

Annex 7 to the Resolution
of the Board of Directors
of PJSC “Rosseti Lenenergo” of March 9, 2022
(Minutes No. 38 of March 11, 2022)

PJSC “ROSSETI LENENERGO”
NON-CORE ASSET DIVESTMENT PROGRAM

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1. GENERAL PROVISIONS

- 1.1.** This Non-Core Asset Divestment Program of PJSC “Rosseti Lenenergo”, (“Program”) was developed to implement Resolution of the Government of the Russian Federation No. 894-r of May 10, 2017 in accordance with the Russian law, the Articles of Association and regulations and guidelines of PJSC “Rosseti Lenenergo” (the “Company”) subject to the Non-Core Asset Divestment Program of PJSC Rosseti and Subsidiaries and Affiliates as approved by the Decision of the Board of Directors of PJSC Rosseti on October 26, 2021 (Minutes No. 474 of October 27, 2021).
- 1.2.** This Program constitutes regulations of PJSC “Rosseti Lenenergo” and sets out the key approaches, principles and framework for identification and sale of the Company’s non-core Assets.
- 1.3.** This Program sets out the criteria for classifying the Company's assets as non-core Assets, the procedure for keeping the Non-Core Asset Register and the basic provisions governing divestment of non-core Assets (“Non-Core Assets”).
- 1.4.** The provisions of this Program do not apply to buildings and utilities (including residential buildings and premises) which are governed by other regulations and guidelines and/or decisions of the Company.
- 1.5.** This Program is subject to approval by the Board of Directors of the Company and is part of the general strategy of the Company.
- 1.6.** Any amendments and/or modifications to this Program are subject to approval by the Board of Directors of the Company.
- 1.7.** The activities under this Program are financed in accordance with the procedure set out by the Company’s regulations and guidelines by including the implementation costs in the Company’s business plan.
- 1.8.** This Program is implemented by the Company on a mandatory basis.
- 1.9.** This Program may be revised after 3 years (if necessary).

2. TERMS AND DEFINITIONS

- 2.1.** In this Program, the following terms and definitions are used:
 - 2.1.1.** Company means Public Joint Stock Company Rosseti Lenenergo or PJSC “Rosseti Lenenergo”.
 - 2.2.** Non-Core Assets means the assets owned by the Company which are not classified as "core assets":
 - a)** intangible assets;
 - b)** fixed assets, except for movable and low-value assets or assets derecognized due to natural wear or as a result of facilities renovation,
 - c)** facilities under construction classified as real estate, and/or
 - d)** shares issued by/interests in companiesthat are not used as part of the Company’s core operations set out by the Articles of Association of the Company nor facilitating the Company’s strategic development objectives;
 - e)** shares (stakes) in business entities, regardless of the core operations of such entities, in which the Company holds less than 50% of the authorized capital.
 - 2.2.1.** Non-Core Asset Register means an information resource which includes a system of structured records in the prescribed form in relation to the list of Non-Core Assets (completed in the form shown in Annex 1 hereto) and an action plan for Non-Core Asset sale (completed in the form shown in the schedule to the Non-Core Asset Register) (the “Action Plan”) describing the methods of sale of Non-Core Assets by quarter of year and the economic feasibility of divestment of such Non-Core Assets (the ratio of reduction of costs of Non-Core Asset maintenance and management);
 - 2.2.2.** Management accounting unit (the “CGU”) means an individual asset or a group of assets under a conventional name (the group name is assigned at the discretion of the Company) capable

or potentially capable of generating cash flows, owned by and recognized on the balance sheet of the Company;

2.2.3. The CGU Register means a list of all CGUs which is prepared and maintained on an ongoing basis by the responsible division of the Company and includes the criteria for classifying an asset as a core asset in accordance with the Guidelines for Identification and Sale of Non-Core Assets as approved by Resolution of the Government of the Russian Federation No. 894-r of May 10, 2017 (the “Guidelines”), in the form shown in Annex 2 hereto;

2.2.4. Responsible division means a division of the executive arm of the Company responsible for the management of Non-Core Assets in accordance with the Company’s regulations and guidelines;

2.2.5. Core Assets means assets owned by the Company and involved in the core operations set out in the Article of Association or facilitating the Company’s strategic development objectives or meeting the criteria of core assets subject to the algorithm for classifying assets as Core/Non-Core Assets as set out in the Guidelines.

3. GOALS AND OBJECTIVES

- 3.1.** Optimize the composition and structure of assets.
- 3.2.** Improve asset performance.
- 3.3.** Reduce the costs of maintenance and management of Non-Core Assets.
- 3.4.** Have additional sources of funding.
- 3.5.** Increase competitiveness and investment appeal.
- 3.6.** Increase capitalization.

4. FRAMEWORK AND PRINCIPLES

4.1. The key principles of implementing this Program are:

4.1.1. Transparency: openness and availability of information on the methods and approaches used to identify Non-Core Assets from among the aggregate of assets;

4.1.2. Consistency: continuous asset analysis to identify Non-Core Assets;

4.1.3. Public disclosure: providing open and public procedures for the sale of Non-Core Assets, including the use of methods of making information on the sale of Non-Core Assets available to potential buyers;

4.1.4. Efficiency: economically feasible sale of Non-Core Assets;

4.1.5. Income maximization: sale of Non-Core Assets for a consideration;

4.1.6. Cost minimization: reducing the costs of maintaining illiquid assets;

4.1.7. Protection of economic interests in divesting of assets: well-timed sale of assets, prevention of loss of asset value, protection of rights and interests of the Company in relation to asset co-owners or third parties.

4.2. Following the analysis, the Responsible division, in accordance with clause 4.9. of this Program, prepares and submits for approval by the Board of Directors the Non-Core Asset Register, including the Action Plan.

4.3. Activities in relation to divestment of Non-Core Assets are governed by this Program, decisions of the Board of Directors, the Non-Core Asset Sale Procedure and other current regulations and guidelines of the Company.

4.4. To prepare a decision on a Non-Core Asset sale and set its initial selling price, the Asset’s market value is assessed by engaging an independent appraiser.

4.5. The sale of Non-Core Assets shall be competitive and be held as a bidding. If a bidding is recognized as failed due to only one bidder participating, it is permitted to enter into a transaction with such bidder at the initial price of such failed bidding.

4.6. To arrange for sale and sell Non-Core Assets, a specialist service provider (bidding organizer) may be involved to do any or all of the following: prepare Non-Core Assets for

divestment, search for and negotiate with potential buyers to enter into transactions, arrange for and hold the bidding. From the date of approval of this Program, the bidding organizer for the sale of Non-Core Assets is selected on a competitive basis from among the corporate entities set out in clause 13 of the Guidelines.

4.7. Non-Core Assets may be sold through an electronic trading floor.

4.8. Transactions with Non-Core Assets involving a net loss for the Company are only permitted subject to the consent of the Board of Directors.

4.9. To classify a CGU as a core asset, the asset is analyzed for its use in the Company's core operations or its role in facilitating the Company's goals and objectives set out in the Development Strategy or the Long-Term Development Program and subject to the criteria for classifying a CGU as a core/non-core asset set out in the Guidelines.

4.10. The analysis is delivered by the Responsible division by involving other divisions of the Company (where appropriate).

4.11. Following the analysis, Non-Core Assets are included in the Non-Core Asset Register within 2 months from the date when identified.

5. DIVESTMENT METHODS

5.1. The Board of Directors shall be competent to make decisions on the method and procedure for divesting of Non-Core Assets.

5.2. To ensure that the Board of Directors makes a decision regarding the method for divesting of a Non-Core Asset, the Responsible division submits to the Board of Directors a rationale evidencing the expediency of choosing a certain method for divesting of each particular Non-Core Asset.

5.3. To implement this Program, the following methods for divesting of Non-Core Assets are used:

5.3.1. Sale: paid sale of an asset to another party;

5.3.2. Gratuitous transfer (donation): non-paid transfer into the ownership of the Russian state, a Russian constituent entity or a municipality based on an individual decision of the Board of Directors and subject to a written consent of such public entity;

5.3.3. Liquidation: dismantling, write-off, disassembly, physical destruction, including potential subsequent sale of individual components, if the asset is, including but not limited to:

a) unfit for further use for its intended purpose due to complete or partial loss of consumer properties, including physical wear or obsolescence;

b) retired from possession, use and management due to loss or destruction, including against the will of the owner, or its location cannot be identified;

c) not sold through any other method contemplated by this Program;

d) in other events set out in the laws of the Russian Federation.

5.3.4. Retention: if an asset is used to deliver high-quality intragroup services or serve the personnel, or the sale of such Non-Core Asset is not currently economically feasible/possible due to the absence of buyers, or in other reasonable circumstances, the Board of Directors may decide to apply the "retention" strategy to such Non-Core Asset. In this event, no activities are performed with such Non-Core Asset.

6. NON-CORE ASSET REGISTER AND REPORTS

6.1. For the purposes of this Program, the Company shall prepare and maintain the Non-Core Asset Register, including the Action Plan.

6.2. The Non-Core Asset Register and the Action Plan, if there exist Non-Core Assets, is prepared based on the asset analysis in accordance with section 4.9. of this Program and is maintained by the Responsible division.

- 6.3.** The Non-Core Asset Register is subject to approval by the Board of Directors at least once a year.
- 6.4.** Upon approval, the Non-Core Asset Register is preliminarily reviewed by the Strategy Committee at the Board of Directors.
- 6.5.** Activities aimed at divesting of a Non-Core Asset in accordance with this Program start as from the date the asset is included in the Non-Core Asset Register. If any divestment transactions are contemplated in respect of other real property owned by a subsidiary or affiliate, such property is also included in the Non-Core Asset Register.
- 6.6.** The Non-Core Asset Register and the Action Plan are amended if:
- 6.6.1.** the asset analysis identifies new Non-Core Assets;
- 6.6.2.** in relation to a Non-Core Asset, method and/or divestment timeframe shall be chosen other than those specified in the Register;
- 6.6.3.** the Non-Core Asset is sold;
- 6.6.4.** the properties of an asset change, or the factors determined in accordance with the Guidelines change, or following the analysis the asset is recognized as a core asset and should be removed from the Non-Core Asset Register.
- 6.7.** To implement this Program, the Board of Directors:
- 6.7.1.** approves the Non-Core Asset Register, including the Action Plan, or makes changes to the approved Non-Core Asset Register and the Action Plan at least once a year;
- 6.7.2.** reviews quarterly progress reports of the Non-Core Asset Register in accordance with this Program. Progress reports of the Non-Core Asset Register are submitted in the form shown in Annex 3 hereto attached with a summary of the progress and outcomes of activities taken to implement the Non-Core Asset Register.
- 6.8.** Progress reports of the Non-Core Asset Register are submitted to the Board of Directors for review within 30 calendar days after the end of the reporting quarter.
- 6.9.** Progress reports of the Non-Core Asset Register for Q4 of the reporting year should include the Company's performance for the calendar year.

7. INFORMATION SUPPORT

- 7.1.** Information support of this Program means disclosure of information on the Company's intentions/plans regarding divestment of Non-Core Assets.
- 7.2.** The key principles of information support are:
- 7.2.1.** availability of information: the possibility to obtain information free of charge with minimum costs;
- 7.2.2.** publicly available sources: ensuring free, equal and fast public access to information;
- 7.2.3.** accurate and reliable of information: the information should ensure timely investment decisions.
- 7.3.** The data on the Non-Core Asset Register shall be published on the Company's website within five business days from the date the Board of Directors approves the Non-Core Asset Register.
- 7.4.** If the Non-Core Asset Register is amended, the update shall be published on the Company's website within five business days from the date the Board of Directors approves the Non-Core Asset Register.
- 7.5.** Information support activities in relation to the sale of Non-Core Assets are set out in the Company's regulations.
- 7.6.** For the purpose of posting a summary of the progress of divestment of Rosseti Group's Non-Core Assets on the Interdepartmental Portal for State Property Management (the "Portal") on a quarterly basis before the eighth day of the month following the reporting quarter, the Company provides such information to PJSC "Rosseti" in the form shown in Annex 4 hereto before or on the 3rd day of the month following the reporting quarter.
- 7.7.** For the purpose of information disclosure of the sale of Non-Core Assets, the Company

ensures that information on the sale of Non-Core Assets is included in the Company's annual report.

8. RESPONSIBILITY

8.1. The Company's sole executive body is responsible for timely and complete identification and inclusion of Non-Core Assets in the Non-Core Asset Register using the approved methodology, timely approval of the Non-Core Asset Register and review of the implementation report by the Board of Directors, ensuring activities for the sale of Non-Core Assets, including information on sale of Non-Core Assets in the Company's annual report, and timely provision to PJSC "Rosseti" of reliable information on the progress of identification and divestment of Non-Core Assets to be posted to the Portal.

8.2. The responsibility is set established as provided for by the Russian labor law and the Company's regulations and guidelines.

8.3. The progress of identification and sale of Non-Core Assets is supervised by the internal audit division, which reports on the progress of identification and sale of Non-Core Assets to the Board of Directors at least once a year.

Non-Core Asset Register of PJSC "Rosseti Lenenergo" as at

Item No.	RAS asset ID	Non-Core Asset name	Depreciated (book) value (thou RUB) as at the latest reporting date following inclusion	Asset description (summary), details of title documents	Activity where a Non-Core Asset is used	Encumbrance	In the previous year (thou RUB)		Divestment method	Divestment timeframe/ deadline	Comments	Responsible(s)
							Maintenance/ management costs (loss)	Income/profit from use				
1	2	3	4	5	6	7	8	9	10	11	12	13
Sold												
Not divested												

Information on the progress of divestment of non-core Assets of PJSC "Rosseti Lenenergo"

Information on the sale of non-core Assets of PJSC "Rosseti Lenenergo" in quarter ____*						
Name of subsidiary/affiliate	Number of non-core Assets in the "Sale" section of the Register with the divestment method indicated as "sale" and the approved sale period indicated as a past (reporting) quarter*	Book value of noncore asset	Actual number of non-core Assets sold in the reporting quarter	Selling price of noncore asset	Number of non-core Assets in the "Sale" section of the Register with the divestment method indicated as "sale" and the approved sale period indicated as the quarter following the reporting quarter†	Book value of noncore asset
	pcs	thou RUB	pcs	thou RUB	pcs	thou RUB

Information on liquidation of non-core Assets of PJSC "Rosseti Lenenergo" in quarter ____

Name of subsidiary/affiliate	Number of non-core Assets in the "Sale" section of the Register with the divestment method indicated as "sale" and the approved sale period indicated as a past (reporting) quarter*	Book value of noncore asset	Actual number of non-core Assets sold in the reporting quarter	Selling price of noncore asset	Number of Non-Core Assets in the "Sale" section of the Register with the divestment method indicated as "sale" and the approved sale period indicated as the quarter following the reporting quarter‡	Book value of noncore asset
	pcs	thou RUB	pcs	thou RUB	pcs	thou RUB

Information on gratuitous transfer of non-core Assets of PJSC "Rosseti Lenenergo" in quarter ____

* completed quarterly for the past (reporting) quarter parallel with Q4 statements preparation; previous year statements also provided

† completed quarterly on the basis of the draft Noncore Asset Register to be approved

‡ completed quarterly on the basis of the draft Noncore Asset Register to be approved

Name of subsidiary/affiliate	Number of non-core Assets in the "Sale" section of the Register with the divestment method indicated as "gratuitous transfer" and the approved sale period indicated as a past (reporting) quarter*	Book value of noncore asset	Actual number of non-core Assets disposed in the reporting quarter through gratuitous transfer	Book value on non-core Assets disposed through gratuitous transfer	Number of non-core Assets in the "Sale" section of the Register with the divestment method indicated as "gratuitous transfer" and the approved sale period indicated as the quarter following the reporting quarter**	Book value of noncore asset
	pcs	thou RUB	pcs	thou RUB	pcs	thou RUB

Information on the sale of non-core Assets of PJSC "Rosseti Lenenergo" below the book value in quarter ____

Name of subsidiary/affiliate	Number of non-core Assets sold below the book value*	Book value of non-core Assets sold below the book value	Selling price of non-core Assets sold below the book value
	pcs	thousands of rubles	thousands of rubles

Information on removal of assets from the Non-Core Asset Register of PJSC "Rosseti Lenenergo" due to their recognition as core assets in quarter ____

Name of subsidiary/affiliate	Actual number of Non-Core Assets removed from the Non-Core Asset Register due to their recognition as core assets*	Book value of noncore asset
	pcs	thousands of rubles