

APPROVED
by the Board of Directors
of PJSC “Rosseti Lenenergo”
on March 17, 2023
(Minutes No. 52 of March 20, 2023)

PUBLIC JOINT STOCK COMPANY
“ROSSETI LENENERGO”

CORPORATE CODE

K-08.01.01-002-2023

**Public Joint Stock Company
“Rosseti Lenenergo”**

Corporate Governance Code

Version 2

Saint Petersburg
2023

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I. General

1.1. The purpose of this Corporate Governance Code (“Code”) of Public Joint Stock Company “Rosseti Lenenergo” (“Company”) is to secure the rights and interests of all Shareholders and improve the Company’s corporate governance practices.

1.2. The Company implements this Code, since it wants to boost its appeal for the existing and potential investors.

1.3. The Code is a tool to improve the Company’s governance and ensure its sustainable development in the longer term.

1.4. This Code was developed in accordance with the Russian law, Regulation No. 534-P of the Central Bank of Russia, titled *On Securities Listing* of February 24, 2016, the Corporate Governance Code approved by the Bank of Russia Board and recommended by the Bank of Russia (Letter No. 06-52/2463 of April 10, 2014, titled *On the Corporate Governance Code*) for use by the publicly traded companies, the Listing Rules of Moscow Exchange, and the generally accepted principles of corporate governance.

II. Corporate Governance Principles

2.1. The Company’s key corporate governance principles are:

- fair and equal treatment of all Shareholders in exercising their right to participate in the management of the Company’s business;
- transparent and efficient framework to protect the rights and interests of Shareholders set out in the Russian law, and the Company’s Articles of Association and its other regulations;
- fair opportunity for Shareholders to share profits through dividends;
- professional and efficient Board of Directors making unbiased independent judgements and decisions for the benefit of the Company and Shareholders;
- Board of Directors being in charge of strategic management of the Company, and choosing the underlying principles of and approaches to building a risk management and internal control system in the Company, monitor the operation of its management bodies, and carry out other key functions;
- Board of Directors’ monitoring the Company’s corporate governance practices;
- efficient risk management and internal control system to ensure reasonable confidence that the Company’s objectives will be achieved;
- transparent disclosure system that is accessible to Shareholders, investors, and other stakeholders.

III. Shareholders

3.1 Shareholders' Participation in the Management of the Company's Business

3.1.1. Shareholders have access to the information about the Company's activities required to make decisions concerning disposal of their shares and exercising of their rights, to the extent and subject to the procedures and terms set out in the Russian law, the Company's Articles of Association and its other regulations.

3.1.2. The Company recognizes the Shareholder's unconditional right to participate in the management of the Company's business, mainly by voting at the General Meetings.

3.1.3. Shareholders shall not misuse their rights. Shareholders may not act in any way purporting to cause harm or damage to the Company or other Shareholders, nor may they commit any other abuse.

3.1.4. The procedures for convening, preparation for and holding of the General Meetings are set out in the Regulations for the General Meetings (the Company's regulations approved by the General Meeting and published on its Website ("Website")).

3.1.5. The Company makes available to the Shareholders the list of persons eligible to participate in the General Meeting starting from the date of its receipt by the Company, subject to the limitations of Federal Law No. 208-FZ of December 26, 1995 On Joint-Stock Companies ("Federal Law On Joint-Stock Companies").

3.1.6. The Shareholders have every opportunity to request to convene the General Meeting, propose candidates for election to the management and controlling bodies and propose items for the General Meeting agenda. For the purposes of preparation for an Annual General Meeting, proposals regarding the agenda and candidates for election to the management and controlling bodies and/or as executives may be submitted during sixty (60) days after the end of a reporting year.

3.1.7. The Company's procedures for giving a notice of a General Meeting and provision of information (materials) for the Meeting enable Shareholders to properly prepare for the meetings.

3.1.8. A notice of the General Meeting is published on the Website at least 30 (thirty) days before the meeting date, or, where paragraphs 2 and 8 of Article 53 of the Federal Law On Joint-Stock Companies so require, at least 50 (fifty) days before the date of the General Meeting.

3.1.9. A notice of the General Meeting and the materials are sent to Shareholders represented by nominee holders through the Registrar, who makes sure that they are delivered to the nominee holders recorded in the Shareholder Register.

3.1.10. Information (materials) with respect to the agenda are made available to the persons entitled to participate in the General Meeting within 20 (twenty) days or, if the agenda contains items related to reorganization of the Company, within 30 (thirty) days before the date of the General Meeting. Such information (materials) are made available at the office of the Company's executive body or any other

location specified in the notice of the General Meeting, and posted on the Website.

3.1.11. The Company uses its best efforts to make the General Meeting materials available at least 30 (thirty) days prior to the date of the Meeting.

3.1.12. The Company takes all necessary steps to ensure that Shareholders are able to participate in the General Meeting and vote on the agenda items.

3.1.13. The General Meeting venue is accessible for Shareholders.

3.1.14. During the preparation for and holding of the General Meeting, Shareholders are able to freely and timely receive information about the meeting and its materials, make queries to the executive bodies and members of the Board of Directors, and communicate with each other.

3.1.15. If the Board of Directors so decides, Shareholders may be permitted to register for the General Meeting via the Website specified in the notice of such General Meeting.

3.1.16. If the Board of Directors so decides, Shareholders may submit electronic ballots for voting at a General Meeting via the Website specified in the notice of such General Meeting.

3.1.17. The Company takes efforts to ensure that the Company's controlled entities do not vote at its General Meetings.

3.2. Sharing Profit Through Dividends The Shareholders' are registered as stock owners in a reliable and efficient way, and Shareholders may dispose of their stock easily and conveniently.

3.2.2. The Company has designed and implemented a clear and transparent dividend calculation and payment framework:

- the Dividend Policy approved by the Board of Directors seeks to strictly observe the Shareholders' rights granted under the Russian law, the Company's Articles of Association and its other regulations. The Dividend Policy is designed to improve the Company's investment appeal and market capitalization.

3.2.3. The Company does not use any mechanisms impairing the dividend rights of Shareholders, irrespective of the number and class of shares held.

IV. Board of Directors

4.1. The Board of Directors is responsible for the general management of the Company's operations and supervises the activities of the CEO and the Management Board, shapes the development strategy seeking to boost the Company's capitalization and investment appeal, sets out the key principles of and approaches to the risk management, internal control, and internal audit systems in the Company.

4.2. The Board of Directors is an efficient and professional management body of the Company and is able to make objective and independent judgements and decisions for the benefit of the Company and Shareholders.

4.3. The composition of the Board of Directors is well balanced, including in terms of qualifications, experience, expertise, and business skills of its members,

which contributes to making informed and professional decisions for the benefit of the Company and Shareholders.

4.4. Members of the Board of Directors are elected using a transparent procedure enabling Shareholders to have information about candidates sufficient for understanding a candidate's personal and professional qualities.

4.5. To be elected a member of the Board of Directors, a candidate expresses his/her consent in accordance with the procedure set out in the Company's regulations. Information of whether or not a candidate has submitted its written consent to be elected is included in the General Meeting information (materials) provided to Shareholders before a meeting which agenda includes election of the Board of Directors.

4.6. The number of members of the Board of Directors set by the Articles of Association is the best for managing the Board of Directors' operations in the most efficient way.

4.7. The competence of the Board of Directors, rights and responsibilities of its members, and the procedure for preparation for and holding of the meetings of the Board of Directors allowing the members of the Board of Directors to be properly prepared for the meetings are set out in the Company's Articles of Association and its other publicly available regulations.

4.8. The Board of Directors may include independent directors.

An independent director means any person who has the required professional skills and expertise and is sufficiently able to have their own understanding of matters and make unbiased and good faith judgments independently from the executive bodies, any group of Shareholders or other stakeholders.

4.9. For the purposes of this Code, a candidate (or an elected member of the Board of Directors) may not be deemed an independent member or candidate, if it is related to the Company, any substantial Shareholders, and/or substantial counterparty or competitor of the Company, and/or any government or municipality.

4.10. The Board of Directors has the following committees in charge of the preliminary review of most important matters related to the Company's operations:

- Audit Committee;
- HR and Remunerations Committee;
- Strategy Committee;
- Grid Connection Committee;
- Reliability Committee.

The scope of competence, objectives, functions and procedures governing the composition and activities of the committees are described in the relevant regulations approved by the Board of Directors.

Depending on the strategic objectives of the Company, the Board of Directors may decide to set up other committees.

4.11. The members of the Board of Directors have access to any information about the Company's activities that may be required to make decisions:

- all members of the Board of Directors may equally access information

and documents of the Company;

- new members of the Board of Directors are provided with the information about the Company and the activities of its management bodies as soon as practicable.

4.12. In making decisions, the members of the Board of Directors are governed by the principle of equal treatment of all Shareholders.

4.13. The Regulations for the Board of Directors provide that the most important matters shall be addressed at a meeting held in person and with a definitive list of such matters.

4.14. The Articles of Association list transactions and actions that materially affect or may affect the Company's capital structure and its financial position and, accordingly, the position of Shareholders (for more detail, see section X. Material Corporate Actions).

4.14.1. Where decisions on material corporate actions are reserved to the General Meeting by the Russian law or the Articles of Association, the Board of Directors submits respective proposals to the General Meeting.

4.15. The members of the Board of Directors disclose information about the Company's securities held by them and about the sale, disposal and/or acquisition thereof as required by the Russian law.

4.16. The members of the Board of Directors inform the Corporate Secretary and the HR and Remunerations Committee of the Board of Directors about any concurrent positions held by them with other legal entities, as well as of their acceptance of or invitation to be listed as a candidate to the Board of Directors (Supervisory Board) of other legal entity, or about a change of their permanent (main) place of employment/service or their main business or other core activity.

4.17. The Board of Directors arranges assessment of performance of the Board of Directors, its Committees and members of the Board of Directors. The Board of Directors performance assessment is to determine the efficiency of performance of the Board of Directors, its Committees and members, ensure that their work facilitates the development needs of the Company, intensify the work of the Board of Directors, and identify the areas for improvement.

The performance of the Board of Directors and its Committees and members is assessed on a regular basis at least once a year.

A third-party consultant/advisor may be engaged for an independent assessment of the Board of Directors performance at least once every 3 (three) years.

4.18. The Board of Directors may decide to arrange an unscheduled performance assessment of the Board of Directors, its Committees and members.

4.19. Since decisions made by the Company's management bodies and their members may still prove incorrect even when such bodies and their members have acted reasonably and in good faith and may have negative implications for the Company,

The Company, at its own expense, insures liability of the members of the Board of Directors to secure reimbursement for any losses that may be incurred by the

Company or third parties due to acts (omission) of such members. Such liability insurance does not only help reimburse for the losses incurred by the Company, but also enables the Company to engage competent professionals for its Board of Directors who would otherwise be concerned about major claims that could potentially be brought against them.

V. Corporate Secretary

5.1. The Company has in place a Corporate Secretary who facilitates efficient interaction with Shareholders and builds an effective and transparent framework to promote rights and interests of Shareholders.

5.2. The Corporate Secretary is appointed and removed from office by the CEO based on a decision by the Board of Directors.

5.3. The Corporate Secretary acts under the Russian law and regulations, the Articles of Association, the Regulations for the Corporate Secretary, and other Company's regulations.

5.4. The Corporate Secretary:

- coordinates the Company's efforts in protecting Shareholders' rights and interests;
- supports efficient operation of the Board of Directors and its Committees;
- participates in preparing for and holding of the General Meetings;
- participates in implementing the Company's disclosure policy, and ensures corporate records storage;
- ensures the interaction between the Company and the regulators, stock exchanges, registrars, and professional brokers, dealers, and other securities market professionals;
- promptly notifies the Board of Directors of any identified violations of the Russian law, the Articles of Association or other internal regulations, compliance with which refers to the Corporate Secretary's duties;
- contributes to improving the Company's corporate governance system and practices.

5.5. The rights and responsibilities of the Corporate Secretary are governed by the Regulations for the Corporate Secretary approved by the Board of Directors.

5.6. The Corporate Secretary's holding of a concurrent position in the executive bodies of the Company does not affect his/her independence but contributes to his/her involvement in the preparation of materials submitted to the Board of Directors.

5.7. The Company discloses information about the Corporate Secretary on the Website and in the annual report to the same extent as provided for the disclosure of information about members of the Board of Directors and executive bodies of the Company.

VI. Remuneration of the Members of the Board of Directors, Management Bodies, and Other Top Managers

6.1. Remuneration and compensations to the members of the Board of Director, Committees of the Board of Directors, the Management Board, CEO, and top managers of the Company are calculated and paid as prescribed by the Company's regulations.

6.2. The remuneration shall be sufficient to engage, motivate, and retain persons with professional skills, expertise and qualifications required by the Company.

6.3. The Company's internal regulations that govern the procedure for payment of remuneration to the members of the Board of Directors, Committees of the Board of Directors, the Management Board, CEO, and top managers of the Company provide for a transparent framework to be used to set a remuneration and guide all payments, benefits and privileges provided to such persons.

6.4. No remuneration will accrue or be paid to members of the management bodies who are persons restricted or prohibited by the Russian law to receive any payments from business entities.

VII. Management Board and CEO

7.1. The Company's day-to-day operations are managed by the Chief Executive Officer (CEO) and a collegial executive body (the Management Board).

7.2. The CEO and the Management Board are accountable to the General Meeting and the Board of Directors.

7.3. The scope of competence of the CEO and the Management Board is set out in the Company's Articles of Association and its other regulations.

7.4. The CEO and members of the Management Board may hold concurrent positions in the management bodies of other entities or any other paid employment in other entities only subject to the consent of the Board of Directors.

7.5. The terms and conditions of the employment agreement with the CEO and members of the Management Board, including the term of office, are set by the Board of Directors or a person authorized by the Board of Directors to sign such employment agreement.

7.6. Pursuant to a decision of the General Meeting, a management company or managing director may be appointed as a sole executive body (Chief Executive Officer) of the Company who acts under a service contract.

7.7. The CEO ensures the implementation of resolutions of the General Meeting and the Board of Directors based on the principle of reasonableness, integrity and a high degree of professionalism, taking into account the interests of Shareholders, employees and other stakeholders.

7.8. The CEO and members of the Management Board shall abstain from any actions that could result in a conflict between their interests and the interests of the Company. If such conflict of interest occurs, the Company's CEO and members of

the Management Board promptly notify the Board of Directors to that effect and abstain from discussing of and voting on the relevant items on the agenda of the Management Board's meeting.

7.9. The Company's executive bodies report to the Board of Directors on a regular basis.

7.10. At the requests of the Board of Directors, the CEO shall provide complete and reliable information about the Company's current operations.

7.11. The Management Board acts for the benefit of the Company and ensures implementation of the objectives, development strategy and policies of the Company.

7.12. To ensure efficient performance and informed and reasonable decisions of the Board of Directors, the Management Board may preview, develop, and submit to the Board of Directors recommendations regarding the matters reserved to the Board of Directors.

7.13. The Company, at its own expense, insures liability of the CEO and members of the Management Board to mitigate any potential negative effects of the executive bodies' decisions.

VIII. Business and Financial Oversight

8.1. To control the Company's financial and business operations, the General Meeting elects the Internal Audit Board. The competence, rights and responsibilities of members of the Internal Audit Board are set out in the Articles of Association and Regulations for the Internal Audit Board approved by the General Meeting.

8.2. The Internal Audit Board is an elected standing internal control body responsible for regular audit of the business and financial operations of the Company and its standalone divisions and management bodies through desktop and field audits.

8.3. The Internal Audit Board acts independently from the Board of Directors, executive bodies or executive officers of the Company.

8.4. The remuneration and compensations and the procedure for remunerating and compensating the members of the Internal Audit Board are set by the Regulations for Remuneration and Compensations Payable to Members of the Internal Audit Board approved by the General Meeting.

8.5. The Company's financial and business operations may be audited following the end of its fiscal year or at any time at the discretion of the Internal Audit Board, upon a decision of the General Meeting or the Board of Directors, or at the request of a Shareholder(s) holding at least 10 (ten) percent of the Company's voting shares.

8.6. Pursuant to a decision adopted by the General Meeting, the Company engages an independent external auditor to audit and certify the accuracy of annual RAS financial statements and consolidated IFRS financial statements of the Company and its subsidiaries, and to review interim financial statements.

8.7. The auditor audits the financial and business operations of the Company on the basis of the requirements of the Russian law and a service agreement.

IX. Risk Management and Internal Control System

9.1. The Company has in place a risk management and internal control system integrating a set of corporate actions, methods, procedures, corporate culture rules and efforts taken by the Company to ensure the best possible balance between the Company's value growth, profitability and risks, and to drive financial sustainability of the Company, efficient business operations, asset safety, compliance with the law, the Company's Articles of Association and its other regulations, and preparation of timely and fair reports.

9.2. Risk management and internal controls are part of an integrated system built into the Company's business processes, rather than individual processes and/or activities running independently from the core operations and business processes of the Company.

9.3. The Board of Directors approved the Internal Control Policy and the Risk Management Policy which set out the objectives, operating principles and components of the Internal Control and Risk Management System.

9.4. The Company has in place the Internal Audit Department as a dedicated function in charge of the internal audit.

9.5. To ensure that the Risk Management and Internal Control System is efficient and consistent with the current requirements and operating environment, the Auditor performs an independent assessment of the System's efficiency on an annual basis. The Risk Management and Internal Control Performance Report is reviewed by the Board of Directors.

X. Material Corporate Actions

10.1. Material corporate actions include:

- actions listed in the Articles of Association;
- major transactions as set out by the Articles of Association.

10.2. The Company strives to disclose the following information about any decision to take a material corporate action or any recommendations issued by the Board of Directors to the General Meeting on taking such corporate action:

- the reasons for such material corporate action;
- the terms of such material corporate action;
- potential consequences of such material corporate action for the Company and Shareholders.

Information concerning material corporate action is not disclosed when such information constitutes insider or confidential information or a trade secret.

10.3. The Company secures that the Board of Directors or the General Meeting address any material corporate action prior to its implementation as set out in the Articles of Association and the Russian law.

10.4. The Board of Directors has a key role in making decisions and recommendations in respect of material corporate actions.

10.5. The Company enters into major transactions on an arm's-length and transparent basis to secure the interests of all Shareholders.

10.6. To evaluate the value of an asset sold or acquired in a major transaction or material related-party transaction, the Board of Directors engages a reputable appraiser with flawless reputation and experience in market, or provides reasons for not engaging an appraiser.

10.7. Where by virtue of the law a Shareholder has the right to request redemption of its interest in the Company, such acquisition and redemption is at a fair price measured by a reputable appraiser with flawless reputation and experience in market, based on a weighted average price of shares for a reasonable period of time, disregarding the effect of such transaction by the Company (including disregarding the change in the price of shares resulting from disclosure of information about such transaction by the Company), and disregarding the discount on alienation of shares in a non-controlling stake.

10.8. If the Company is reorganized, the Board of Directors actively contributes to setting out the terms of reorganization, including by:

- deciding whether it is reasonable to reorganize the Company and whether the terms of such reorganization acceptable;
- assessing whether the terms of reorganization meet the interests of Shareholders including minority Shareholders;
- decides whether the stock conversion ratios after the reorganization are fair.

10.9. To set a stock conversion ratio, the Company may engage a reputable appraiser with flawless reputation and experience in market. Provided that the Company attempts that each corporate entity involved in a reorganization is evaluated by the same appraiser (including to secure that the same evaluation approaches and assumptions are applied in comparable situations).

10.10. The stock conversion ratio shall be calculated based on the market price of the shares to prevent violation of the Shareholders' interests. Provided that the value of shares for the redemption purposes shall not be less than the value calculated for the purposes of reorganization.

10.11. If after a reorganization the Company discontinues its operations (or a substantial part of the Company's assets spins out), the Shareholders shall receive shares of new listed companies after such reorganization.

10.12. In addressing the matters related to the listing of the Company's securities, the Board of Directors proactively evaluates all the benefits and costs of such listing.

10.13. In addressing the matters related to delisting of the Company's securities, the Board of Directors ensures full transparency of the decision made, including makes the holders of respective securities aware of the reasons for making such decision and the delisting risks for the holders, and also protects their rights in the delisting procedure. The Company strives to avoid any actions that may result in involuntary delisting of its securities.

10.14. The law requires that the Company protects the rights of Shareholders in the

event of capital increase by granting a pre-emptive right to acquire shares, the right to vote on amending the Articles of Association so as to limit the rights of Shareholders and on capital increase, as well as by granting the right to request redemption of shares if the Articles of Association are amended so as to limit the rights of Shareholders.

10.15. When addressing additional share offering, the Company seeks to establish fair terms of acquisition of the offered shares by existing Shareholders.

10.16. The Company acknowledges that, where necessary, it may offer additional shares to be paid in kind (for example, payment for additional shares with liquid securities or unique assets necessary for the Company's core business). Such assets are evaluated by engaging a reputable appraiser with flawless reputation and experience in market.

10.17. The Company may split, consolidate or convert shares provided that the rights of Shareholders are not impaired (specifically, the Company may not split, consolidate or convert shares in order to redistribute (or change the degree of) corporate control, or take actions resulting in impairment of dividend rights of Shareholders or a decrease in their interest in the Company, are not permitted).

XI. Disclosure

11.1. One of the top objectives of the Company is to ensure efficient information exchange between the Company and its Shareholders, investors and other stakeholders.

11.2. The Board of Directors approved the Regulations for the Information Policy setting out the key principles, goals and objectives of the Information Policy, and the methods of and channels for information disclosure, including a list of mandatory and additional information and documents to be disclosed to Shareholders and other stakeholders, and the procedure and time for the disclosure and provision of information about the Company.

11.3. The Company timely and fully discloses relevant and reliable information about itself so as to enable its Shareholders to make informed decisions. Such information includes draft documents submitted to the General Meeting.

11.4. The Company is proactive about disclosures. Along with the statutory disclosures, the Company continuously discloses additional materials on its Website containing information that may be relevant to its Shareholders or potential investors.

11.5. The Company places a special focus on controlling the disclosure and use of the insider information.

11.5.1. The Board of Directors approved the Regulations for the Insider Information of the Company setting out the principles, rules and procedures for keeping the list of insiders and disclosure of insider information.

11.6. The Company seeks to provide information requested by analysts, investors, and minority Shareholders as soon and possible. The Company's management is always open to personal meetings, conference calls, and investment conferences

attendance.

11.7. Shareholders may access and obtain information about the Company without any limitations and in accordance with the applicable law and regulations.

XII. Final Provisions

12.1. This Code shall take effect once it has been approved by the Company's Board of Directors.

12.2. Any amendments to this Code require approval by the Company's Board of Directors.

12.3. This Code shall apply to the extent that it is consistent with the Russian law.