

APPROVED  
under the Resolution of August 27, 2021  
by the Board of Directors  
of “Rosseti Lenenergo”, PJSC  
(Minutes No. 10 of August 30, 2021)

**Stockholding Policy**  
**for Members of the Board of Directors of “Rosseti Lenenergo”, PJSC**  
**Concerning Shares of “Rosseti Lenenergo”, PJSC**  
**and Shares of/Interests in its Controlled Business Entities**

Saint Petersburg  
2021

## 1. General Provisions

1.1. This Policy is developed pursuant to Federal Law No. 208-FZ *On Joint-Stock Companies* of December 26, 1995, Federal Law No. 39-FZ *On the Securities Market* of April 22, 1996, other regulatory acts of the Russian Federation, the Corporate Governance Code recommended for application by exchange-traded joint-stock companies, Letter No. 06-52/2463 of the Bank of Russia of April 10, 2014, and the Articles of Association of Public Joint-Stock Company Rosseti Lenenergo (the “Company”).

1.2. This Policy is a Company’s internal document setting out the stockholding rules for the Company’s Board of Directors members, including independent directors, concerning the Company’s shares and/or shares (stakes) in its controlled business entities.

1.3. This Policy aims to achieve the following objectives:

- enable greater effectiveness and transparency of the Board of Directors’ activities;
- increase the Company capitalization in the longer term;
- to boost the level of motivation of members of the Board of Directors in enabling successful development of the Company;
- prevent conflicts of interests between the Board of Directors members and the Company;
- align financial goals of the Board of Directors members and the shareholders’ long-term interests;
- maintain strong corporate governance at the Company;
- ensure that the Company Board of Directors effectively performs its functions as a professional governance body.

1.4. In order to achieve these goals, this Policy addresses the following objectives:

- enable transparent and clear stockholding rules and regulations for members of the Board of Directors concerning shares in the Company and interests (stakes) in its controlled entities;
- create a clear mechanism for members of the Board of Directors to inform the Company when they enter into transactions with shares in the Company and interests (stakes) in its controlled entities;
- establish a procedure to follow up the implementation of this Policy.

1.5. The rules established by this Policy are binding on members of the Company’s Board of Directors.

1.6. The rules and limitations set by this Policy apply to persons related<sup>1</sup> to members of the Board of Directors.

## 2. Stockholding rules for the Board of Directors members concerning the Company shares and shares of (interests) in the Company’s controlled business entities

2.1. Members of the Board of Directors may hold shares in the Company and shares (stakes) in its controlled business entities, including shares/interests those acquired before they became members of the Board of Directors, provided that they meet the provisions of this Policy.

2.2. Members of the Board of Directors may acquire shares in the Company for their own account and at their own expense, or sell shares in the Company subject to the requirements set in this Policy and applicable laws.

Transactions with shares held by a member of the Board of Directors shall not damage the Company’s reputation.

2.3. Members of the Board of Directors shall exercise their rights attached to shares (the right to vote,

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<sup>1</sup> Related persons include spouses, parents, children, adoptive parents, adoptive children, full and half siblings, grandparents, or any other person living together with a member of the Board of Directors and having a common household with him or her

pre-emptive rights, the right to demand repurchase, the right to receive dividends, and other rights) in accordance with general practices set by the Russian laws.

It is desirable that the Board of Directors members do not assign their voting rights to third parties as long as they hold such shares, and that they are assigned voting rights from third parties.

2.4. The Company allows members of the Board of Directors who hold shares in the Company to enter into shareholder agreements with other shareholders of the Company if the terms of such agreement are not harmful to the interests of the Company and other shareholders, and do not give rise to a conflict of interest.

Members of the Board of Directors who hold shares in the Company shall notify the Company as soon as possible of their acquisition of control to a degree disproportionate to their shareholding in the Company, including under a shareholder agreement with another shareholder (other shareholders) of the Company, not later than 15 business days from the date of acquiring such degree of control.

Joint actions by a member of the Board of Directors and persons with whom he or she has entered into shareholder agreements to deal in the shares of the Company shall comply with this Policy.

It is sole responsibility of the members of the Board of Directors to ensure that such persons comply with the requirements of this Policy.

2.5. Members of the Company's Board of Directors are recommended not to hold shares (interests) in the Company's controlled business entities.

2.6. Independent directors may hold shares in the Company on the same terms as other members of the Company's Board of Directors, provided that such shareholding (direct or indirect) does not affect the objectivity and independence of their judgement.

An independent director who intends to become holder (directly or indirectly) of shares in the Company, or to become a beneficial owner (beneficiary) of shares in the Company, with such shareholding exceeding one (1) percent of its authorized capital or the total number of voting shares, or having a market value that exceeds the amount of annual fixed (base) remuneration of a member of the Board of Directors by twenty (20) times, must be aware that this will cause him or her to no longer be or qualify as independent director.

2.7. Independent directors shall notify the Company of their intention to:

- make a transaction involving the acquisition of shares in the Company that may cause him or her to hold (directly or indirectly) shares in the Company or become a beneficial owner of shares in the Company representing more than one (1) per cent of the authorized capital or the total number of voting shares in the Company;
- enter into a transaction related to the acquisition of shares in the Company with a market value exceeding the amount of the annual fixed (base) remuneration of a member of the Company's Board of Directors by twenty (20) times.

The notification under this clause shall be sent to the Company via the Corporate Secretary not later than twenty (20) business days before the date when an independent director intends to make a transaction with the Company shares.

2.8. Within fifteen (15) business days after receipt of a notification from an independent director regarding his or her intention to enter into a transaction with the Company's shares referred to in clause 2.7 above, the Company shall inform the independent director about potential adverse implications for the Company in connection with the loss of the independent director's status and about the time necessary for the Company to prevent such implications.

An independent director may enter into a transaction with the Company's shares referred to in clause 2.7 above only after the Company has taken measures to potential adverse implications.

2.9. Members of the Board of Directors who directly or indirectly hold, jointly with related persons, shares in the Company or interests (stakes) in its controlled entities shall strictly comply with the requirements established by the Company's local regulations and applicable laws in order to prevent

situations involving a conflict of interest between the Company and a member of the Board of Directors.

2.10. Candidates for election as members of the Company Board of Directors shall include information about direct or indirect holding by him or her and persons related to him or her of shares in the Company and/or interests (stakes) in its controlled entities in the questionnaire of the candidate to the Board of Directors. If no such information is included in the questionnaire, the person included in the list of candidates to the Board of Directors shall provide the relevant information upon request by the Board of Directors, Nomination and Remuneration Committee of the Board of Directors or the Corporate Secretary of the Company.

2.11. Members of the Board of Directors who hold shares in the Company or interests (stakes) in its controlled entities are prohibited from using any hedging mechanisms<sup>2</sup> that offset the motivational effect of long-term shareholding.

2.12. Members of the Board of Directors who are insiders of the Company shall notify the Company as well as the Bank of Russia of any transactions performed by them with the Company's securities and of any contracts entered into which constitute derivative financial instruments whose price depends on such securities, in such manner and time as are set out in the regulations of the Bank of Russia and the Regulation on Insider Information of the Company.

2.13. Members of the Board of Directors shall notify the Company via the Corporate Secretary of their intention to enter into a transaction with shares in the Company or interests (stakes) in its controlled business entities not later than ten (10) business days before the expected date of such transaction, and of the fact of entering into such transaction, not later than the business day following the date of entering into such transaction.

If a member of the Board of Directors intends to enter into a transaction involving shares in the Company in line with the procedure outlined in clause 2.7 above, such member shall only notify the Company in line with this clause of the Policy of the fact of entering into such transaction.

2.14. The notification about a completed transaction (or the intention to enter into a transaction) with shares in the Company or interests (stakes) in its controlled entities as provided for in above clauses 2.7 and 2.13 shall contain the material terms of the transaction, including the description (type) of transaction, and the type and number of shares involved in such completed/intended transaction.

2.15. Information on members of the Board of Directors holding shares in the Company or interests (stakes) in its controlled entities, including information received pursuant to above clauses 2.4 and 2.13, shall be disclosed by the Company in its Annual Report.

2.16. If a member of the Board of Directors who holds shares in the Company or interests (stakes) in its controlled entities has a conflict of interest while acting as a member of the Board of Directors, the interests of the Company and its shareholders shall be a priority for such member of the Board of Directors.

2.17. Holding of shares in the Company and or interests (stakes) in its controlled entities shall not affect the decision-making by the respective member of the Board of Directors on agenda items discussed at meetings of the Company's Board of Directors.

2.18. Members of the Board of Directors shall refrain from entering into any transactions with shares in the Company and interests (stakes) in its controlled entities during the periods when such transactions are prohibited by applicable law and the Company's internal documents, specifically, by the Company's Regulations for Insider Information.

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<sup>2</sup> Hedging means transactions (a combination of transactions) with derivative financial instruments (including of different types) made to reduce (offset) adverse implications for the hedger that are (fully or partially) due to the occurrence of losses, loss of profit, reduction in revenue, reduction in the market value of property, including property rights (claims), increase in liabilities of the hedger due to changes in prices, interest rates, exchange rates, including foreign currency rates with respect to the currency of the Russian Federation, or any other metric (a combination of metrics) of the hedged item(s).

### **3. Compliance monitoring for directors to comply with the stockholding rules concerning shares in the Company and interests (stakes) in its controlled entities**

3.1. The Company shall regularly monitor compliance with this Policy by members of the Board of Directors through legal review of notifications received from members of the Board of Directors, including independent directors, regarding intentions to enter into a transaction/the fact of entering into a transaction, and analysis of information in questionnaires submitted by candidates for election as members the Board of Directors.

3.2. Board of Directors members shall refrain from actions that will or may lead to a conflict between their interests and the interests of the Company. If a member of the Board of Directors has a potential conflict of interest, including interest in a transaction to be made by the Company, such member of the Board of Directors shall behave in line with the Regulations for the Board of Directors of the Company.

3.3. If the Corporate Secretary receives information that a member of the Board of Directors intends to enter into a transaction with shares in the Company or interests (stakes) in business units controlled by the Company, the Corporate Secretary shall forward such information to the Nomination and Remuneration Committee of the Board of Directors, which in its turn may prepare recommendations with regard to the proposed transaction in order to mitigate the risk of a conflict of interest, a breach of the Company's local regulations of the Company, or infringement on the interests of the Company or its shareholders.

3.4. If it becomes known that a member of the Board of Directors has failed to comply with the provisions of this Policy, the Corporate Secretary shall send such information to the Chairman of the Board of Directors for an item to be included in the agenda of the next meeting of the Board of Directors to assess the actions of member of the Board of Directors.

The Nomination and Remuneration Committee of the Board of Directors shall make preliminary recommendations regarding such item.

At its meetings, the Board of Directors shall review the materials and make a decision based on its assessment of such actions of the member of the Company's Board of Directors related to failure to comply with the rules and recommendations of this Policy.

### **4. Final provisions**

4.1. This Policy (as amended and/or restated) is subject to approval by the Company Board of Directors.

4.2. This Policy shall be posted to the Company official website.

4.3. Compliance with this Policy shall be overseen by the Company's Board of Directors.