>	<p>Audit procedures also involved analyzing decisions made by courts of different instances; considering management's judgments with regard to its assessment of the possibility of the economic resources outflow due to dispute settlement; examining the compliance of prepared documentation with provisions of existing contracts and legislation; and analyzing disclosures on provisions and contingent liabilities in notes to the statement of financial position and the statement of financial results.</p>
Impairment of fixed assets	
<p>In accordance with paragraph 38 of FRAS 6/2020 "Fixed Assets", as of 31 December 2022, the Company conducted an impairment test and took into account the change in their carrying value due to impairment in the manner prescribed by International Financial Reporting Standard (IAS) 36 "Impairment of Assets", put into effect on the territory of the Russian Federation by order of the Ministry of Finance of the Russian Federation dated 28 December 2015 No. 217n (registered by the Ministry of Justice of the Russian Federation on 2 February 2016, registration No. 40940). The value-in-use of fixed assets and right-of-use assets forming a significant share of the Company's non-current assets, as of 31 December 2022, was determined by the projected cash flow method.</p> <p>The impairment testing of fixed assets was one of the most significant matters for our audit because the fixed assets balance forms a significant part of the Company's assets at the reporting date, and because management's assessment of the value-in-use is complex and largely subjective and is based on assumptions, in particular, on projected electricity transmission volumes, transmission fees, as well as operating and capital expenditures that depend on the expected future market or economic conditions in the Russian Federation, including, such as long-term tariff growth rates and discount rates.</p> <p>Information on the results of the impairment analysis of fixed assets is disclosed by the Company in Note 9 to the statement of financial position and the statement of financial results.</p>	<p>As part of our audit procedures, we also assessed the assumptions and methodologies applied by the Company, in particular, those relating to projected total revenue from electricity transmission, fee solutions, operating and capital expenditures, long-term rates of fee growth and discount rates. We tested the incoming data imported in the model and the arithmetic accuracy of the model used to determine the recoverable amount in the impairment test of fixed assets and right-of-use assets. We engaged valuation specialists to analyze the model used to determine the recoverable amount in the impairment test of fixed assets. We also analyzed the sensitivity of the model to changes in the main indicators of assessment and the Company's disclosures of assumptions on which the results of impairment testing largely depend.</p>

Other information included in the annual report

Other information consists of the information included in the annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and Audit Committee of the Board of Directors for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the rules on preparation of financial statements established in the Russian Federation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit Committee of the Board of Directors is responsible for overseeing the Company's financial reporting process.

ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee of the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Audit Committee of the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee of the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The head of the audit resulting in this independent auditor's report is T.L. Okolotina.

T.L. Okolotina,
acting on behalf of TSATR - Audit services LLC
on the basis of power of attorney dated 18 April 2022,
the head of the audit resulting in this independent auditor's report (main registration number 21906110171)
21 March 2023

Details of the auditor

Name: TSATR - Audit Services Limited Liability Company

Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203. Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.

TSATR - Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR - Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the audited entity

Name: Public Joint stock company «Rosseti Centre»

Record made in the State Register of Legal Entities on 17 December 2004, State Registration Number 1046900099498.

Address: Russia 119017, Moscow, Malaya Ordynka street, 15.

The Conclusion of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC on assessing the quality of the audit, the auditor's opinions and the effectiveness of the process of conducting the external audit of the financial statements of Rosseti Centre, PJSC for 2022



Public Joint stock company
«Rosseti Centre»
EXTRACT FROM MINUTES
of the meeting of the Audit Committee
of the Board of Directors of Rosseti Centre, PJSC
(in the form of absent voting)

28 April 2023 Moscow No. 09/23

Form of the meeting: absent voting.
Total number of members of the Audit Committee: 3 persons.
Participants of the voting: M.V. Korotkova, V.Y. Zarkhin, A.V. Morozov.
Members who did not provide questionnaires: none.
The quorum is present.
The Expert conclusion of the expert of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC was taken into account at drawing up of the minutes.
Date of the minutes: 28.04.2023.

Item 2. On assessing the effectiveness of the process of conducting an external audit of the financial statements of Rosseti Centre, PJSC for 2022, prepared in accordance with RAS, and the auditor's report.

Decision:
1. To approve the Conclusion on the assessment of the quality of the audit, the auditors' opinions and the effectiveness of the process of conducting an external audit of the financial statements of Rosseti Centre, PJSC for 2022 in accordance with Appendix # 2 to this decision of the Audit Committee.
2. To recommend that General Director of the Company include the Conclusion on the assessment of the quality of the audit, the auditors' opinions and the effectiveness of the process of conducting an external audit of the financial statements of Rosseti Centre, PJSC for 2022 into the list of materials provided to persons entitled to participate in the Annual General Meeting of Shareholders of the Company.
The decision was taken unanimously.

Appendix: The Conclusion on the assessment of the quality of the audit, the auditors' opinions and the effectiveness of the process of conducting an external audit of the financial statements of Rosseti Centre, PJSC for 2022 (Appendix # 2).

Minutes signed by:
Chairperson of the Audit Committee M.V. Korotkova
Secretary of the Audit Committee S.V. Lapinskaya

Extract is correct:
Secretary of the Audit Committee
of the Board of Directors of Rosseti Centre, PJSC S.V. Lapinskaya
28.04.2023

1. General information about the external auditor

In 2022, the Company used the services of an external auditor TSATR - Audit Services
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.

It is a member of Self-regulatory organization of auditors Association "Sodruzhestvo" (SRO AAS). TSATR - Audit Services is included in the control copy of the register of auditors and audit organizations under the main registration number 12006020327. Member of the collective participant JSC Audit Company "DELOVOY PROFILE".

The professionalism, independence and objectivity of the external auditor are confirmed by the following information:

- TSATR - Audit Services LLC fully complies with the requirements of Article 8 "Independence of Audit Organizations, Auditors" of Federal Law No. 307-FZ "On Auditing Activities" and the Rules for the Independence of Auditors and Audit Organizations and takes all necessary measures to this end, including, carries out internal verification of compliance with independence, which is provided for by internal procedures. Internal audits of compliance with the conditions for the independence of auditors and the audit organization are carried out when accepting a client for service, continuing cooperation with existing clients, during the performance of audit assignments, monitoring (inspection) of completed audit assignments, and also by obtaining annual confirmations from employees on compliance with the rules of independence;

- All employees of TSATR - Audit Services LLC, who have valid auditor qualification certificates, in accordance with the requirements of Part 9 of Article 11 "Auditor Qualification Certificate" of Federal Law No. 307-FZ "On Auditing Activities", during each calendar year, starting from the year following the year of obtaining the qualification certificate of an auditor, they undergo mandatory training in advanced training programs approved by the self-regulatory organization of auditors "Sodruzhestvo", and receive appropriate certificates. As of 1 January 2022, all employees of TSATR - Audit Services LLC with valid auditor qualification certificates received certificates of professional development from SRO "Sodruzhestvo";

- The system of internal quality control of the work of TSATR - Audit Services LLC is built in accordance with the requirements of ISA No. 220 "Quality control during the audit of financial statements" and ISQC No. 1 "Quality control in audit organizations conducting audits and reviews of financial statements, and also performing other assurance engagements and related service engagements". The purpose of the quality control system is to provide reasonable assurance that TSATR - Audit Services LLC and its personnel conduct audits, provide related services, as well as other tasks that provide assurance, in accordance with the requirements of legislative and other regulatory legal acts of the Russian Federation, International Standards of audit, and that the opinions and reports issued by the firm or engagement partners are appropriate in the circumstances. The Company declares the effective functioning of the system of internal quality control of work.

Rosseti Centre, PJSC concluded an agreement for the provision of audit services for 2022 dated 27 May 2022 No. I&C-2022-00084/7700/00218/22 with TSATR - Audit Services LLC.

Grounds for concluding the agreement: the procurement procedure announced by notice No. 32211275141 of 31.03.2022 based on the minutes of the meeting of the procurement commission for summarizing the results of 12.05.2022 No. 7/468r and the decision of the Annual General Meeting of Shareholders of the Company on the approval of the Company's auditor dated 17.06.2022 (Minutes # 01/22).

In accordance with the agreement for the provision of audit services for the purpose of auditing the financial statements of the Company for 2022 No. I&C-2022-00084/7700/00218/22 dated 27 May 2022, concluded with TSATR - Audit Services LLC, the external auditor provides the following services:

- a mandatory audit of the financial statements of the Company, provided for by Federal Law No. 402-FZ dated 06.12.2011 "On Accounting" for the year ending 31 December 2022. The audit is carried out in two stages: based on the results of 9 months of 2022 and 2022 as a whole.
- an audit of the Company's consolidated financial statements prepared in Russian and English in accordance with International Financial Reporting Standards and Federal Law No. 208-FZ dated 27 July 2010 "On Consolidated Financial Statements" for the year ending 31 December 2022;
- a review of the interim condensed consolidated financial statements of PJSC Rosseti Center prepared in Russian and English in accordance with IAS 34 Interim Financial Reporting for the three and six months ending 30 June 2023;
- an audit of special financial statements as part of reporting forms of the group of Rosseti Centre, PJSC prepared in accordance with the IFRS Accounting Policy of PJSC Rosseti for the year ending 31 December 2022 for the purpose of inclusion in the consolidated IFRS statements of PJSC Rosseti for the year ending 31 December 2022;
- a review of interim condensed special purpose financial information consisting of reporting forms of the group of Rosseti Centre, PJSC prepared in accordance with the IFRS Accounting Policy of PJSC Rosseti for three and six months ending 30 June 2022, for the purpose of inclusion in the interim condensed consolidated financial statements of PJSC Rosseti prepared in accordance with IAS 34 Interim Financial Reporting for the three and six months ending 30 June 2022;
- preparation and provision of the Management and Governance Letter (auditor's report) to the customer.

2. Evaluation of the quality of the audit, the auditors' opinions and the effectiveness of the process of conducting an external audit of the financial statements of the Company

2.1. Evaluation of the quality of the audit of the financial statements of the Company.

As part of the evaluation of the effectiveness of the process of conducting the external audit of the financial statements of the Company, a survey was conducted of the management and members of the Audit Committee of the Board of Directors of the Company in order to obtain feedback on the quality of work of external auditors of TSATR - Audit Services LLC for 2022.

To evaluate the work of the external auditor TSATR - Audit Services LLC in accordance with the Methodology, three forms of questionnaires were used:

- for the subdivision performing the functions of accounting in the Company, as the supervisor of the contract for the provision of audit services;
- for the management of the Company;
- for members of the Audit Committee of the Board of Directors of the Company.

The Company's management and members of the Audit Committee of the Company's Board of Directors were asked to evaluate the quality of the external auditor's services, the level of communication and interaction on the following scale:

Score «1»	does not comply/not satisfied (more than one deviation)
Score «2»	partially complies/partially satisfied (there is a single (one-time) deviation)
Score «3»	complies/satisfied (no deviation)

Also, as part of the survey, it was additionally proposed to evaluate the independence, objectivity and professional skepticism of the external auditor; answer questions regarding ongoing meetings between the external auditor and management.

Accounting and Reporting Department of the Company (supervisor of the contract)

Based on the survey of the Accounting and Reporting Department of the Company, which is the supervisor of the contract with the external auditor TSATR - Audit Services, **the average final score was 3 points.**

Evaluation criterion	Score (from 1 to 3)
Service quality The quality of services is understood as that the auditor complies with the terms established in the contract and the agreed audit plan, ensures the availability of members of the audit team to discuss current issues; assists in resolving complex methodological issues, answers questions on the merits and within a reasonable time; when a possible risk is identified, it actively engages relevant experts to discuss and resolve the issue, promptly communicates information to the Company's management, strives to ensure a balanced ratio of price and quality of services provided.	3
Communication and interaction According to this criterion, the auditor uses a business and constructive style of communication; ensures effective communication throughout the year (interact verbally and in writing); advises on significant issues; observes confidentiality, auditing standards and the code of professional ethics for auditors.	3
Quality of organization and effectiveness of meetings with the external auditor According to this criterion, it was noted that the external auditor is professionally competent and competently applies theoretical knowledge in practice; the auditor understands the specifics of the Company's activities and has experience working with enterprises in a similar field of activity; the auditor provides the necessary amount of resources to complete the agreed work on time; made a visit to the location of the branches of the Company (for example, in order to monitor the inventory).	3
The independence, objectivity and professional skepticism of the auditor are noted The external auditor demonstrates the objectivity of conclusions and professional judgments, maintains independence, keeps professional skepticism in the course of providing audit services.	

During the survey, the Company's Accounting and Reporting Department did not receive any comments or recommendations to the external auditor to improve the quality of the services provided.

ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

The Company's management

The interaction of representatives of the Company's management within the framework of the audit of the financial statements took place through the Accounting and Reporting Department by sending requests from the external auditor. Based on feedback from the Company's management (Deputy General Director for Economics and Finance, Chief Accountant - Head of the Accounting and Reporting Department), who interacted with the external auditor of TSATR - Audit Services LLC, **the average final score was 3 points.**

Evaluation criterion	Score (from 1 to 3)
Service quality Service quality refers to the fact that the auditor ensures that members of the audit team are available to discuss current issues; assists in resolving complex methodological issues, answers questions on the merits and within a reasonable time; possesses sufficient qualifications (taking into account the specifics of the Company's sectoral affiliation); when a possible risk is identified, it actively engages relevant experts to discuss and resolve the issue, promptly communicates information to the Company's management.	3
Communication and interaction According to this criterion, the auditor uses a business and constructive style of communication; ensures effective communication throughout the year (interact verbally and in writing); advises on significant issues; complies with auditing standards and the code of professional ethics for auditors; openly approaches difficult situations, brings all significant problems/issues to the attention of the appropriate level of management, constructively approaches the solution of complex issues.	3
Quality of organization and effectiveness of meetings with the external auditor According to this criterion, the constructive nature of the meetings held, the high level of interaction and competence of the representatives of the external auditor were noted. In October and November 2022, the auditors were present during the inventory of property in the branches: Orelenergo; Tambovenergo; Yarenergo. Meetings with the auditor were held on 04.08.2022; 14.11.2022 and 08.02.2023, where the main issues of the audit were discussed: <ul style="list-style-type: none"> - Impact of the current economic situation on the Group's operations - New non-standard transactions that have occurred since the beginning of 2022 or are expected in the following months - Debt collection plans for TNS Energo Group, effect on financial statements - Assessment of the adequacy of the provision for expected credit losses and the provision for litigation - Noncurrent assets impairment. Business plan performance expectations for 12M 2022 by branches and subsidiaries: revenue, productive output, losses, personnel, collection of payments, EBITDA, net income, cash flow, covenants. 	3
The independence, objectivity and professional skepticism of the auditor are noted The external auditor demonstrates the objectivity of conclusions and professional judgments, maintains independence in the course of providing audit services.	

During the survey, no comments and recommendations were received from the Company's management to the external auditor to improve the quality of services provided.

Audit Committee of the Board of Directors of the Company

Based on feedback from members of the Audit Committee of the Board of Directors of the Company, **the average final score was 3 points:**

Evaluation criterion	Score (from 1 to 3)
Service quality The quality of services means that the auditor has sufficient qualifications (taking into account the specifics of the Company's industry affiliation); ensures the availability of members of the audit team to discuss current issues; assists in resolving complex methodological issues, answers questions on the merits and within a reasonable time; when a possible risk is identified, it actively engages relevant experts to discuss and resolve the issue, promptly communicates information to the Company's management.	3
Adequacy of the external auditor resources According to this criterion, it was noted that the external auditor is professionally competent and competently applies theoretical knowledge in practice; the auditor understands the specifics of the Company's activities.	3
Communication and interaction According to this criterion, the auditor uses a business and constructive style of communication; advises on significant issues; observes confidentiality, auditing standards and the code of professional ethics for auditors; openly approaches difficult situations, brings all significant problems/issues to the attention of the appropriate level of management, constructively approaches the solution of complex issues.	3

ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

Evaluation criterion	3) Score (from 1 to 3)
<p>Quality of organization and effectiveness of meetings with the external auditor</p> <p>According to the members of the Audit Committee, as part of the audit of the financial statements of the Company for 2022, no personal meetings were held with the external auditor. During 2022, meetings were held between the external auditor and the Audit Committee of the Board of Directors of the Company on 11.01.2022, 08.04.2022, 17.10.2023.</p> <p>The meeting topics:</p> <ol style="list-style-type: none"> 1. On consideration of the Management and Governance Letter (auditor's report) on the main problems of accounting and reporting of the Company, submitted by the external auditor on the main problems of the Company's interim financial statements for 9 months of 2021, prepared in accordance with RAS, and information from the Company's management on adjustments made in accordance with the results of the external audit of the financial statements. 2. On consideration of the Management and Governance Letter provided by the external auditor on the main issues of the financial statements of the Company prepared in accordance with RAS for 2021, and information from the Company's management on significant adjustments made as a result of the external audit of the statements. 3. On consideration of the Management and Governance Letter provided by the external auditor on the main issues of the Company's financial statements prepared in accordance with IFRS for 2021, and information from the Company's management on significant adjustments made as a result of the external audit of the statements. 4. On consideration of the Management and Governance Letter provided by the external auditor on the main issues of the Company's financial statements for the interim period (6 months) of 2022, prepared in accordance with IFRS. 	3
<p>The independence, objectivity and professional skepticism of the auditor are noted</p> <p>The external auditor demonstrates the objectivity of conclusions and professional judgments, maintains independence in the course of providing audit services.</p>	

In accordance with the Methodology, if the average integral score was:

- from 3 to 2,5 points (inclusive) – the quality of the audit performance meets the Company's expectations;
- from 2,4 to 1,5 points (inclusive) – the quality of the audit performance partially meets the Company's expectations;
- from 1,4 to 1 points (inclusive) – the quality of the audit performance does not meet the Company's expectations.

Based on the results of the survey, the average integral score, which is made up of the average scores of the Accounting and Reporting Department (the supervisor of the contract), the Company's management and members of the Audit Committee of the Board of Directors of the Company, amounted to 3 points, i.e. the quality of the audit performance meets the Company's expectations.

2.2. Assessment of the quality of the Management and Governance Letter and the auditor's report of the external audit of the financial statements of the Company.

The external auditor prepared and submitted the following documents:

- Auditor's report of an independent auditor on the financial statements of Rosseti Centre, PJSC for 2022 dated 21 March 2023 on 8 sheets (hereinafter referred to as the Auditor's report);
- the Management and Governance Letter (auditor's report) to the Audit Committee of the Board of Directors and the management of Rosseti Centre, PJSC on the results of the audit of the financial statements prepared in accordance with RAS for 9 months of 2022 dated 30 November 2022 on 15 sheets.
- the Management and Governance Letter (auditor's report) to the Audit Committee of the Board of Directors and the management of Rosseti Centre, PJSC on the results of the audit of the financial statements prepared in accordance with RAS for 2022 dated 21 March 2023 on 14 sheets.

The procedures performed by TSATR - Audit Services LLC during the external audit of the financial statements of the Company for 2022, prepared in accordance with RAS, comply with the terms of the concluded agreement dated 27 May 2022 No. I&C-2022-00084/7700/00218/22 on the provision of services for the mandatory audit of the financial statements of Rosseti Centre, PJSC for 2022 and the requirements of Federal Law "On Auditing Activities" dated 30 December 2008 No. 307-FZ, International Standards on Auditing, enacted by Order of the Ministry of Finance of Russia dated 9 January 2019 No. 2n "On the Enactment of International Standards on Auditing on the Territory of the Russian Federation and on the Revocation of Certain Orders of the Ministry of Finance of the Russian Federation" (ISA).

The form, content, procedure for signing and submitting an audit report comply with the requirements of Art. 6 of the Federal Law "On Auditing Activities" dated 30 December 2008 No. 307-FZ, International Auditing Standard 700 "Forming an Opinion and Drawing up an Opinion on Financial Statements".

The auditor's report of an independent auditor of the financial statements dated 21 March 2023 on the financial statements of Rosseti Centre, PJSC for 2022 of the independent auditor TSATR - Audit Services LLC complies with Federal Law "On Auditing Activities" dated 30 December 2008 No. 307-FZ and the International Standards on Auditing (ISA) and contains the information provided by the ISA, including:

- information on key audit issues in accordance with ISA 701, which, according to the auditor's professional judgment, reflects the most significant issues for the audit of the financial statements for the current period, the issues of recognition and measurement of investments in non-current assets, the issue of depreciation of receivables, as well as the issue of recognition, measurement and disclosure of estimated and contingent liabilities;
- information about other information included in the annual report of Rosseti Centre, PJSC for the purpose of disclosing information that, in the opinion of the auditor, is important for users to understand the reporting process and audit results, the auditor's obligations and the content of the auditor's report (ISA 706, ISA 720).

ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

The Management and Governance Letter (auditor's report) to the Audit Committee of the Board of Directors and the management of Rosseti Centre, PJSC on the main problems of accounting and reporting based on the results of the audit of the financial statements prepared in accordance with RAS for 2022, prepared by TSATR - Audit Services LLC, has been drawn up in accordance with ISA 260 "Communication with those charged with governance" and ISA 265 "Communicating deficiencies in internal control to those charged with governance and management". The form, content, presentation procedure complies with the requirements for the preparation of the Management and Governance Letter (auditor's report) contained in the internal standards of the external auditor, the terms of the contract for the provision of audit services.

The auditor's opinion and the Management and Governance Letter (auditor's report) of the external auditor are drawn up in accordance with Federal Law No. 307-FZ dated 30 December 2008 "On Auditing Activities" and International Standards on Auditing put into effect on the territory of the Russian Federation by orders of the Ministry of Finance of the Russian Federation dated 9 January 2019 No. 2n, dated 30 December 2020 No. 335n, dated 27 October 2021 No. 163n, dated 9 November 2021 No. 172n.

According to the results of the survey, the average integral score, which is made up of average scores, was 3 points, i.e. the quality of the Management and Governance Letter and the auditor's report of the external audit of the financial statements of the Company meets the expectations of the Company.

2.3 Evaluation of the effectiveness of the process of conducting the external audit of the financial statements of the Company - interaction of the Audit Committee of the Board of Directors of the Company with the external auditor.

During the period of rendering services by TSATR - Audit Services LLC, in regards with the external auditor the Audit Committee of the Board of Directors of the Company considered the following issues:

- On consideration of the Management and Governance Letter (auditor's report) on the main problems of accounting and reporting of the Company, submitted by the external auditor on the main problems of the interim financial statements of the Company for 9 months of 2021, prepared in accordance with RAS, and information from the Company's management on adjustments made based on the results of the external audit of the financial statements (Minutes dated 11.01.2022 No. 01/22);
- On the draft tender documentation for the tender in electronic form for the right to conclude an agreement for provision of services for the mandatory annual audit of the RAS statements and the audit of the IFRS statements of Rosseti Centre, PJSC for 2022 (Minutes dated 07.02.2023 No. 03/22).
- On consideration of the Management and Governance Letter provided by the external auditor on the main issues of the financial statements of the Company, prepared in accordance with RAS for 2021, and information from the Company's management on significant adjustments made as a result of the external audit of the statements (Minutes dated 08.04.2022 No. 06/22);
- On assessing the effectiveness of the process of external audit of the financial statements of the Company for 2021 (Minutes dated 08.04.2022 No. 06/22);
- On preliminary consideration of the candidacy of the Company's external auditor for the audit of the Company's financial statements for 2022 (Minutes dated 19.05.2022 No. 10/22);
- On preliminary consideration of the amount of remuneration for the services of the external auditor for the audit of financial statements for 2022 prepared in accordance with RAS and for the audit of consolidated financial statements for 2022 prepared in accordance with IFRS (Minutes dated 19.05.2022 No. 10/22);
- On consideration of the Management and Governance Letter provided by the external auditor on the main issues of the Company's financial statements prepared in accordance with IFRS for 2021 and information from the Company's management on significant adjustments made as a result of the external audit of the statements (Minutes dated 19.05.2022 No. 10/22);
- On consideration of the Management and Governance Letter provided by the external auditor on the main issues of the Company's financial statements for the interim period (6 months) of 2022, prepared in accordance with IFRS (Minutes dated 19.05.2022 No. 10/22);
- On consideration of the Management and Governance Letter (auditor's report) on the main problems of accounting and reporting of the Company, submitted by the external auditor on the main problems of the interim financial statements of the Company for 9 months of 2022, prepared in accordance with RAS, and information from the Company's management on adjustments made in accordance with the results of the external audit of the statements (Minutes dated 20.01.2023 No. 01/23);
- On the draft tender documentation for the tender in electronic form for the right to conclude an agreement for provision of services for the mandatory annual audit of the RAS statements and the audit of the IFRS statements of Rosseti Centre, PJSC for 2023 (Minutes dated 07.03.2023 No. 05/23).

A meeting of the Audit Committee of the Board of Directors of the Company is scheduled for April 2023, which will consider the following issues:

- On consideration of the financial statements of the Company for 2022, prepared in accordance with RAS;
- On consideration of the Management and Governance Letter provided by the external auditor on the main issues of the financial statements of the Company prepared in accordance with RAS for 2022, and information from the Company's management on significant adjustments made as a result of the external audit of the statements;
- On consideration of the Management and Governance Letter provided by the external auditor on the main issues of the Company's financial statements prepared in accordance with IFRS for 2022, and information from the Company's management on significant adjustments made as a result of the external audit of the statements;
- On consideration of the Company's financial statements for 2022 prepared in accordance with IFRS;
- On assessing the quality of the audit, the auditor's opinions and the effectiveness of the process of conducting the external audit of the financial statements of Rosseti Centre, PJSC for 2022.

In accordance with the Auditor's report of the independent auditor on the financial statements of the Company for 2022, prepared by TSATR - Audit Services LLC, the external auditor communicates with the Audit Committee of the Board of Directors of the Company, bringing to its attention, among other things, information about the planned scope and timing of the audit, as well as significant comments on the results of the audit, including significant deficiencies in the internal control system, if the external auditor identifies such in the course of the audit.

The external auditor also provides the Audit Committee of the Board of Directors of the Company with a statement that all relevant ethical requirements regarding independence had been met and informed the Audit Committee of the Board of Directors of the Company about all relationships and other issues that can reasonably be considered to have an impact on the independence of the auditor, and where applicable, actions taken to eliminate threats or safeguards applied.

Materials to the Annual General Meeting of Shareholders of Rosseti Centre, PJSC 2023

ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

Of the matters that the external auditor brought to the attention of the Audit Committee of the Board of Directors of the Company, the issues that were most significant for the audit of the financial statements for the current period and which, therefore, are the key matters of the audit were identified. The external auditor describes these matters in its auditor's report, except when public disclosure of information about these matters is prohibited by law or regulation, or, in extremely rare cases, the external auditor concludes that information about any matter should not be communicated in the auditor's report, as it can reasonably be expected that the adverse effects of such disclosure would outweigh the socially significant benefit of such disclosure.

Paragraph 2.1. of this Report contains the results of the feedback of the Audit Committee of the Board of Directors of the Company on the assessment of the external auditor in terms of communication and interaction, according to which the auditor uses a businesslike and constructive style of communication; advises on significant issues; observes confidentiality, auditing standards and the code of professional ethics for auditors; openly approaches the solution of complex situations, brings to the attention of the appropriate level of management all significant problems/issues, constructively approaches the solution of complex issues.

The Audit Committee noted that on 11.01.2022, 08.04.2022 and 17.10.2022 meetings were held between the external auditor and the Audit Committee of the Board of Directors of the Company.

In addition, on 12 August 2022 (Minutes No. 12/22), the Audit Committee recommended that the external auditor inform the Company's Audit Committee in a timely manner about facts of difficulties and restrictions that arise during the audit, as well as about the identified signs of manipulation of reporting data.

Thus, the interaction of the external auditor with the Audit Committee of the Board of Directors of the Company complies with the recommendations for improving the quality of services provided by International Standard on Auditing 260 "Communication with those charged with governance".

3. Conclusions and recommendations.

1. According to the results of the survey, the average integral score, which is made up of the average scores of the Accounting and Reporting Department (the supervisor of the contract), the Company's management and members of the Audit Committee of the Board of Directors of the Company, amounted to 3 points, i.e. the quality of the audit performance meets the Company's expectations;

2. The auditor's report and the Management and Governance Letter (auditor's report) of the external auditor are drawn up in accordance with Federal Law "On Auditing Activities" dated 30 December 2008 No. 307-FZ and the International Standards on Auditing, put into effect on the territory of the Russian Federation by orders of the Ministry of Finance of the Russian Federation dated 9 January 2019 No. 2n, dated 30 December 2020 No. 335n, dated 27 October 2021 No. 163n, dated 9 November 2021 No. 172n;

3. The interaction of the external auditor with the Audit Committee of the Board of Directors of the Company complies with the recommendations for improving the quality of services provided by International Standard on Auditing 260 "Communication with those charged with governance".

Chairperson of the Audit Committee

M.V. Korotkova

ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

Assessment of the Audit Committee of the Board of Directors of the Company of the auditor's report confirming the reliability of the annual financial statements of Rosseti Centre, PJSC, prepared in accordance with RAS and IFRS

 **ROSSETI** Public Joint stock company «Rosseti Centre»

EXTRACT FROM MINUTES
of the meeting of the Audit Committee
of the Board of Directors of Rosseti Centre, PJSC
(in the form of joint presence)

28 April 2023 Moscow No. 08/23

Form of the meeting: joint presence.
Time of the meeting: 14 hours 00 minutes – 15 hours 30 minutes.
Place of the meeting: Moscow, Malaya Ordynka St., 15, floor 1, room 611.
Total number of members of the Audit Committee: 3 persons.
Participants of the meeting: M.V. Korotkova, V.Y. Zarkhin, A.V. Morozov.
Members who neither participated nor provided questionnaires: none.
The quorum is present.
The Expert conclusion of the expert of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC was taken into account at drawing up of the minutes.
Date of the minutes: 28.04.2023.

Item 1. On consideration of the financial statements of the Company for 2022, prepared under RAS.
Decision taken at the meeting:
1. To take into consideration the financial statements of the Company for 2022, prepared under RAS, in accordance with Appendix # 1 to this decision of the Audit Committee.
2. To recommend that the Board of Directors of Rosseti Centre, PJSC submit for approval by the Annual General Meeting of Shareholders of the Company the annual financial statements of the Company for 2022, prepared under RAS.
3. To note the need for the Audit Committee of the Board of Directors of the Company to review the financial statements of the Company for a year, prepared in accordance with RAS, prior to their disclosure.
The decision was taken unanimously.

Minutes signed by:
Chairperson of the Audit Committee M.V. Korotkova
Secretary of the Audit Committee S.V. Lapinskaya

Appendix: The financial statements of the Company for 2022, prepared under RAS (Appendix #1).

Extract is correct:
Secretary of the Audit Committee S.V. Lapinskaya
28.04.2023.

 **ROSSETI** Public Joint stock company «Rosseti Centre»

EXTRACT FROM MINUTES
of the meeting of the Audit Committee
of the Board of Directors of Rosseti Centre, PJSC
(in the form of joint presence)

28 April 2023 Moscow No. 08/23

Form of the meeting: joint presence.
Time of the meeting: 14 hours 00 minutes – 15 hours 30 minutes.
Place of the meeting: Moscow, Malaya Ordynka St., 15, floor 1, room 611.
Total number of members of the Audit Committee: 3 persons.
Participants of the meeting: M.V. Korotkova, V.Y. Zarkhin, A.V. Morozov.
Members who neither participated nor provided questionnaires: none.
The quorum is present.
The Expert conclusion of the expert of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC was taken into account at drawing up of the minutes.
Date of the minutes: 28.04.2023.

Item 3. On consideration of the financial statements of the Company for 2022, prepared under IFRS.
Decision taken at the meeting:
To take into consideration the consolidated financial statements of Rosseti Centre, PJSC for 2022, prepared under IFRS.
The decision was taken unanimously.

Minutes signed by:
Chairperson of the Audit Committee M.V. Korotkova
Secretary of the Audit Committee S.V. Lapinskaya

Extract is correct:
Secretary of the Audit Committee S.V. Lapinskaya
28.04.2023.



ITEM NO. 1 «ON APPROVAL OF THE ANNUAL REPORT OF THE COMPANY FOR 2022, THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY FOR 2022»

Conclusion of the internal auditor of Rosseti Centre, PJSC on the results of assessing the reliability and efficiency of the internal control system and the risk management system, the efficiency of the corporate governance of the Company



Public joint stock company
Rosseti Centre

EXTRACT FROM MINUTES
of the meeting of the Audit Committee
of the Board of Directors of Rosseti Centre, PJSC
(in the form of absent voting)

07 April 2023 Moscow No. 07/23

Form of the meeting: absent voting
Total number of members of the Audit Committee: 3 persons
Participants of the voting: M.V. Korotkova, V.Y. Zarkhin, A.V. Morozov.
Members who did not provide questionnaires: none.
The quorum is present.
The expert conclusions of the expert of the Audit Committee of the Board of Directors of Rosseti Centre, PJSC was taken into account at drawing up of the minutes.
Date of the minutes: 07.04.2023.

Item 2. On preliminary consideration of the report of the Company's internal auditor on the assessment of efficiency of the Company's internal control system and risk management system following the results of 2022.

Decision:
To recommend that the Board of Directors of the Company take the following decision:
«1. To take into consideration Auditor's Report No. 03-2023- "Rosseti Centre" dated 16 February 2023 on assessing the efficiency of the Company's internal control system and risk management system for 2022, the conclusion of the internal auditor of Rosseti Centre, PJSC based on the results of assessing the reliability and effectiveness of the internal control system and the risk management system, the efficiency of the Company's corporate governance in accordance with the Appendixes.
3. To recommend that General Director of the Company include the conclusion of the internal auditor of Rosseti Centre, PJSC based on the results of assessing the reliability and efficiency of the internal control system and the risk management system, the efficiency of the Company's corporate governance in the list of materials provided to persons entitled to participate in the Annual General Meeting of Shareholders of the Company.
The decision was taken unanimously.»

Minutes signed by:
Chairperson of the Audit Committee M.V. Korotkova
Secretary of the Audit Committee S.V. Lapinskaya

Extract is correct:
Secretary of the Audit Committee
of the Board of Directors of Rosseti Centre, PJSC S.V. Lapinskaya
07.04.2023

1. Basis for the preparation of the report of the internal auditor

The Conclusion was prepared in accordance with the requirements of Federal Law No. 208-FZ dated 26.12.1995 "On Joint Stock Companies", recommendations of the Bank of Russia (letter dated 01.10.2020 No. IN-06-28/143) "On recommendations for organizing risk management, internal control, internal audit, the work of the audit committee of the board of directors (supervisory board) in public joint-stock companies", as well as in pursuance of the provisions of the Internal Audit Policy of Rosseti Centre, PJSC, hereinafter – the Company, (a new edition) BP 1/02-04/2021 approved by the decision of the Board of Directors of Rosseti Centre, PJSC (Minutes dated 23.08.2021 No. 36/21).

The assessment was carried out to determine the reliability and efficiency of the internal control system, risk management system, and the effectiveness of corporate governance.

2. Methodology and criteria for assessing the internal control system, risk management system, corporate governance of Rosseti Centre, PJSC

The assessment of the effectiveness of the internal control system, the risk management system was carried out for the 2022 calendar year in accordance with the Methodology on assessment of the reliability and effectiveness of the internal control system and the risk management system in Rosseti's Group of Companies, approved by Order No. 580 of PJSC Rosseti dated 03.12.2021 and accepted for execution at Rosseti Centre, PJSC by Order No. 576-TSA dated 16.12.2021. The Methodology was developed and approved taking into account generally accepted concepts in the field of internal control and risk management of the Treadway Committee of Sponsoring Organizations (COSO).

The corporate governance assessment was carried out for the 2021/2022 corporate year in accordance with the Methodological Instruction "Assessment of corporate governance in IDGC of Centre, PJSC" MI BP 1/08-03/2021, approved by Order of the Company dated 27.01.2021 No.30-TSA pursuant to the order of PJSC Rosseti dated 05.08.2020 No. 342 "On approval of the Standard Methodology for Assessing Corporate Governance in SDEs of PJSC Rosseti" and developed and approved taking into account the Corporate Governance Code, as well as the Methodological Recommendations approved by orders of the Federal Property Management Agency.

3. Assessment of the reliability and efficiency of the internal control system of Rosseti Centre, PJSC

As a result of the analysis of the compliance of the current state of the ICS elements with the established criteria for the target state of the ICS elements, the level of maturity of the Company's internal control system based on the results of the assessment for 2022 is 4.9 points out of 6 possible, which, according to the scale for assessing levels of maturity, corresponds to maturity level 5 - "Optimal" with the following characteristics:

1) Problems (risks) of activity management are identified. The risk management system is integrated into the planning and decision-making processes. There is an increase in the efficiency and effectiveness of the risk management process by risk owners (risk implementation is not systematic).

Executive management bodies review the results of risk management on a quarterly basis and make management decisions. However, the RMS is not automated, not all possible controls are automated.

2) The processes are regulated, unified in the Company, the executive body and branches of subsidiaries and affiliates and communicated to the staff by posting on a public resource. Monitoring of the implementation and assessment of the effectiveness of the organization of the processes used in the Company is provided. When low efficiency of the implemented processes is revealed, their optimization is provided. The processes are under continuous improvement and are based on good practice. Activity management automation tools are used partially and to a limited extent.

The internal audit report "On the efficiency of the internal control system and the risk management system of the Company in 2022" was considered at a meeting of the Board of Directors of Rosseti Centre, PJSC (Minutes dated 17.04.2023 No. 19/23).

4. Assessment of the reliability and efficiency of the risk management system of Rosseti Centre, PJSC

As a result of the analysis of the compliance of the current state of the RMS elements with the established criteria for the target state of the RMS elements, the level of maturity of the Company's risk management system based on the results of the assessment for 2022 is 4.8 points out of 6 possible, which, according to the maturity level assessment scale, corresponds to maturity level 5 - "Optimal" with the following characteristics:

1) Problems (risks) of activity management are identified. The risk management system is integrated into the planning and decision-making processes. There is an increase in the efficiency and effectiveness of the risk management process by risk owners (risk implementation is not systematic).

Executive management bodies review the results of risk management on a quarterly basis and make management decisions. However, the RMS is not automated, not all possible controls are automated.

2) The processes are regulated, unified in the Company, the executive body and branches of subsidiaries and affiliates and communicated to the staff by posting on a public resource. Monitoring of the implementation and assessment of the effectiveness of the organization of the processes used in the Company is provided. When low efficiency of the implemented processes is revealed, their optimization is provided. The processes are under continuous improvement and are based on good practice. Activity management automation tools are used partially and to a limited extent.

The internal audit report "On the efficiency of the internal control system and the risk management system of the Company in 2022" was considered at a meeting of the Board of Directors of Rosseti Centre, PJSC (Minutes dated 17.04.2023 No. 19/23).

5. Assessment of the effectiveness of corporate governance of Rosseti Centre, PJSC

Based on the results of the analysis of the compliance of the current state of corporate governance, it was established that, in accordance with the specified criteria for the target state of corporate governance, the principles and recommendations laid down in the Corporate Governance Code, in the Listing Rules and Best Corporate Practices, the overall assessment of the Company is 446.5 points or 85.0%. The specified assessment corresponds to the assessment of "developed practice" (<96% and ≥80%) with the following characteristic: corporate governance corresponds to developed practice and has the potential for improvement on an insignificant part of questions.

The internal audit report "On the assessment of the corporate governance of the Company for the 2021/2022 corporate year" was considered at a meeting of the Board of Directors of Rosseti Centre, PJSC (Minutes dated 16.09.2022 No. 49/22).

Internal audit maintains independence in relation to the directions of the Company's activities, which it checks, which allows auditors to perform their functions impartially and unbiased. At the same time, the internal audit department does not provide absolute guarantees and does not ensure the identification of all risks and shortcomings.

The results of the assessment of the reliability and effectiveness of the internal control system and the risk management system, as well as the assessment of the corporate governance system, carried out by the Internal Audit Department of Rosseti Centre, PJSC:

- based on documents and materials for the 2022 calendar year in terms of assessing the reliability and effectiveness of the internal control system and the risk management system, documents and materials for the 2021/2022 corporate year in terms of assessing the corporate governance system;

- confirm the provision of reasonable confidence in achieving the goals set for the Company.

Based on the assessment, the internal audit department has sufficient grounds to confirm that the risk management system, the internal control system and the corporate governance system of the Company are organized in accordance with the requirements of the legislation and the scope of the Company's activities, there are no significant deficiencies in the systems that impede the achievement of their goals.