

APPROVED  
on May 19, 2023  
by the Board of Directors  
of PJSC “Rosseti Lenenergo”  
(Minutes No. 62 of May 22, 2023)

**PJSC “ROSSETI LENENERGO”**  
**REGULATIONS ON THE AUDIT COMMITTEE**  
**OF THE BOARD OF DIRECTORS**  
**(Amended and restated)**

Saint Petersburg

2023

## Contents

1. Terms and Abbreviations .....	3
2. General Provisions .....	4
3. Goals and Main Objectives .....	5
4. Scope of Competence.....	5
5. Members and Their Appointment .....	10
6. Rights and Responsibilities of the Committee and Its Members .....	11
7. Committee Chairperson Election, Rights and Responsibilities .....	13
8. Committee Secretary .....	13
9. Engaging Experts in the Committee’s Activities .....	15
10. Procedure of the Committee. ....	15
11. The Committee’s Interaction with the Company’s Bodies and Other Persons.....	19
12. Financing, Compensations, and Meeting Rooms.....	21
13. Confidentiality .....	21
14. Reporting and Assessment .....	22
15. Final Provisions.....	22
Annex 1: Form: Operating Plan of the Audit Committee.....	24
Annex 2: Matters Covered in the Operating Plan of the Audit Committee.....	25
Annex 3: Regulations for the Preparation of Agenda Items to Be Reviewed at Meetings of the Audit Committee.....	28
Annex 4: Form: Notice of Meeting of the Audit Committee.....	33
Annexes 5.1 and 5.2: Ballot forms .....	34
Annex 6: Form: Minutes of a Meeting of the Audit Committee .....	38
Annex 7: Confidentiality Agreement .....	40
Annex 8: Form: Expert Opinion .....	42
Annex 9: Template: Performance Report of the Audit Committee .....	43

## 1. Terms and Abbreviations

Company	PJSC “Rosseti Lenenergo”
Subsidiaries and affiliates	Subsidiaries of PJSC “Rosseti Lenenergo”
Board of Directors of the Company	The Board of Directors of PJSC “Rosseti Lenenergo”
Regulations for the Board of Directors of the Company	Regulations for Convening and Holding of Meetings of the Board of Directors of PJSC “Rosseti Lenenergo”
Regulations for the Audit Committee, Regulations	Regulations for the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”
Audit Committee, Committee	Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”
Chairperson of the Audit Committee, Committee Chairperson	Chairperson of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”
Deputy Chairperson of the Audit Committee, Deputy Chairperson of the Committee	Deputy Chairperson of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”
Committee Secretary	Secretary of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”
Member of the Audit Committee	Member of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”
Expert with the Audit Committee, Expert of the Committee	Expert with the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”
Executive body of the Company	The collective executive body (the Company’s Management Board), the sole executive body (the Company’s CEO, managing organization or manager) manage the everyday operations of the Company and are accountable to the Company’s Board of Directors
Senior Managers (Senior Management)	Company officials recognized as Senior Managers of the Company in accordance with the Company’s internal regulations defining the principles of financial incentives for Senior Managers of the Company / or in accordance with the resolution of the Board of Directors of the Company.
Internal Audit	Provision of independent and objective assurances, advice and consultations aimed at improvement of the Company’s business. The Internal Audit’s purpose is to facilitate the fulfillment of the Company’s goals and objectives in the most efficient and feasible manner through the use of a systematic and consistent approach to assessment and efficiency improvement of the risk management, internal control, and corporate governance systems.
Competence	The set of legally provided powers, functions, rights and obligations of a particular body or official

External auditor, auditor	An entity that is a member of one of the self-regulatory organizations of auditors conducting independent audit of the accounting (financial) statements of the audited entity in order to express an opinion on the reliability of such statements
IFRS	International Financial Reporting Standards
RAS	Russian Accounting Standards

## 2. General Provisions

2.1. The Regulations for the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo” are an internal document of the Company that governs the Committee’s activities and sets out its competence, establishment and functioning procedure, rights and responsibilities of its members, procedure for interaction of the Committee with the management and control bodies of PJSC “Rosseti Lenenergo”.

2.2. These Regulations for the Audit Committee have been prepared in accordance with the laws of the Russian Federation, the Articles of Association of the Company, its internal regulations, and in accordance with the requirements of stock exchanges where the Company’s securities are listed subject to which its shares are included in stock exchanges’ quotation lists.

2.3. These Regulations have been prepared in compliance with:

- Russian Federal Law No. 208-FZ *On Joint Stock Companies* of December 26, 1995;
- Russian Federal Law No. 402-FZ *On Accounting* of December 6, 2011;
- Russian Federal Law No. 307-FZ *On Auditing* of December 30, 2008;
- Corporate Governance Code (approved by the Board of Directors of the Bank of Russia on March 21, 2014);
- *The Guidelines for the Organization of the Board of Directors in Joint Stock Companies* (approved by Order No. 357 of the Federal Agency for State Property Management (Rosimushchestvo) of November 21, 2013);
- *The Guidelines for the Organization of Audit Committees of the Board of Directors in Joint Stock Companies with State Participation* (approved by Order No. 86 of the Federal Agency for State Property Management (Rosimushchestvo) of March 20, 2014);
- Regulation of the Bank of Russia No. 437-P *On Conducting Organized Trading* of October 17, 2014;
- *The Guidelines for the Organization of Internal Audit in Joint Stock Companies with State Participation* (approved by Order No. 249 of the Federal Agency for State Property Management (Rosimushchestvo) of July 4, 2014);
- *The Guidelines for the Organization of the Internal Audit System in Holding Structures with State Participation* (approved by Order No. 330 of the Federal Agency for State Property Management (Rosimushchestvo) of September 3, 2014);
- Listing rules adopted by the management bodies of the stock exchange and duly registered by the Bank of Russia.

2.4. The Audit Committee is established by the Company’s Board of Directors to conduct preliminary in-depth review of the most critical matters and prepare recommendations to the Board of Directors to enable it to make decisions on the matters falling within the competence of the Committee, and to resolve other matters delegated to the Committee by the Company’s Board of Directors.

2.5. In considering matters referred by the Board of Directors for consideration at a Committee’s meeting that do not require subsequent consideration by the Board of Directors, the Committee may adopt resolutions and issue recommendations to the Company’s executive bodies and Internal Audit. The Audit Committee is accountable to the Company’s Board of Directors and is independent in its assessments from the Company’s executive bodies.

2.6. The Committee is an auxiliary advisory and consulting body of the Company's Board of Directors. The Committee is not a management or control body of the Company and may not act on behalf of the Company.

2.7. The Committee's activities are governed by the laws of the Russian Federation, the Company's Articles of Association and internal regulations, resolutions of the Company's Board of Directors, and these Regulations.

### **3. Goals and Main Objectives**

3.1. The Audit Committee's goal is to assist the Board of Directors in the efficient performance of its functions concerning preliminary review of matters related to oversight of the business and financial operations of the Company.

3.2. Principal objectives of the Committee:

- Review the Company's accounts and financial statements and supervise their preparation;
- Overseeing the reliability and efficiency of the internal control and risk management systems and corporate governance practices;
- Overseeing the external audit and selecting the auditor;
- Ensuring independence and objectivity of the Internal Audit;
- Overseeing the efficiency of the system for preventing unethical employee and third-party practices.

The Committee is not intended to act as a guarantor of achieving the Company's objectives to ensure the reliability of reporting, the effectiveness of internal control, risk management systems, corporate governance practices, independence and objectivity of the internal audit function, compliance with the law, but controls the performance by the Company's executive bodies of their duties to ensure the implementation of such objectives of the Company.

Many of the Committee's functions are described in these Regulations, specifically by using terms such as "oversight" ("oversee"), "control", "evaluation" ("evaluate"), "analysis" (analyze" or "review"), "organization" ("organize" or "manage"), "development" ("develop") in relation to specific business functions. The Committee is not responsible for the performance of functions subject to its "oversight", "control", "evaluation", "analysis", "organization", or "development", and the Committee does not participate in their direct implementation. In carrying out their supervisory duties, members of the Committee rely on the integrity of the executive bodies and employees of the Company providing information to the Committee. If the Committee doubts the accuracy or reliability of information, it shall inform the Company's Board of Directors of such doubt.

### **4. Scope of Competence**

4.1. The Committee's competence includes reviewing matters related to the Company's accounting (financial) statements; overseeing the reliability and efficiency of the internal control and risk management systems and corporate governance practices; overseeing the external audit and selecting the auditor; ensuring independence and objectivity of the Internal Audit; functioning of the system for preventing unethical employee and third-party practices; and other matters as may be instructed by the Company's Board of Directors. Within its competence, the Committee performs the following functions:

4.1.1. With respect to the Company's accounting (financial) statements:

4.1.1.1. Oversees the completeness, accuracy, and reliability of the annual and interim accounting (financial) statements:

a) analyzes specific aspects of preparation of accounting (financial) statements in the Company and significant changes in the principles and procedures for the preparation thereof;

b) analyzes the compliance of accounting (financial) statements with the laws and regulatory requirements for financial disclosures;

c) reviews the information systems used for accounting and preparation of accounting (financial) statements for their consistency with the requirements for processing of accounting (financial) information, the nature of business, the scope and complexity of the processed information;

d) reviews, together with the Company's executive body and external auditor, the results of external audit, significant adjustment made following the external audit, comments contained in the report and written information of the external auditor;

e) discusses the validity and acceptability of accounting methods used by the Company in the areas with the highest risk of misstatements, their consistent use in the accounting and preparation of accounting (financial) statements with the external auditor and Internal Audit;

f) analyzes the level and causes of errors identified during the external and internal audit, obtains explanations from the executive body on the identified errors, including on measures taken by the Company based on the audit results and/or on the implementation of the recommendations of the Company's auditor;

g) analyzes significant fluctuations in the results over a number of years, unusual changes in indicators/trends, difference of actual results from those projected or included in the Company's business plan (in accordance with Annex 3 hereto).

4.1.1.2. Analyzes material aspects of the Company's accounting policy:

a) verifies the compliance of the accounting policy with the provisions and requirements of laws, accounting rules (standards), recommendations of the external auditor, reviews the validity and acceptability of the applied accounting methods;

b) analyzes past and future changes in the accounting policy, discusses their causes and impact on the Company's accounting (financial) statements in the current and subsequent reporting periods with the executive body and the external auditor.

4.1.1.3. Participates in the review of material matters and judgments with regard to the Company's accounting (financial) statements:

a) analyzes information provided by the Company's senior management on transactions and events that are most affected by judgments when reported in the accounting (financial) statements and accompanying notes, or are material and irregular, taking into account external auditor's comments;

b) discusses the most significant assumptions made by the Company in the preparation of accounting (financial) statements, compliance of material assumptions and estimates with accounting rules (standards) with the Company's senior management and external auditor;

c) discusses the Company's use of any significant assumptions and estimates that could be aimed at achieving the planned financial result of the Company or increasing the amount of remuneration to the sole executive body and senior managers of the Company with the external auditor and Internal Audit.

4.1.1.4. Analyzes the Company's press releases on financial matters, any public statements regarding external and internal audits, the Company's internal control system, and published financial information.

4.1.1.5. Reviews the Company's interim accounting (financial) statements and preliminarily reviews the Company's annual accounting (financial) statements prior to their submission to the Company's Board of Directors.

4.1.1.6. Reviews any other matters that, in the Committee's opinion, may affect the reliability and completeness of the Company's accounting (financial) statements.

4.1.2. With respect to overseeing the reliability and efficiency of the internal control and risk management systems and corporate governance practices:

4.1.2.1. Reviews, prior to determining by the Company's Board of Directors, the approaches to the organization of the internal control system, analyzes, and evaluates the implementation of the Company's internal control policy:

a) preliminarily reviews, prior to the approval by the Board of Directors, the Company's internal regulations defining the strategy, organization and development of the internal control system and subsequent amendments thereto;

b) discusses the implementation of the Company's internal control policy with the executive body and Internal Audit.

4.1.2.2. Oversees the reliability and efficiency of the internal control and risk management systems and corporate governance practices:

a) at least once a quarter, holds meetings with the Company's senior management to discuss the existence/creation of an appropriate control environment in the Company, the efficiency of internal control procedures, review significant deficiencies in the internal control system and corrective action plans;

b) at least once a year, analyzes internal control system improvement measures developed by the Company's executive bodies and the results of their implementation, including the results of self-assessment conducted by heads of the Company's functions / divisions and the results of assessment conducted by the Internal Audit;

c) prior to submitting the Company's Annual Report to the Company's Board of Directors for preliminary approval, reviews and discusses the text of the *Internal Control System* section of the Company's Annual Report with the executive body and Internal Audit;

d) analyzes the reliability and efficiency of the internal control system based on reports of the Company's Management Board on the organization and functioning of the internal control system, materials of audits conducted by the Internal Audit, and reports of the Company's external auditor;

e) preliminarily reviews, at least once a year, the Internal Audit's report on the efficiency of the internal control system, risk management system, corporate governance, and preliminarily reviews reports on an external independent assessment of the efficiency of the internal control system, risk management system, corporate governance;

f) prepares proposals for the improvement of risk management and internal control systems and corporate governance practices.

4.1.2.3. Oversees the Company's legal compliance:

a) reviews matters related to the procedures to ensure the Company's compliance with Russian laws, requirements of the Bank of Russia, stock exchanges, and ethical requirements set out in the Company's internal regulations;

b) analyzes response measures taken by the Company to eliminate violations identified by the Company's Internal Audit Board, the Company's Internal Audit, external control (supervision) bodies.

4.1.3. With respect to overseeing the external audit and selecting the auditor:

4.1.3.1. Reviews and develops recommendations for the Company's Board of Directors to be submitted to shareholders at the Annual General Meeting for approval with respect to the re-election and removal of the external auditor from office.

4.1.3.2. Makes recommendations for the Company's Board of Directors regarding the rotation term of the external auditor.

4.1.3.3. Exercises general oversight of the external auditor's selection:

a) participates in developing and approval of the terms and conditions of procurement procedures for the external auditor's selection, in particular, determining the set and significance of evaluation criteria for procurement participants and the procedure for evaluating bids of procurement participants;

b) oversees the compliance of the auditor's selection procedure with the laws and the Company's internal regulations through participation of the Audit Committee's representative in the work of the procurement commission for the external auditor's selection as a member of the commission or an independent observer;

c) evaluates independence, objectivity and absence of a conflict of interests of the Company's external auditor, including analysis of all relations between the external auditor and the Company (provision of services other than audit, the amount of remuneration for the provision of audit and non-audit services, etc.) in order to identify circumstances that may affect the independence of the external auditor;

d) prepares recommendations to the Board of Directors regarding the candidate for the position of the Company's external auditor.

4.1.3.4. Oversees the conduct of external audit and evaluates the quality of the audit and the auditor's reports:

a) evaluates the scope of audit procedures and audit methods proposed by the external auditor;

b) discusses material aspects of the accounting policy, methods used in accounting for significant or extraordinary transactions in the cases where several approaches are allowed with the external auditor and the executive body;

c) discusses matters related to the preparation of accounting (financial) statements, verification of clarity and completeness of information disclosure in accounting (financial) statements, and determining the accuracy of information disclosure with the external auditor and the executive body of the Company;

d) discusses with the external auditor any serious difficulties that arise during the audit, including any limitations with respect to the scope of work and/or access to the information required by the external auditor;

e) review of the external auditor's conclusions and written information to the Company's executive body on the results of the audit with respect to main matters that have been addressed or remain outstanding, verification of the key accounting and audit judgments, analysis of the level of errors identified during the audit.

4.1.3.5. Conducts, at least once a year, a performance appraisal of the external audit process, including:

- analyzes compliance with the external audit plan and examines the reasons for any deviations therefrom, including the auditor's actions taken in the event of a change in audit risk;

- reviews the opinion on the external auditor's work of key employees of the Company involved in the external audit process, including the Chief Accountant, Deputy CEO for Economics and Finance, head of the division responsible for carrying out the internal audit function, etc.;

- analyzes the understanding of the nature of the Company's business by the auditor and the adequacy of recommendations provided;

- assesses the level of response and qualification in providing information to the Audit Committee, recommendations with regard to the internal control system;

- evaluates the auditor's report confirming the reliability of the Company's annual accounting (financial) statements, prepares an opinion on the efficiency and quality of the external audit process to be included in the information (materials) for the Annual General Meeting.

4.1.3.6. Develops and submits the policy on non-audit services to be provided by the external auditor for approval by the Company's Board of Directors, including the definition of:

- the nature of acceptable non-audit services;

- the ratio of the amount of remuneration for the audit and non-audit services (both on a pro rata basis and the total amount of remuneration for the audit firm);

- requirements to ensure independence when audit and non-audit services are combined, including identification of the types of services that the external auditor is not allowed to perform;

- the list of services that require preliminary review and approval by the Audit Committee.

4.1.3.7. Ensures efficient interaction between the Company's external and internal auditors.

4.1.4. With respect to ensuring independence and objectivity of the Internal Audit:

4.1.4.1. Organizes the internal audit function:

a) develops recommendations for the Company's Board of Directors concerning the most optimal way of organizing the Internal Audit (establishment of an internal audit division / outsourcing / co-sourcing);

b) preliminarily reviews, prior to the submission to the Company's Board of Directors for approval, the Internal Audit Policy, an agreement with a third-party entity engaged to carry out the internal audit functions, other internal documents of the Company setting out the goals, objectives, powers and functions of the Internal Audit;

c) approves the Regulations for the Internal Audit Unit prior to the approval thereof by the Company's Board of Directors and the Sole Executive Body.

4.1.4.2. Ensures the independence and objectivity of the Internal Audit:

a) approves, prior to the approval by the Company's Board of Directors, resolutions on appointment or dismissal of the head of the internal audit unit, and approves, prior to the finalization by the Company's Board of Directors, the remuneration of the head of the internal audit unit;

b) if a third-party entity is engaged as the Company's internal auditor:

- preliminarily reviews the nomination of such entity to ensure independence, objectivity, professionalism and competence of such entity and its personnel involved in the internal audit of the Company;

- preliminarily reviews the essential terms and conditions of the agreement with such entity, including with respect to the remuneration paid, the internal audit plan, the frequency of reporting on the results of internal audit;

- preliminarily reviews draft supplementary agreements to the agreement with a third-party entity for the implementation of the internal audit functions;

c) reviews, at least once a year, the structure and headcount of the Company's internal audit unit, preliminarily reviews and approves any changes thereto;

d) approves, prior to the approval by the Company's Board of Directors, the annual operating plan of the Internal Audit and changes thereto;

e) reviews, at least quarterly, the Internal Audit's report on the implementation of the operating plan and the Internal Audit outcomes, and approves, prior to the approval by the Company's Board of Directors, the report on the implementation of the Internal Audit's annual operating plan;

f) analyzes, on a regular basis but at least annually, the results of the Company's implementation of the corrective action plan to remedy breaches and deficiencies identified by the Company's Internal Audit Board, the Company's Internal Audit.

4.1.4.3. Reviews limitations that may adversely affect the performance of the internal audit function:

a) approves, prior to the approval by the Company's Board of Directors, the annual budget of the Internal Audit and changes thereto, the price memorandum under the agreement with a third-party entity engaged to carry out the internal audit functions and changes thereto;

b) reviews significant limitations of the Internal Audit's powers, discusses with the Internal Audit any serious difficulties that arise during the audit, including any limitations with respect to the scope of work and/or access to the information required by the internal auditors.

4.1.4.4. Assesses the performance of the internal audit function:

a) holds, at least once a year, a personal meeting with the head of the internal audit unit / authorized representative of a third-party entity carrying out the internal audit functions concerning matters related to the internal audit function;

b) discusses an action plan to improve the internal audit function with the head of the internal audit unit / authorized representative of a third-party entity carrying out the internal audit functions;

c) reviews, at least annually, the results of the Internal Audit's quality self-evaluation conducted in accordance with the internal standards for the Internal Audit, communicates the results of such evaluation to the Company's Board of Directors;

d) arranges, at least once every five years, for an independent evaluation of the internal audit function's quality, including approval of the statement of work, material terms and conditions of the agreement, and nominations of inspectors to evaluate the internal audit function, preliminarily reviews the evaluation reports, communicates the results of such evaluation to the Company's Board of Directors.

4.1.5. With respect to overseeing the efficiency of the system for preventing unethical employee and third-party practices:

4.1.5.1. Analyzes and evaluates the implementation of the conflict of interests management policy.

4.1.5.2. Monitors the efficiency of the system for whistleblowing reports on potential cases of dishonest actions by the Company's employees or third parties or any other breaches in the Company.

4.1.5.3. Oversees special investigations conducted with respect to potential cases of fraud, dishonest use of inside or confidential information.

4.1.5.4. Monitors the implementation of measures taken by the Company's executive management on whistleblowing reports on potential cases of dishonest actions by employees and other breaches.

4.1.6. Drafts documents related to the organization of the Audit Committee's activities and submits them for approval by the Company's Board of Directors.

4.2. By resolution of the Company's Board of Directors, other matters falling within the Audit Committee's competence may also be referred to it for review.

## **5. Members and Their Appointment**

5.1. The Committee shall have at least three (3) members. The Committee members are elected by the Company's Board of Directors from among candidates nominated by members of the Company's Board of Directors. It is recommended that the Committee members be elected within forty-five (45) calendar days after the election of new members of the Company's Board of Directors.

The Committee members may be elected to the Audit Committee for an unlimited number of terms.

When a candidate is nominated to the Audit Committee for the next reporting period, his/her participation in the meetings of the Committee in the previous reporting period is taken into account. A member of the Committee who participated in less than 75 percent of meetings in the previous reporting period is not recommended to be included in the list of candidates to the Audit Committee for the next reporting period.

5.2. For the purpose of including and maintaining the Company's shares in the second-tier quotation list, the Audit Committee shall consist of independent members of the Board of Directors, and if this is impossible for objective reasons, it may include members of the Board of Directors who are not the sole executive body and/or members of the collegial executive body, and employees of the Company.

5.3. For the purpose of including and maintaining the Company's shares in the quotation list of the first (top) tier, the Audit Committee shall only consist of independent directors, and if this is impossible for objective reasons, the majority of the Audit Committee members shall be independent directors, and the remaining members of the Committee may be members of the Company's Board of Directors who are not the sole executive body and/or members of the collegial executive body, and employees of the Company.

5.4. The criteria of independence of the members of the Board of Directors are determined in accordance with the Company's internal regulations or, if such criteria are not set out in the internal documents, in accordance with the listing rules of the stock exchange where the Company's securities are traded.

5.5. Upon nomination to the Audit Committee, it is recommended that preference be given to candidates who:

- have a university degree in finance, law, economics, or management;
- have experience in internal audit, internal control and risk management, accounting (financial) reporting, financial management (candidates shall understand the principles of preparation of accounting (financial) statements and be able to "read" accounting (financial) reports), have the skills of comparison and analysis);
- have basic knowledge in the area of internal audit, control;
- have knowledge of the Company's activities (industry, characteristics of manufactured products, market position, competitive advantages, etc.) and understanding of general business patterns.

The Audit Committee members shall also have reputation that raises no doubt that they will perform their duties as the Committee members in good faith and will act in the best interests of the Company.

5.6. Nominations of candidates to the Committee by members of the Company's Board of Directors shall be submitted to the Chairperson of the Company's Board of Directors in writing and signed by the member of the Company's Board of Directors who nominates the candidates.

5.7. The proposal to nominate candidates to the Committee shall contain the following details of the candidate:

- the candidate's full name;

- the candidate’s place of employment and position at the time of nomination;
- employment background (qualification) over the past five years;
- the candidate’s consent to be nominated to the Audit Committee;
- information confirming that the candidate meets all the requirements set out in section 5 hereof;
- contact details (specifying preferred ways to contact the candidate).

5.8. If a member of the Company’s Board of Directors elected to the Committee as an independent director no longer meets the independence requirements due to any event, he/she shall notify the Company’s Board of Directors that he/she ceased to be an independent director within three (3) business days after the date when such member of the Board of Directors became aware that he/she ceased to be an independent director.

5.9. The Committee members shall be elected for the period until the election of the new Committee.

5.10. The powers of any Committee member may be terminated early in the following cases:

5.10.6. If a member of the Committee submits a letter of voluntary early resignation to the Chairperson of the Company’s Board of Directors;

5.10.7. If the powers of a member of the Committee as a member of the Board of Directors are terminated early.

5.10.8. If the Company’s Board of Directors, by its resolution, removes a member of the Committee from office.

5.11. If the powers of a member of the Audit Committee are terminated early in accordance with paragraph 5.10.1 and paragraph 5.10.3 hereof, the Company’s Board of Directors shall elect a new member of the Committee within thirty (30) calendar days from the date of receipt of the letter of resignation of the member of the Committee specified in paragraph 5.10.1 hereof or the date of the resolution specified in paragraph 5.10.3 hereof. Until then, the member of the Audit Committee shall continue to perform his/her duties to a full extent.

## **6. Rights and Responsibilities of the Committee and Its Members**

6.1. To exercise its functions, the Audit Committee may:

6.1.6. Monitor the implementation of resolutions of the Company’s Board of Directors as instructed by the Board of Directors;

6.1.7. Provide recommendations to the Company’s executive bodies and the Board of Directors within its competence;

6.1.8. Conduct research on matters within the scope of assigned tasks and functions.

6.1.9. Request and obtain documents, reports, explanations, opinions, and other information, including confidential information, from the Company’s executive body, officials, Internal Audit. Such information and materials shall be provided within five (5) business days from the date of receipt of the request, unless a longer period is specified in the request.

6.1.10. Upon agreement with the executive body, establish task groups with the participation of employees of the Company and experts (specialists) engaged to analyze matters referred to the competence of the Committee, within the budget of the Committee. Heads of such groups shall organize their work and ensure that the matters identified by the Committee are analyzed within the time limits established by the Committee’s resolution.

6.1.11. Invite officials and employees of the Company and its subsidiaries and affiliates, members of other committees of the Company’s Board of Directors, the Chairperson/members of the Internal Audit Board of the Company, and other persons to attend its meetings to discuss matters within the competence of the Committee (without the right to vote).

6.1.12. Hold meetings with the external auditor and the head of the internal audit unit / authorized representative of a third-party entity carrying out the internal audit functions in the Company.

6.1.13. When necessary, cause to be carried out and organize, within the Committee’s competence and budget, special inspections, studies, examinations, reviews, including with the

engagement of specialists in the relevant areas (law, economics, finance, accounting, management, corporate security, etc.) who do not hold any positions in the Company, including specialist organizations, and request that the Company enter into civil law contracts with such specialists and organizations.

6.1.14. If necessary, engage Experts who do not hold any positions in the Company in order to obtain an independent, objective, professional opinion on matters within the competence of the Committee, including for the preparation of materials and recommendations on items on the agenda of a Committee's meeting.

6.1.15. Develop draft documents related to the organization of the Audit Committee's activities and submit them for approval by the Company's Board of Directors.

6.1.16. Within its competence and in accordance with the procedure established in these Regulations, exercise other powers as may be determined by the Board of Directors.

6.2. The Committee shall:

6.2.6. Exercise functions assigned to the Committee in accordance with the Russian laws, the Company's Articles of Association, these Regulations, other internal regulations of the Company and resolutions of the Company's Board of Directors.

6.2.7. Provide the Company's Board of Directors with reasonable recommendations (opinions) on matters pertaining to the competence of the Committee.

6.2.8. Promptly inform the Company's Board of Directors on risks the Company is exposed to, within the competence of the Committee.

6.2.9. Comply with non-disclosure requirements, keep confidential the Company's commercial secrets and/or information included in the list of the Company's inside information.

6.3. The Committee members may:

6.3.6. Obtain all necessary information about the operations of the Company and its subsidiaries, familiarize themselves with the constituent, accounting, reporting, administrative and other documents of the Company and its subsidiaries, including those of confidential nature, with respect to the matters pertaining the competence of the Committee.

6.3.7. Request, in writing, the convening of a meeting of the Committee.

6.3.8. Make proposals concerning the Committee's operating plan and matters to be reviewed at the Committee's meetings that are not included in the annual operating plan of the Committee (subject to mandatory submission by the requesting member of the Committee of a draft resolution and explanatory note with respect to the proposed matter), discuss and vote on items on the agenda of the Committee's meeting.

6.3.9. Express their opinion in writing, including dissent with the Committee's resolutions, communicate it to the Chairperson of the Committee and have it recorded in the minutes of the Committee's meeting.

6.3.10. Within their competence and in accordance with the procedure established in these Regulations, exercise other powers as may be determined by the Company's Board of Directors.

6.4. The Committee members shall:

6.4.6. In performing their duties, act in the best interests of the Company, exercise their rights and perform their duties in respect of the Company in good faith and reasonably.

6.4.7. Actively participate in the Committee's meetings.

6.4.8. If there is a conflict of interest with respect to the discussed agenda item, inform other members of the Committee to that effect.

6.4.9. Not use or transfer to other persons any information that has become known to the Committee members, including confidential information, about the Company's operations, which may significantly affect the Company and its business reputation if it gets known to third parties.

6.4.10. In performing their duties, comply with the requirements set out in the Russian laws, the Company's Articles of Association, regulations governing the procedures for convening and holding the meetings of the Company's Board of Directors, these Regulations, and other internal regulations of the Company.

6.4.11. Refrain from any actions that may:

- result in a conflict of interest between them and the Company;
- affect the reputation of the Committee members so that doubts may arise that they will perform their duties as the Committee members in good faith and will be able to act in the best interests of the Company.

## **7. Committee Chairperson Election, Rights and Responsibilities**

7.1. The Committee is managed and its activities organized by the Chairperson of the Committee. The Committee Chairperson is elected by the Company's Board of Directors from among the elected Committee members. A resolution on election of the Committee Chairperson shall be adopted by a majority vote of the members of the Board of Directors participating in the meeting of the Company's Board of Directors. The Company's Board of Directors may re-elect the Committee Chairperson at any time by a majority vote of the members of the Board of Directors participating in the meeting of the Company's Board of Directors.

7.2. The Committee Chairperson shall meet the requirements established for the members of the Committee in section 5 hereof to the maximum extent.

7.3. In the absence of the Committee Chairperson, the Vice-Chairperson of the Committee acts as Chairperson. The Vice-Chairperson of the Committee is elected by the Committee members from among themselves by a majority vote of the Committee members participating in the meeting of the Committee. Such meeting shall be held within thirty (30) calendar days after the election of the members of the Committee and its Chairperson by the Company's Board of Directors.

7.4. The Chairperson of the Audit Committee:

7.4.6. Determines the priorities of the Committee, prepares the Committee's operating plan subject to the Board of Directors' operating plan and the Board of Directors' instructions, submits such Operating Plan for approval by the Committee, and oversees the implementation of the Operating Plan and resolutions of the Committee.

7.4.7. Convenes and presides over the meetings of the Committee.

7.4.8. Determines the date, time, venue, and format of meetings and approves the agendas of the Committee's meetings;

7.4.9. Determines the list of persons invited to attend the Committee's meetings.

7.4.10. Organizes the discussion of matters at the Committee's meetings, review of opinions of all members of the Committee and persons invited to attend the meeting, arranges for minutes of the Committee's meetings to be kept and signs such minutes.

7.4.11. Maintains regular contacts with the Company's executive body, the Company's senior management, the Company's Board of Directors, the external auditor, the Company's Internal Audit Board, and the Internal Audit. Represents the Audit Committee in interaction with these bodies and officials, and other bodies and persons.

7.4.12. Allocates responsibilities among the Committee members.

7.4.13. Reports to the Company's Board of Directors of the Company on the activities of the Committee at the intervals established by these Regulations.

7.4.14. Conducts the Committee's formal correspondence, signs requests, letters and documents on behalf of the Committee.

7.4.15. Ensures that the Committee's activities comply with the Russian laws, the Company's Articles of Association, these Regulations, other internal regulations of the Company.

7.4.16. Performs other functions as provided for in the Russian laws, the Company's Articles of Association, these Regulations, and other internal regulations of the Company.

## **8. Committee Secretary**

8.1. The Committee Secretary provides technical support (including informational, document management, organizational, and secretary services) for the Audit Committee's day-to-day operations both in connection with the preparation and holding of meetings and in the periods between the Committee's meetings.

8.2. Any member of the Company's Board of Directors and/or the Company's executive body may submit a written proposal to nominate a candidate for the position of the Committee Secretary. The Committee Secretary is elected by a majority vote of the Committee members participating in the meeting. The Committee Secretary, as a rule, is an employee of a Company's division carrying out the corporate secretary functions or another division providing corporate support for the Company's activities. The Committee Secretary may not necessarily be an employee of the Company, in which case the Sole Executive Body enters into an agreement with such person to perform the functions of the Secretary. The Secretary of the Audit Committee remains in office until the first meeting of the new composition of the Committee. The powers of the Committee Secretary may be terminated early by a resolution of the Committee.

8.3. The Committee Secretary is not a member of the Audit Committee and acts in accordance with these Regulations.

8.4. The Committee Secretary performs the following functions:

8.4.6. Arranges for the preparation to and holding of the Committee's meetings.

8.4.7. Collects and systematizes materials for the meetings.

8.4.8. Interacts with the Committee Expert in accordance with the Regulation for the Preparation of Agenda Items to Be Reviewed at the Committee's Meetings (Annex 3 hereto).

8.4.9. Ensures that notices on the Committee's meetings, agendas of the meetings, materials on agenda items, voting ballots, draft documents for preliminary examination, etc. are timely distributed to the Committee Members and persons invited to attend the Committee's meetings.

8.4.10. Provides organizational and technical support for voting at the Committee's meetings, determines whether there is a quorum for the Committee's meeting.

8.4.11. Ensures collaboration of the Committee with the Company's Board of Directors, other committees of the Board of Directors, executive bodies and senior management of the Company, external auditor, the Company's Internal Audit Board, and other bodies and persons.

8.4.12. Keeps the minutes of meetings, organizes the preparation of draft resolutions of the Committee.

8.4.13. Sends requests, information, and materials as instructed by the Committee.

8.4.14. Keeps record of correspondence addressed to the Committee and/or to Committee Members (including requests, demands, or petitions); ensures that Committee Members receive the necessary information.

8.4.15. Keeps the originals of minutes of the Committee's meetings with all attachments thereto, special opinions of the Committee members (if any), voting ballots, and other documents and materials related to the Committee's activities in accordance with the record keeping procedures used by the Company.

8.4.16. Monitors the progress in the implementation of the Committee's resolutions.

8.4.17. Implements the instructions of the Committee Chairperson within the competence of the Committee Chairperson.

8.4.18. Carries out other duties in accordance with these Regulations.

8.5. The Committee Secretary may request and receive information necessary for the Committee's activities, including as requested by the Committee members, from the Company's officials.

8.6. The Committee Secretary is responsible for:

- timely sending of notices of the Committee's meetings and materials for the meetings to the Committee members;

- the accuracy of minutes and reliability of information contained in the minutes of the Committee's meetings;

- timely sending of minutes to the Company's Board of Directors and copies of minutes to the Committee members, Committee Expert, and the Company's Sole Executive Body.

## **9. Engaging Experts in the Committee's Activities**

9.1. If necessary, the Audit Committee may engage Experts who do not hold any positions in the Company to assist the Committee members in order to obtain an independent, objective, professional opinion on matters within the competence of the Committee, including for the preparation of materials and recommendations on items on the agenda of a Committee's meeting.

9.2. The recommended number of Experts shall not exceed two (2) persons.

9.3. The Committee members decide whether it is necessary to engage an Expert(s) at the first organizational meeting of the Company's Audit Committee. Such decision is formalized by the minutes of the meeting of the Committee. The Committee Expert(s) is (are) elected by a majority vote of the Committee members participating in the meeting.

9.4. Any member of the Company's Board of Directors and/or the Company's executive body may submit a written proposal to nominate a candidate(s) for the position of the Committee Expert(s).

9.5. Only individuals may act as Experts provided they meet the following criteria:

- have higher education in economics (finance), law or other relevant professional training from the Russian higher education institutions with state accreditation or the universally acknowledged foreign higher education institutions;

- have experience (at least 5 years) in internal audit, internal control and risk management, accounting (financial) reporting, financial management;

- have knowledge of the Company's activities (industry, characteristics of manufactured products, market position, competitive advantages, etc.).

9.6. The Committee Expert prepares written opinions and draft resolutions on the items on the agenda of the Committee's meeting; attends in-person meetings of the Audit Committee, with the right to express an opinion with respect to the items on the agenda of the Committee's meeting; participates, at the invitation of the Committee Chairperson, in meetings with the internal and external auditors, Company officials in accordance with the Committee's competence.

The Committee Expert is not a member of the Audit Committee and acts in accordance with these Regulations.

9.7. The Expert with the Audit Committee remains in office until the first meeting of the new composition of the Committee. The powers of the Committee Expert may be terminated early by a resolution of the Committee.

## **10. Procedure of the Committee**

10.1. Preparation of the Committee's operating plan.

10.1.6. The Committee Chairperson prepares a draft operating plan for the term of office of the Committee in accordance with the goals, objectives and competencies of the Committee, in the form set out in Annex 1 hereto.

10.1.7. A draft operating plan of the Committee is prepared for a corporate year based on the operating plan of the Company's Board of Directors approved by the Board of Directors, resolutions of the Company's Board of Directors, decisions of the Committee, proposals of the Committee members, the Internal Audit, the Company's Sole Executive Body subject to the List of Matters Included in the Operating Plan of the Audit Committee and recommended periods for holding meetings set out in Annex 2 hereto.

10.1.8. The Committee's operating plan is approved at the Committee's meeting.

10.1.9. The Committee's operating plan shall include:

- the schedule of the Committee's meetings (specifying the scheduled dates of meetings);
- matters to be reviewed at the Committee's meetings;
- information concerning speakers and persons in charge of preparation of matters and materials for the Committee's meetings;
- indication of the format of the Committee's meetings: joint presence (in-person) or absentee voting.

10.2. Periods and procedure for convening the Committee's meetings.

10.2.6. Each first meeting of the new composition of the Committee is held within thirty (30) calendar days after the date of the meeting of the new composition of the Board of Directors, at which the Committee members were elected.

10.2.7. The Committee's meetings are held in accordance with the Schedule approved by the Committee but at least quarterly, and as requested by persons specified in paragraph 10.3.1 hereof.

10.2.8. The Committee Chairperson decides on convening an ordinary meeting of the Committee, date, time and place of the meeting, items on the agenda, and on the list of persons invited to attend the meeting, in accordance with the Committee's operating plan.

10.2.9. The Committee Chairperson decides on convening an extraordinary meeting of the Committee, date, time and place of the meeting, items on the agenda, and on the list of persons invited to attend the meeting, subject to proposals of persons specified in paragraph 10.3.1 hereof.

10.2.10. A notice of the Committee's meeting with enclosed materials in the form set out in Annex 4 hereto shall be executed by the Committee Secretary and sent to persons participating in the meeting in accordance with the Regulation for the Preparation of Agenda Items to Be Reviewed at the Meetings set out in Annex 3 hereto.

10.2.11. The Committee members may be notified of a meeting:

- at the address of the Committee member's employer;
- at another address specified by the Committee member, including e-mail address.

10.2.12. Preparation for the Committee's meeting is carried out by the Committee Secretary under the supervision of the Committee Chairperson.

10.2.13. Specific aspects of convening an extraordinary meeting of the Audit Committee are set out in paragraph 10.3 hereof.

10.3. Extraordinary meetings of the Committee

10.3.6. An extraordinary meeting of the Committee is held when so decided by the Committee Chairperson or as requested by any member of the Committee, the Company's Board of Directors, or as proposed by the Company's executive body, external and/or internal auditors.

10.3.7. Within five (5) business days from the date of the request or proposal to convene an extraordinary meeting of the Committee, the Committee Chairperson decides to hold an extraordinary meeting of the Committee and determines the format, date, time and place of the meeting, or decides to refuse to convene an extraordinary meeting of the Committee. A motivated decision to refuse to convene an extraordinary meeting of the Committee shall be sent to the person or body requesting the convening of such meeting within two (2) business days from the date of the decision of the Committee Chairperson to refuse to convene the meeting.

10.3.8. The Committee Chairperson's decisions to refuse to convene an extraordinary meeting of the Committee may be taken in the following cases:

- the item(s) proposed for inclusion in the agenda of an extraordinary meeting of the Committee is (are) not referred to its competence;
- the item specified in the request /proposal to convene an extraordinary meeting of the Committee has already been put on the agenda for the next meeting to be convened pursuant to a decision of the Committee Chairperson that had been made before such request /proposal was received or in accordance with the approved operating plan of the Committee;
- the submission of a request / proposal to convene a meeting fails to comply with the procedure set out in these Regulations.

10.3.9. If the Company's Board of Directors submits a request to convene an extraordinary meeting of the Committee, the Committee Chairman shall convene the meeting within five (5) business days.

10.4. Procedure for holding meetings of the Committee

10.4.6. The meetings of the Committee shall be chaired by the Committee Chairperson or, in case of their absence, by the Vice-Chairperson of the Committee.

10.4.7. A meeting of the Committee is duly constituted (quorate) if at least half of the Committee members, but not less than two (2) Committee members, take part in the meeting. If a quorum required

for holding a meeting of the Committee is not present, an adjourned meeting of the Committee shall be held within five (5) business days with the same agenda.

10.4.8. Meetings of the Committee may be held in the form of joint presence of the Committee members or in the form of absentee voting.

10.4.9. Information on the format of the Committee's meeting shall be specified in the notice of the meeting.

10.4.10. The Committee Chairperson may decide to hold an absentee meeting of the Committee.

10.4.10.1. In the event of an absentee meeting, the Committee members may submit their proposals and written opinions with respect to the proposed draft resolutions of the Committee on items put to the absentee voting at least two (2) business days prior to the expiry date and time for accepting voting ballots specified in the notice of absentee voting.

10.4.10.2. The Committee Chairperson prepares the ballot (Annex 5.2 hereto) for absentee voting subject to the submitted proposals (new wordings) and/or comments with respect to the proposed draft resolutions of the Committee in the agenda items.

10.4.10.3. Absentee voting ballots shall be sent to the Committee members at least one (1) business day prior to the expiry date and time for accepting voting ballots specified in the notice of absentee voting.

10.4.10.4. In completing voting ballots, a member of the Committee shall cross out all but one of the possible voting options ("for", "against", or "abstained") for each item put to the vote. A member of the Committee may abstain from voting on one or more of the agenda items. Once the voting ballot is completed, a member of the Committee shall sign it and specify his or her surname and initials.

Such voting ballot shall be submitted by the Committee member to the Committee Secretary not later than the date of the Committee's meeting in its original form, by email, or by fax with the original to be later sent to the address specified in the voting ballot.

10.4.10.5. The results of voting regarding items on the agenda of the absentee meeting are tallied based on the voting ballots completed and signed by the Committee members and received by the Committee Secretary.

Voting ballots received by the Secretary in violation of the requirements and deadlines specified in the paragraph 10.4.5.4 hereof are not be taken into account for the purposes of determining the quorum and for tallying up the voting results.

10.4.11. An in-person meeting of the Committee is held by joint presence of the Committee members to discuss and adopt resolutions on agenda items.

10.4.12. A member of the Committee may participate in an in-person meeting of the Committee remotely by telephone or via video conferencing. Participation through such means of communication shall be treated as personal attendance at the meeting.

10.4.13. In determining the quorum, votes of absent members shall be counted provided that they have submitted their respective ballots as provided by these Regulations are received by the Company not later than the start time of the meeting.

10.4.14. In determining voting results regarding items on the agenda of the Committee's in-person meeting, all of the following shall be taken into account:

- opinions of the Committee members present at the meeting;
- written opinions of the Committee members absent from the meeting, executed and received in the manner described in these Regulations.

10.4.15. Written opinions of the Committee members absent from the meeting shall only be executed by completing a ballot for voting on the agenda items prepared in accordance with Annex 5.1 hereto.

10.4.16. In completing the ballot for voting on the agenda items, a member of the Committee shall cross out all but one of the possible voting options ("for" / "against" / "abstained") for each draft resolution on each agenda item.

10.4.17. A written opinion (voting ballot) shall be signed by the Committee member specifying his/her surname and initials.

10.4.18. A written opinion (voting ballot) of the Committee member completed in violation of the requirements specified in the paragraphs 10.4.11, 10.4.12 hereof is not taken into account for the purposes of determining the quorum and for counting votes on the relevant item.

10.4.19. A timely submitted written opinion (voting ballot) of a member of the Committee absent from the Committee's meeting shall be made available by the Secretary for review to the Committee members present at the meeting. The Committee Chairperson accepts the submitted written opinion by signing it.

10.4.20. A written opinion (voting ballot) of a member of the Committee absent from the Committee's meeting submitted after the expiry date and time for accepting voting ballots is deemed not received and is not taken into account for the purposes of determining the quorum and for tallying up the voting results.

10.4.21. If the wording of an agenda item or the draft resolution on an agenda item is changed (amended) or supplemented during the discussion of the agenda items at the Committee's meeting, written opinions (voting ballots) of the Committee members absent from the meeting are taken into account in accordance with the procedure established by paragraph 10.4.17 hereof when determining the quorum and voting results on the relevant items.

10.4.22. The Committee Secretary prepares a voting ballot (Annex 5.1 hereto) subject to the changes made to the wording of an item and/or draft resolution. Such ballot shall be signed by the Committee Chairperson and, on the next day after the Committee's meeting, sent for completion and signing to the Committee members who were absent from the meeting and submitted their written opinions.

10.4.23. The completed and signed voting ballot shall be submitted by the Committee member to the Committee Secretary not later than three (3) business days after the meeting.

10.4.24. Based on the voting results at the Committee's meeting and received written opinions (voting ballots) of the Committee members absent from the meeting, the Committee Secretary sums up the results of voting on the agenda items and draws up the minutes of the meeting in accordance with the procedure set forth herein.

10.4.25. The Committee's meetings shall be attended by the Committee Expert and may be attended, at the invitation of the Committee Chairperson, by employees of the Company and third parties. The invitees have no right to vote on the agenda items of the Committee's meeting.

10.5. Procedure for passing resolutions by the Committee

10.5.6. In voting on the agenda items, each Committee member has one vote.

10.5.7. No Committee member may transfer their vote to another person, including another Committee member.

10.5.8. In the event of a voting tie the Committee Chairperson / the chairperson of the meeting shall have a casting vote.

10.5.9. Resolutions of the Committee shall be passed by a simple majority vote of all Committee members.

10.6. Minutes of the Committee's meeting

10.6.6. A meeting of the Committee is formalized by the minutes of the Committee's meeting ("Minutes") in the form set out in Annex 6 hereto. The Minutes shall be signed by the Committee Chairperson and Secretary within five (5) business days after the date of the meeting.

The Minutes of the Committee's meetings shall detail:

- the format of the meeting;
- the date, place and time of the meeting / expiry date and time for accepting voting ballots;
- the list of the Committee members who took part in the discussion of the agenda items, indicating the form of voting (in person or via voting ballots), and the list of other persons who attended an in-person meeting;
- the agenda of the meeting;
- proposals of the Committee members with respect to the agenda items;
- the items put to the vote and the voting results on them, indicating how each member of the Committee voted and whether special opinions were expressed;

– resolutions passed.

The Chairperson of the meeting and the Committee Secretary are responsible for the accuracy of the Minutes.

10.6.7. The Minutes shall be made in two original copies, one of which, together with materials and recommendations prepared for the Board of Directors, shall be sent by the Committee Secretary to the Company's Board of Directors within one (1) business day after signing, and the other one shall remain in the Committee's archive. All Committee Members shall be sent copies of the minutes with attachments thereto.

10.6.8. Within one (1) business day after signing of the Minutes, the Committee Secretary shall send a copy of the Minutes with all attachments thereto, special opinions of the Committee members (if any) to the Company's Sole Executive Body, Committee members, Committee Expert.

10.6.9. The Committee Secretary shall be responsible for safekeeping the Minutes with all attachments thereto, special opinions of the Committee members (if any), voting ballots subject to paragraph 8.4.10 hereof.

## **11. Interaction with the Company's Bodies and Other Persons**

11.1. The Committee interacts with the Company's Board of Directors:

11.1.6. With respect to the Committee implementing the Board of Directors' instructions concerning provision of opinions with respect to certain matters within the competence of the Committee. In its instruction, the Board of Directors shall specify reasonable period for its implementation by the Committee.

11.1.7. When the Committee provides recommendations to the Board of Directors with respect to matters within the Committee's competence including proposals for the Company's Board of Directors to cause an unscheduled inspection (internal audit) to be conducted, the Board of Directors decides at its meeting whether or not the Committee's recommendations need to be reviewed.

11.1.8. In the event of immediate communication of information to the Board of Directors concerning negative deviations in any aspects of the preparation of accounting (financial) statements.

11.1.9. Upon provision of the Committee's performance report for the reporting corporate year to the Board of Directors. Such report shall be provided at least annually not later than fifteen (15) calendar days prior to the Annual General Meeting.

11.1.10. Upon provision of a progress (performance) report on the Committee's activities at any time during the year as may be requested by the Board of Directors. The time limits for preparation and submission of such report are determined by a resolution of the Company's Board of Directors.

11.1.11. In the event of immediate communication of information to the Board of Directors concerning or unlawful and dishonest acts, and breaches (risks) that may result in a significant damage to the Company.

11.1.12. With respect to other matters within the competence of the Committee.

11.2. The Committee interacts with the Company's executive bodies and senior management:

11.2.6. With respect to certain operating areas, as related to the provision of information and materials necessary for the Committee members to make decisions on matters falling within the competence of the Committee (in accordance with the Regulation for the Preparation of Agenda Items to Be Reviewed at the Meetings of the Audit Committee of the Company's Board of Directors enclosed as Annex 3 hereto).

11.2.7. When the Committee deems necessary to create task groups including the Company employees and engaged experts (specialists) to review certain matters within the competence of the Committee.

11.2.8. As the Committee provides advice and consultations with respect to matters under review in the periods between meeting and prior to the meeting.

11.2.9. With respect to preparation of written requests for provision of additional information concerning matters under review signed by the Committee Chairperson and submitted to the Company's Sole Executive Body.

11.3. The Committee interacts with the Committee Expert:

11.3.6. To ensure participation of the Committee Expert in the Committee's meeting and enable the Expert to provide recommendations with respect to the agenda items.

11.3.7. In connection with the approval of the agenda of the meeting, provision of the Expert opinion with respect to the items on the agenda (Annex 8 hereto), approval of the Minutes of the Committee's meeting (Annex 6 hereto).

11.4. The Committee interacts with the Internal Audit:

11.4.6. When the Committee reviews the Internal Audit's operating plan and budget as well as the Internal Audit Policy / amendments to the Internal Audit Policy of the Company.

11.4.7. When the Committee requests inspections/audits to be conducted or other tasks to be carried out (within the competence of the Internal Audit).

11.4.8. When the Head of Internal Audit exercises his/her right to attend the Committee's meetings with respect to matters related to the internal audit, internal controls, risk management, or corporate governance, or to directly contact and interact with the Committee.

11.4.9. In connection with the regular review by the Committee of the Internal Audit's reports on the implementation of the operating plan and the Internal Audit outcomes:

- on the implementation of the Internal Audit's operating plan;
- on key follow-up results;
- on the progress of corrective actions to remedy previously identified breaches;
- on the Internal Audit quality assessment;
- on key changes in the unit carrying out the internal audit functions;
- on the Internal Audit's expenses;
- on unreasonable restrictions of the Internal Audit's operations.

11.4.10. In connection with the regular review of report of the Company's management on the implementation of corrective action plans to address drawbacks identified by the Company's Internal Audit Board, the Company's Internal Audit, external control (oversight) bodies.

11.4.11. In connection with annual reviews of information prepared by the Internal Audit on the efficiency assessment of the Company's internal control and risk management system.

11.4.12. With respect to the Committee ensuring the Internal Audit's participation in the in-person meetings of the Committee.

11.4.13. With respect to holding, on a regular basis (but at least quarterly, including when reviewing matters specified in paragraphs 11.4.1 - 11.4.3 hereof), personal meetings with the head of the internal audit unit / authorized representative of a third-party entity carrying out the internal audit functions concerning matters related to the internal audit function. These may be closed-door meetings and may be held either at the initiative of the Committee Chairperson or at the initiative of the head of the internal audit unit / authorized representative of a third-party entity carrying out the internal audit functions.

11.4.14. With respect to the Committee taking steps to eliminate unreasonable restrictions, including in terms of the scope and resources, that hinder the Internal Audit's operations.

11.4.15. With respect to the Committee ensuring efficient cooperation between the Company's internal and external auditors.

11.5. The Committee interacts with the Company's external auditor:

11.5.6. Upon preliminary review and approval of acceptable types and scope of non-audit services provided by the Company's auditor and the amount of remuneration paid by the Company for such services.

11.5.7. In/by holding meetings with the auditor(s) and executive bodies of the Company in order to:

- discuss the preparation of accounting (financial) statements, verify the clarity and completeness of information disclosure in accounting (financial) statements;
- discuss material aspects of the accounting policy, methods used in accounting for significant or extraordinary transactions in the cases where several approaches are allowed.

11.5.8. When receiving from the Company's auditor and reviewing an official report (written information from) of the Company's auditor after completion of each stage of an audit.

11.5.9. With respect to issuing an opinion concerning the independence of the Company's auditor(s), preparing recommendations to the Board of Directors on measures to ensure the independence of the Company's auditor.

11.5.10. When reviewing auditor's reports confirming the reliability of the Company's annual RAS and IFRS accounting (financial) statements.

11.5.11. With respect to the Committee's assessment of the auditor's reports on the Company's annual accounting (financial) statements prepared in compliance with RAS to be included in the information (materials) for the Annual General Meeting.

11.6. The Committee interacts with the Company's Internal Audit Board:

11.6.6. In reviewing information provided by the Internal Audit Board to the Board of Directors with respect to certain matters related to business and financial operations of the Company.

11.6.7. In reviewing information provided by the Internal Audit Board to the Board of Directors concerning all cases when the Company's employees, including persons performing managerial functions, fail to comply with the Internal Audit Board's requests for provision of necessary documents, refuse to provide explanations on matters raised by the Internal Audit Board.

11.6.8. In the course of assessing the performance of the Company's executive bodies in implementing recommendations of the Company's Internal Audit Board.

11.6.9. When reviewing the Internal Audit Board's requests to convene an extraordinary General Meeting sent to the Board of Directors in order to provide the Board of Directors with recommendations on whether such request can be fulfilled.

## **12. Financing, Compensations, and Meeting Rooms**

12.1. To finance the activities of the Committee, the Committee's budget is allocated. The Committee's budget, being an integral part of the Company's overall budget, shall provide sufficient funding for the Committee's activities, including expenses for engaging specialists and compensating Experts' expenses actually incurred in connection with the participation in meetings of the Company's Committee.

12.2. The Committee Chairperson, together with the Committee Secretary, prepares a proposal concerning the size of the Committee's budget (with information itemized) to be discussed by the Committee members at the first meeting of the Committee after its election. Proposals (adjustments) concerning the overall size of the Committee's budget adopted by the Committee are sent to the Company's Board of Directors for approval.

12.3. Results of the annual Committee's budget implementation are discussed by the Committee members and submitted to the Company's Board of Directors as part of the annual performance report of the Committee.

12.4. For attendance at meetings of the Committee, members of the Committee, Chairperson, Vice-Chairperson, Secretary and Experts of the Committee are paid remuneration and/or compensations in accordance with the Regulations for Remuneration and Compensations Payable to the Members of Committees of the Board of Directors of Public Joint Stock Company "Rosseti Lenenergo" approved by the Company's Board of Directors.

If the Chairperson and/or members of the Committee are also members of the Company's Board of Directors, they are paid remuneration in the manner and amount established by the Company's internal document governing the procedure for payment of remuneration and compensations to the members of the Company's Board of Directors approved by the General Meeting of the Company.

12.5. For the purposes of holding the Committee's meetings and work sessions, the Company provides the Committee with a meeting room and makes sure that the Committee members and invitees can freely access such room, and takes other measures as may be necessary for the organizational support of the Committee's meetings and/or sessions.

## **13. Confidentiality**

13.1. During their term of office, and for three (3) years after the expiry of their term in the Committee, persons who are or have been Committee members, the Committee Secretary, and third

parties involved in the work of the Committee shall be required to maintain the confidentiality of information constituting the Company's commercial secrets and the Company's inside information they receive in connection with their work on the Committee. The list of information constituting the Company's commercial secrets and the Company's inside information is determined by resolution of an authorized body of the Company.

13.2. The Committee members, the Committee Secretary and third parties involved in the work of the Committee may receive information specified in paragraph 13.1 hereof provided that they have entered into a confidentiality agreement with the Company (Annex 7 hereto).

13.3. All documents related to the activities of the Committee shall be kept at the location of the Company in accordance with the procedure for keeping documents applicable at the Company. The Secretary of the Committee is responsible for safekeeping such documents.

#### **14. Reporting and Assessment**

14.1. The Committee Chairperson submits the Committee's performance report (Annex 9 hereto) to the Company's Board of Directors on an annual basis.

14.2. The Committee Chairperson may submit separate reports on the results of research on matters within the Committee's competence to the Company's Board of Directors.

14.3. The Company's Board of Directors of the Company may at any time request that the Committee provide a progress report on the Committee's activities. The time limits for preparation and submission of such report are determined by a resolution of the Company's Board of Directors.

14.4. The Company's Board of Directors arranges for the performance assessment of the Committee to determine the efficiency of the Committee's activities, to ensure that its work supports the development needs of the Company, and to identify the areas where its work can be improved.

14.5. The performance assessment of the Committee and its members shall be carried out on a regular basis at least once a year.

14.6. A third-party entity (consultant) may be engaged to conduct an independent performance assessment of the Audit Committee on a regular basis but not more than once every three (3) years.

14.7. An individual performance assessment of the Audit Committee members by a third-party entity (consultant) focuses on the following factors:

- expertise in matters falling within the competence of the Audit Committee;
- knowledge of industry and specific aspects of the Company's business;
- willingness to allocate time for the preparation to and participation in the Committee's meetings;
- level of preparation for the Committee's meetings;
- extent of participation in discussions at the Committee's meetings;
- willingness to ask vexed questions;
- constructive position and focus on finding solutions.

14.8. The results of the independent performance assessment of the Committee are submitted to the Board of Directors for discussion.

14.9. The results of the individual assessment of each Committee member are communicated to the Committee Chairperson and respective Committee member and are kept confidential.

#### **15. Final Provisions**

15.1. These Regulations and any amendments or supplements to them shall be approved by the Company's Board of Directors.

15.2. All matters that are not covered by these Regulations, shall be governed by the Company's Articles of Association, internal documents, local regulations of the Company, including those governing the procedures for convening and holding the meetings of the Company's Board of Directors, and other internal documents of the Company, the laws of the Russian Federation, and resolutions of the Company's Board of Directors.

15.3. If, as a result of any changes in the laws and regulations of the Russian Federation, any paragraphs (articles) of these Regulations come into conflict therewith, such paragraphs (articles) shall

cease to have effect, and the Committee members shall be governed by the laws and other regulatory legal acts of the Russian Federation until these Regulations have been amended.

15.4. These Regulations, details of the Committee members, information on certain resolutions of the Committee shall be published on the Company's website. The Committee Secretary shall be responsible for arranging the publication of information specified in this paragraph.

**Form: Operating Plan of the Audit Committee**

APPROVED  
on \_\_.\_\_.20\_\_  
by the Audit Committee  
of the Board of Directors of  
PJSC “Rosseti Lenenergo”  
(Minutes No. \_\_)

**Operating Plan of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”  
for corporate year 20\_\_ - 20\_\_**

Scheduled meeting date	Meeting format	Items on the agenda	Speaker	Division responsible for the preparation of the item
	In-person (joint presence)	1.		
		2.		
		3.		
	Absentee voting	4.		
		1.		
		2.		
		3.		
		4.		

**Matters Covered in the Operating Plan  
of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”  
for corporate year 20\_\_ - 20\_\_**

No.	Item on the agenda of the Audit Committee’s meeting	Recommended period for holding the Audit Committee’s meeting
<b>Organizational matters</b>		
1	Election of the Vice-Chairperson of the Audit Committee	within 30 days from the date of approval of the Audit Committee members and Chairperson by the Board of Directors
2	Election of the Secretary of the Audit Committee	
3	Engagement of an expert in the activities of the Audit Committee	
4	Approval of the Audit Committee’s Operating Plan for corporate year 20__-20__	
5	Preliminary review of the Audit Committee’s budget for 2H 20__ and 1H 20__	
6	Performance report of the Audit Committee to be submitted to the Company’s Board of Directors	at least 15 calendar days prior to the date of the Annual General Meeting
7	Preliminary review of the restated Regulations for the Audit Committee of the Company’s Board of Directors	as necessary
<b>With respect to the Company’s accounting (financial) statements</b>		
8	Review of the Company’s interim accounting (financial) statements for ____ months of 20__ prepared in compliance with RAS	within 45 calendar days after the end of the reporting period (3 months, 6 months, 9 months of the reporting year)
9	Preliminary review of the Company’s accounting (financial) statements for ____ prepared in compliance with RAS and consolidated financial statements for _____ prepared in compliance with IFRS	on or before April 30 of the year following the reporting year
10	Review of written information from the external auditor regarding the main points of concern raised by the interim accounting (financial) statements of the Company for _____ 20__ prepared in compliance with RAS and information from the Company’s management about adjustments made following the independent audit of the statements	in accordance with the terms and conditions of the Agreement with the external auditor but not later than 15 days from the deadline for preparation of written information on the results of audit of the interim statement (6 months / 9 months)
11	Review of written information from the external auditor regarding the main points of concern raised by the accounting (financial) statements of the Company for _____ prepared in compliance with RAS and consolidated financial statements for ____ 20__ prepared in compliance with IFRS, and information from the Company’s management about adjustments made following the independent audit of the statements	in accordance with the terms and conditions of the Agreement with the external auditor but not later than April 30 of the year following the reporting year
12	Review of material aspects of the Company’s accounting policy in the reporting year and amendments thereof planned	on or before December 25 of the year preceding the planning year

	in the following year	
13	Review of information from the Company's management on irregular transactions and events, and on creation of bad debt and contingency provisions	on or before December 25 of the reporting year
<b>With respect to overseeing the reliability and efficiency of the internal control and risk management systems and corporate governance practices</b>		
14	Preliminary review of the Company's internal documents defining the strategy, organization and development of the internal control system	as necessary
15	Preliminary review of a restated version of the Internal Control Policy of the Company	as necessary
16	Review of information from the Company's management on the performance of the corrective measures to eliminate drawbacks identified by the Internal Audit Board, the Company's Internal Audit, external control (supervision) bodies, on the implementation of measures taken to address the notices of potential unethical actions of the employees, as well as on the results of investigations carried out	within 45 calendar days after the end of the reporting period (6 months, calendar year)
17	Review of information from the management on the implementation of the Company's Internal Control Policy	at the first in-person meeting of the Audit Committee
18	Preliminary review of the report of the Company's Sole Executive Body and Management Board on the organization and functioning of the internal control system	on or before March 30 of the year following the reporting year
19	Review and approval of the contents of the <i>Internal Control System</i> section of the Company's Annual Report	within 120 days after the end of the reporting period
20	Preliminary review of the Internal Audit's report on the efficiency of the internal control system, risk management system for 20__	on or before March 30 of the year following the reporting year
21	Preliminary review of the Internal Audit's report on the efficiency of the corporate governance system for 20__	on or before March 30 of the year following the reporting year
22	Preliminary review of the report on external independent assessment of the efficiency of the internal control system, risk management system, corporate governance for 20__	subject to an agreement for external independent assessment of the efficiency of the internal control system, risk management system, corporate governance
<b>With respect to overseeing the external audit and selecting the auditor</b>		
23	Preliminary review of the terms and conditions of procurement procedures for the external auditor's selection for the right to enter into an agreement to conduct an audit of the accounting (financial) statements of the Company for 20__	as necessary, on or before January 30
24	Preliminary review of the candidate for the position of the Company's external auditor to conduct an audit of the Company's accounting (financial) statements for 20__	on or before April 30
25	Preliminary review of the amount of auditor's remuneration for the audit of the Company's accounting (financial) statements for 20__	on or before April 30
26	Assessment of the efficiency of the independent audit of the Company's accounting (financial) statements for 20__	on or before April 30 of the year following the reporting year
27	Preliminary review of the policy on non-audit services to be	as necessary

	provided by the external auditor	
<b>With respect to ensuring independence and objectivity of the Internal Audit</b>		
28	Preliminary review of a restated version of the Internal Audit Policy of the Company	as necessary
29	Preliminary review of the restated Regulations for the Division Responsible for Internal Audit at the Company	as necessary
30	Review and approval of the structure and headcount of the Company's Internal Audit	as necessary
31	Preliminary review of the budget of the Company's Internal Audit	annually, on or before December 25 of the year preceding the planning year
32	Preliminary review of the candidate for the position of the Head of Internal Audit and his/her remuneration	as necessary
33	Preliminary review of the Internal Audit's operating plan for 20__	on or before November 30 of the year preceding the planning year
34	Review of the Internal Audit's report on the implementation of the operating plan for _____ months of 20__ and the Internal Audit outcomes	within 45 calendar days after the end of the reporting period (3 months, 6 months, 9 months)
35	Preliminary review of the Internal Audit's report on the implementation of the operating plan and the Internal Audit outcomes for _____	on or before February 28 of the year following the reporting year
36	Review of the results of Internal Audit's quality self-assessment and the action plan for the improvement of the internal audit function	on or before February 28 of the year following the reporting year
37	Review of the statement of work, material terms and conditions of the agreement for independent assessment of the internal audit function's quality	as necessary
38	Review of the nomination of an external independent entity to conduct an independent assessment of the internal audit function's quality	as necessary, based on the results of competitive bidding procedure
39	Review of the results of the independent assessment of the internal audit function's quality	subject to an agreement for independent assessment of the internal audit function's quality
<b>With respect to overseeing the efficiency of the system for preventing unethical employee and third-party practices</b>		
40	Preliminary review of a restated version of the Company's Anti-Corruption Policy	as necessary
41	Preliminary review of a restated version of the Company's Code of Ethics	as necessary
42	Review of information from the management on the implementation of the Company's Anti-Corruption Policy	at the first in-person meeting of the Audit Committee
43	Review of the anti-corruption monitoring performance report	within 45 calendar days after the end of the reporting period (6 months, calendar year)

*Note: Matters Covered in the Operating Plan of the Audit Committee of the Board of Directors is not exhaustive and is prepared in accordance with paragraph 10.1.2 of the Regulations for the Audit Committee.*

to the Regulations

**Regulations  
for the Preparation of Agenda Items to Be Reviewed at Meetings  
of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”**

**1. General Provisions**

1.1. This Regulation for the Preparation of Agenda Items to Be Reviewed at the Meetings of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo” (“Procedure”) was developed in accordance with the Regulations for the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo” (“Company”).

1.2. This Regulation sets out the procedure for the preparation of agenda items to be reviewed at the Committee’s meetings, including the procedure and time limits for the preparation of the operating plan for the Committee’s term, agendas of the Committee’s meetings, materials, expert opinions, and submission thereof to the Committee

**2. Procedure for the Preparation of the Agenda of the Committee’s Meeting**

2.1. The Committee Secretary prepares the agenda of a scheduled meeting of the Committee (“Agenda”) in accordance with the approved Operating Plan. Such Agenda shall specify the proposed date and format of the meeting and officials (at the level of at least Deputy CEOs of the Company or managers directly subordinate to the CEO of the Company) responsible for the preparation of materials.

2.2. The Committee Secretary shall prepare the Agenda subject to the list of matters included in the approved Operating Plan of the Committee, instructions previously issued by the Committee and the Company’s Board of Directors and falling within the competence of the Committee.

2.3. The draft Agenda shall be communicated to the head of the structural unit carrying out the internal audit function prior to its signing by the Committee Chairperson.

2.4. Additional items may be included in the Agenda at the discretion of the Committee Chairperson, at the request of any member of the Committee, the Company’s Board of Directors, Management Board, Internal Audit Board, the Company’s auditor, head of the structural unit carrying out the internal audit function, upon written request of the Company’s CEO.

2.5. A proposal to add item(s) to the Agenda shall be submitted by the requesting person to the Committee Chairperson (by sending a letter to the Committee Chairperson with a copy to the Committee Secretary) together with a draft resolution, explanatory note substantiating the need to consider the matter at the meeting, and other information materials at least eight (8) business days prior to the date of the meeting and subject to time limits set out in paragraph 4.1 hereof.

2.6. The Committee Secretary shall monitor the compliance with the time limits for the submission of proposals for the inclusion of items in the Agenda (including the explanatory note and materials).

2.7. Additional items submitted to the Committee Secretary after the deadlines specified in paragraph 2.5 hereof shall be included in the Agenda of the next meeting or, as decided by the Chairperson in view of their importance and urgency, may be included in the agenda of an extraordinary meeting of the Committee to be held within a period determined by the Chairperson subject to the requirements set out in paragraph 4.1 hereof.

2.8. The Committee Secretary shall send the draft Agenda to the Committee Expert twelve (12) business days prior to the meeting to agree upon the list of agenda items. The Committee Expert shall review the Draft Agenda within one (1) business day and prepare an Opinion on the Agenda of the Committee.

2.9. The Opinion on the Agenda of the Committee prepared by the Expert shall be sent to the Committee Secretary for subsequent approval of the Agenda by the Committee Chairperson.

2.10. The Committee Secretary shall inform the Committee Chairperson on any non-compliance with the deadlines for the submission of proposals for the inclusion of items in the Agenda (including the explanatory note and materials) for the Committee Chairperson to decide on the approval of the Agenda.

2.11. A notice of the Committee's meeting, including the Agenda, shall be sent by the Committee Secretary to the Committee members and persons invited to participate in the Committee's meeting at least ten (10) business days prior to the date of the Committee's meeting or, in the case of a meeting with additional items on its agenda, at least seven (7) business days prior to the date of the Committee's meeting.

2.12. Materials for voting on the Agenda items, including the notice of the Committee's meeting, Agenda, Expert Opinion, shall be sent by the Committee Secretary to the Committee members at least three (3) business days prior to the date of the Committee's meeting.

### **3. Procedure for the Preparation of Materials Concerning Items on the Agenda of the Committee's Meeting**

3.1. Materials with respect to the Agenda items shall include:

- draft resolutions of the Committee on the Agenda items;
- explanatory notes to the materials and draft resolutions of the Committee on the Agenda items (an example of the explanatory note concerning item "Review of the interim accounting (financial) statements of the Company for \_\_\_ months of 20\_\_ prepared under the Russian Accounting Standards (RAS)" is set out in Annex to this Regulation);
- materials accompanying and supporting the information outlined in the draft resolutions and explanatory notes;
- expert opinion with respect to the items on the agenda of the Committee's meeting;
- other information materials concerning the Agenda items.

3.2. Materials, explanatory notes and draft resolutions with respect to the Agenda items (signed by a Deputy CEO of the Company or a manager directly reporting to the Company's CEO) shall be prepared by the Company divisions responsible for preparing the agenda items in accordance with the approved Operating Plan, and by the person requesting to add items to the Agenda specified in paragraph 2.4 hereof.

3.3. If the proposed items relate to the competence of several structural units / operational areas of the Company, the responsible unit shall ensure preliminary approval of the materials in accordance with the Company's document flow procedures.

3.4. A set of documents prepared in accordance with the requirements set out in this section shall be sent by the Committee Secretary to the Committee Expert at least eight (8) business days prior to the date of the meeting.

### **4. Procedure for the Preparation of Expert Opinion Concerning Items on the Agenda of the Committee's Meeting**

4.1. The Committee Expert shall review the received materials with respect to the Agenda within four (4) business days and shall send an expert opinion concerning the items on the agenda of the Committee's meeting ("Expert Opinion") (Annex 8 to the Regulations) to the Committee Secretary at least three (3) business days prior to the Committee's meeting.

4.2. The Committee Expert shall analyze whether the information contained in the submitted materials is complete, reliable and relevant to make a decision. The Committee Expert, via the Committee Secretary, may request additional materials and explanations concerning items on the Agenda. Officials in charge shall ensure immediate provision of materials requested by the Committee Expert.

4.3. Following the review of the submitted materials, the Committee Expert shall prepare an Expert Opinion.

4.4. The Expert Opinion shall contain the description of the items on the Agenda, the information section specifying the main conclusions made by the Committee Expert upon the review of the materials with respect to the agenda items, indicating the supporting facts, and the proposed draft resolutions of the Committee.

4.5. In the event of delayed submission of materials with respect to the Agenda items, the Committee Expert may issue an opinion recommending that such items be reviewed at the next meeting, specifying the reasons for the postponement.

4.6. Based on the draft resolutions proposed by the Committee Expert, the Committee Secretary shall prepare consolidated draft resolutions of the Committee with respect to the Agenda items.

**Template:**  
**Explanatory Note Regarding the Item Worded**  
**“Review of the interim RAS accounting (financial) statements of PJSC “Rosseti Lenenergo” for**  
**\_\_\_ months of 20\_\_\_”**

In accordance with paragraph \_\_\_ of Article \_\_\_ of the Regulations for the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo” (“Committee”) approved by the Board of Directors of PJSC “Rosseti Lenenergo” (“Company”) on \_\_.\_\_.20\_\_ (Minutes No. \_\_\_\_), the Committee’s competence includes the review and analysis of the interim accounting (financial) statements prepared in compliance with RAS in order to verify that such statements provide a true and fair view of the Company’s performance indicators and assess the completeness of information disclosure on the Company’s operations.

The analysis of figures and indicators in the accounting (financial) statements of the Company prepared in accordance with RAS for \_\_\_ months of 20\_\_ identified the following key trends behind the changes in the Company’s financial position:

1. Total assets and liabilities of the Company increased (decreased) by RUB \_\_\_ million (\_\_\_%) and amounted to RUB \_\_\_ million at \_\_.\_\_.20\_\_.

2. The key factors contributing to changes in the Company’s assets included:

– increase/growth of (description of item) by RUB \_\_\_ million or \_\_\_% (\_\_\_% of the overall growth of total assets);

– decrease/reduction of (description of item) by RUB \_\_\_ million or \_\_\_% (\_\_\_% of the overall growth of total assets)...

3. The key factors contributing to changes in the Company’s equity and liabilities included:

– increase/growth of (description of item) by RUB \_\_\_ million or \_\_\_% (\_\_\_% of the overall growth of total equity and liabilities);

– decrease/reduction of (description of item) by RUB \_\_\_ million or \_\_\_% (\_\_\_% of the overall growth of total equity and liabilities)...

4. The Company’s revenue for \_\_\_ months of 20\_\_ increased year-over-year by RUB \_\_\_ million (\_\_\_%) and amounted to RUB \_\_\_ million.

The key factors contributing to changes in the Company’s revenue included:

– growth/decrease of revenue from electricity distribution services by RUB \_\_\_ million (\_\_\_%);

– growth/decrease of revenue from resale of electric power (capacity) by RUB \_\_\_ million (\_\_\_%) due to (causes).

5. Cost of sales of the Company for \_\_\_ months of 20\_\_ increased year-over-year by RUB \_\_\_ million (\_\_\_%). The Company’s expenses (including selling and distribution expenses and administrative expenses) for \_\_\_ months of 20\_\_ increased/decreased by RUB \_\_\_ million (\_\_\_%) and amount to RUB \_\_\_ million, which does not exceed the growth rate of revenue (exceeds the growth rate of revenue by \_\_\_%).

6. Sales profit of the Company for \_\_\_ months of 20\_\_ amounted to RUB \_\_\_ million, up \_\_\_% year-over-year (RUB \_\_\_ million);

7. Other income of the Company for \_\_\_ months of 20\_\_ amounted to RUB \_\_\_ million, up/down \_\_\_% year-over-year, which is mainly due to (causes).

8. Other expenses of the Company for \_\_\_ months of 20\_\_ amounted to RUB \_\_\_ million, up/down \_\_\_% year-over-year, which is mainly due to (*specify causes of changes*).

Net profit/net loss of the Company for \_\_\_ months of 20\_\_ amounted to RUB \_\_\_ million (for \_\_\_ months of 20\_\_, net profit/net loss amounted to RUB \_\_\_ million).

**List of documents to be attached to the Explanatory Note:**

- 1) Trial balance for the reporting period.
- 2) Analysis of accounts receivable as of the beginning and end of the reporting period (specifying receivables for which a provision was created, amounts of overdue receivables specifying the largest debtors and breakdown of changes in the amounts due from them).
- 3) Breakdown of other income and expenses.
- 4) Explanation of causes of significant fluctuations in statement items, performance results, unusual/extraordinary changes in indicators/trends.

**Form: Notice of Meeting of the Audit Committee  
of the Board of Directors of PJSC “Rosseti Lenenergo”**

**NOTICE OF MEETING  
OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS  
OF PJSC “ROSSETI LENENERGO”**

To the members of the Audit Committee  
of the Board of Directors  
of PJSC “Rosseti Lenenergo”

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

***DEAR MEMBERS,***

Please be advised that the meeting of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo” will be held on \_\_\_\_\_, 20\_\_, with the following **AGENDA:**

<i>Item No.</i>	<i>Description</i>	<i>Speaker</i>
<b>1</b>		
<b>2</b>		
.....		
<b>i</b>		

The meeting will be held \_\_\_\_\_.  
*in person / through absentee voting*

Meeting place and time / deadline (date and time) for submittal of voting ballots  
\_\_\_\_\_.

Enclosed: 1. Agenda (\_\_\_\_\_ pages);  
2. Materials with respect to the agenda items (\_\_\_\_\_ pages);  
3. Voting ballot ( \_\_\_\_\_ pages, *for absentee meetings*).

Sgd.  
Print name (\_\_\_\_\_)  
Chairperson  
Audit Committee of the Board of Directors  
PJSC “Rosseti Lenenergo”

**Form: Ballot for Voting on the Agenda Items of an In-Person Meeting of the Audit Committee  
of the Board of Directors of PJSC “Rosseti Lenenergo”**

**Audit Committee  
of the Board of Directors of PJSC “Rosseti Lenenergo”**

**BALLOT**

for voting on the agenda items of an in-person meeting  
of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”  
to be held on \_\_\_\_\_, \_\_\_\_ 201\_\_

**Item:**

1. \_\_\_\_\_

**Resolution:**

1. \_\_\_\_\_

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
------------	----------------	------------------

*(cross out as appropriate leaving your answer not crossed)*

**Item:**

2. \_\_\_\_\_

**Resolution:**

2. \_\_\_\_\_

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
------------	----------------	------------------

*(cross out as appropriate leaving your answer not crossed)*

**Item i:**

i. \_\_\_\_\_

**Resolution:**

i. \_\_\_\_\_

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAINED</b>
------------	----------------	------------------

*(cross out as appropriate leaving your answer not crossed)*

The completed and signed voting ballot shall be faxed to \_\_\_\_\_, or emailed to \_\_\_\_\_, or its original shall be submitted to the Secretary of the Audit Committee no later than \_\_\_\_\_ on \_\_\_\_\_.  
*/time and date/*

Voting ballots received after the expiry of the deadline will not be accepted and your vote will not be counted.  
Please send the completed original voting ballots to: \_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
(signature) (full name)  
**Member of the Audit Committee  
of the Board of Directors, PJSC “Rosseti Lenenergo”**

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
(signature) (full name)  
**Chairperson of the Audit Committee  
of the Board of Directors, PJSC “Rosseti Lenenergo”<sup>1</sup>**

**THE BALLOT IS INVALID UNLESS SIGNED BY THE SUBMITTING MEMBER**

---

<sup>1</sup> The signature of the Committee Chairperson is only required when a voting ballot is completed and submitted in the cases and in accordance with the procedure set out in paragraph 10.4.17 of these Regulations.

**Form: Ballot for Voting on the Agenda Items of an Absentee Meeting of the Audit Committee  
of the Board of Directors of PJSC “Rosseti Lenenergo”**

**Audit Committee  
of the Board of Directors of PJSC “Rosseti Lenenergo”**

**BALLOT**

for voting on the agenda items of an absentee meeting  
of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”  
to be held on \_\_\_\_\_, \_\_\_\_ 201\_\_

**Item:**

1. \_\_\_\_\_

**Resolution:**

1. \_\_\_\_\_

**FOR**

**AGAINST**

**ABSTAINED**

*(cross out as appropriate leaving your answer not crossed)*

**Item:**

2. \_\_\_\_\_

**Resolution:**

2. \_\_\_\_\_

**FOR**

**AGAINST**

**ABSTAINED**

*(cross out as appropriate leaving your answer not crossed)*

**Item i:**

i. \_\_\_\_\_

**Resolution:**

i. \_\_\_\_\_

**FOR**

**AGAINST**

**ABSTAINED**

*(cross out as appropriate leaving your answer not crossed)*

The completed and signed voting ballot shall be faxed to \_\_\_\_\_, or emailed to \_\_\_\_\_, or its original shall be submitted to the Secretary of the Audit Committee no later than \_\_\_\_\_ on \_\_\_\_\_.  
*/time and date/*

Voting ballots received after the expiry of the deadline will not be accepted and your vote will not be counted.

Please send the completed original voting ballots to: \_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
(signature) (full name)

**Member of the Audit Committee  
of the Board of Directors, PJSC “Rosseti Lenenergo”**

**THE BALLOT IS INVALID UNLESS SIGNED BY THE SUBMITTING MEMBER**

**Form: Minutes of a Meeting of the Audit Committee of the Board of Directors  
of PJSC “Rosseti Lenenergo”**

**Audit Committee  
of the Board of Directors of PJSC “Rosseti Lenenergo”**

**AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS OF PJSC “ROSSETI LENENERGO**

**MEETING MINUTES**  
**MEETING FORMAT:** \_\_\_\_\_  
*IN-PERSON / ABSENTEE*

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_ 201\_\_\_\_

Format of the meeting:

\_\_\_\_\_  
*in-person / absentee voting*

Date, place and time of the meeting / expiry date and time for accepting voting ballots:

\_\_\_\_\_

Members of the Committee attending the meeting / taking part in in-person / absentee voting:

\_\_\_\_\_;  
\_\_\_\_\_;  
\_\_\_\_\_;  
\_\_\_\_\_.

Invitees (for in-person meetings):

\_\_\_\_\_;  
\_\_\_\_\_;  
\_\_\_\_\_.

The quorum is present.

Agenda:

- 1. \_\_\_\_\_;
- 2. \_\_\_\_\_;
- ... \_\_\_\_\_;
- i. \_\_\_\_\_.

Item 1:

\_\_\_\_\_.

RESOLUTION:

1.1. \_\_\_\_\_

Voting results:

\_\_\_\_\_.

Item 2:

\_\_\_\_\_.

RESOLUTION:

2.1 \_\_\_\_\_

Voting results:

\_\_\_\_\_.

Item i:

\_\_\_\_\_.

RESOLUTION:

i.1 \_\_\_\_\_

Voting results:

\_\_\_\_\_.

Special opinions of members of the Audit Committee  
\_\_\_\_\_ are enclosed / absent.  
*(full name of the Committee member)*

Voting ballots are enclosed.

\_\_\_\_\_ (\_\_\_\_\_)  
Chairperson of the Audit Committee

\_\_\_\_\_ (\_\_\_\_\_)  
Secretary of the Audit Committee

**Form: Confidentiality Agreement of the Audit Committee  
of the Board of Directors, PJSC “Rosseti Lenenergo”**

**CONFIDENTIALITY AGREEMENT**

\_\_\_\_\_, \_\_\_\_\_, 201\_\_\_\_\_

Public Joint Stock Company “Rosseti Lenenergo” (PJSC “Rosseti Lenenergo”), represented by \_\_\_\_\_, acting \_\_\_\_\_ under \_\_\_\_\_, on the one part, and \_\_\_\_\_, appointed as a member of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo” by the resolution of the Board of Directors of \_\_\_\_\_, 201\_\_\_\_\_ (Minutes No. \_\_\_\_\_), on the other part, hereafter referred to as the “Receiving Party”, collectively referred to as the “Parties”, enter into this Agreement whereby it is agreed as follows:

In order to assist the Board of Directors of PJSC “Rosseti Lenenergo” in performing its duties, the Board of Directors of PJSC “Rosseti Lenenergo” establishes the Audit Committee as a consulting and advisory body acting in accordance with the Regulations for the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”.

In connection with exercising his/her rights and performing his/her duties, the Receiving Party gains access to confidential information that is transferred to the Receiving Party marked as “commercial secret”. Under this Confidentiality Agreement (“Agreement”), the Parties agree upon the terms and conditions with respect to the restricted use and subsequent disclosure of such information.

***Confidentiality and Restricted Use***

1. For the purposes of this Agreement, the term “Confidential Information” in general and in particular means all or any information of any kind, in oral, written or electronic form, concerning PJSC “Rosseti Lenenergo” (hereinafter referred to as the “Disclosing Party”) and related to its operations that has actual or potential commercial value by virtue of it being unknown to third parties, provided by the Disclosing Party to the Receiving Party in accordance with this Agreement, together with all archival records or copies of this information or excerpts from such information on any media of any kind.

The Receiving Party shall store the Confidential Information with the same degree of care he/she would employ with respect to his/her own confidential information and such Confidential Information shall not be used or reproduced nor it shall be referenced to by the Receiving Party for any purposes. The Receiving Party shall not disclose the Confidential Information to any third party, either individual or corporate entity.

2. The Receiving Party may not provide the Confidential Information to other persons who use or may use it for purposes that have led or are likely to lead to its disclosure or other illegal or prohibited use in accordance with laws and this Agreement, including the use of such information for personal enrichment or contributing to the enrichment of other persons, regardless of whether such person is affiliated with him/her or not.

The Receiving Party shall notify the Committee of all planned and/or completed transactions with securities of PJSC “Rosseti Lenenergo” and subsidiaries of PJSC “Rosseti Lenenergo”.

3. The Receiving Party shall be liable, in accordance with the laws of the Russian Federation, for the actions of his/her affiliated persons, including, but not limited to, spouse, parents, children, full and half-siblings, adoptive parents and adopted children, other persons recognized as affiliated in accordance with the laws, in relation to the Confidential Information received from the Receiving Party that have resulted or may possibly result in its disclosure or other misuse, including the use of

such information for the purpose of personal enrichment or contributing to the enrichment of other persons, or resulting in losses to PJSC “Rosseti Lenenergo”.

4. This Agreement shall not be deemed to grant the Receiving Party any license rights or any other rights with respect to the Confidential Information and its further use.

***Return of Confidential Information***

5. In accordance with a request of the Disclosing Party, or at the sole discretion of the Disclosing Party, all and any Confidential Information in any form that the Receiving Party has received or acquired from the Disclosing Party or for the Disclosing Party shall be returned or, if this is impossible, destroyed within seven (7) days from the date of such request, and the Receiving Party shall retain no copies of such information or data relating to such information, or excerpts from it (in any form), and the Receiving Party shall not subsequently use or reproduce such information in whole or in part for any purpose whatsoever.

***Term and Termination of the Agreement***

6. This Agreement shall become effective from the date of its signing and shall remain in effect during the term of office of the person who is or have been a member of the Audit Committee, the Audit Committee Secretary, or the term of engagement of third parties involved in the work of the Audit Committee and for three (3) years after the expiry of their term in the Audit Committee or the term of engagement of third parties involved in the work of the Audit Committee.

***Governing Law***

7. This Agreement shall be governed by the laws of the Russian Federation.

Any claims or disputes arising out of or in connection with this Agreement, or concerning this Agreement or legal relations established by this Agreement, shall be submitted by the Parties to the appropriate court at the location of PJSC “Rosseti Lenenergo”.

***Miscellaneous***

8. Starting from the date of its signing, this Agreement will constitute the entire agreement between the Parties with respect to its subject matter and, after its execution, will supersede and cancel any previous agreements, documents, minutes and contacts, oral or written, between the Parties concerning the subject matter of this Agreement.

Any amendments and/or supplements to this Agreement shall be in writing and signed by both Parties.

This Agreement is made in two authentic copies, one copy for each Party.

**Registered Addresses and Details of the Parties:**

Disclosing Party  
PJSC “Rosseti Lenenergo”  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_(\_\_\_\_\_)

Receiving Party  
Member of the Audit Committee  
of the Board of Directors,  
PJSC “Rosseti Lenenergo”  
\_\_\_\_\_(\_\_\_\_\_)

**Form: Expert Opinion Regarding Items on the Agenda of the Meeting  
of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”**

**EXPERT OPINION  
regarding Items on the Agenda of the Meeting  
of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”  
to be held on \_\_\_\_\_, \_\_\_ 20\_\_**

To the members of the Audit Committee  
of the Board of Directors  
of PJSC “Rosseti Lenenergo”

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I recommend to vote “FOR” adopting the below resolutions regarding the agenda items of the meeting  
of the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo” to be held on \_\_\_\_\_  
\_\_\_\_, 20\_\_

**Item 1:** (wording of the item in accordance with the agenda)

**DETAILS:**

Key conclusions made by the Committee Expert in reviewing the materials specifying supporting  
facts.

**DRAFT RESOLUTION:**

**Item 2:**

**DETAILS:**

**DRAFT RESOLUTION:**

**Item i:**

**DETAILS:**

**DRAFT RESOLUTION:**

(Sgd.) \_\_\_\_\_ (full name)

Expert with the Audit Committee of the Board of Directors  
PJSC “Rosseti Lenenergo”

**Template: Performance Report of the Audit Committee  
of the Board of Directors of PJSC “Rosseti Lenenergo” for Corporate Year**

**Performance Report of the Audit Committee  
of the Board of Directors of PJSC “Rosseti Lenenergo”  
for Corporate Year 20\_\_-20\_\_**

The Audit Committee of the Company’s Board of Directors was established by the resolution of the Company’s Board of Directors of \_\_.\_\_.20\_\_ (Minutes No. \_\_).

The Audit Committee is governed by the Regulations for the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo” approved by the Board of Directors on \_\_.\_\_.20\_\_ (Minutes No. \_\_) (“Regulations for the Committee”).

During the reporting period, the Audit Committee carried out its activities in accordance with the Committee’s Operating Plan approved by the Company’s Board of Directors on \_\_.\_\_.20\_\_ (Minutes No. \_\_).

**Members and Attendance of Meetings**

The current members of the Audit Committee were appointed on \_\_.\_\_.20\_\_ by the Board of Directors (Minutes No. \_\_):

No.	Full name	Position when Appointed
1	_____ <b>Chairperson</b>	
2		
3		
4		
5		
6		
7		

FULL NAME (position when appointed) was appointed the Vice-Chairperson of the Committee, FULL NAME (position when appointed) was elected the Committee Secretary (Minutes of the meeting of the Committee No. \_\_ of \_\_\_\_).

In accordance with paragraph 9 of section 4 of the Regulations for the Audit Committee, the Audit Committee may engage experts (consultants) to carry out its assigned tasks and make informed decisions. On \_\_.\_\_.20\_\_, the Committee’s meeting adopted a resolution (Minutes No. \_\_) to engage \_\_\_\_\_<sup>2</sup> as the Expert with the Audit Committee of the Board of Directors of PJSC “Rosseti Lenenergo”.

The extent of the Committee members’ attendance at the Committee’s meetings is presented in the table below:

Full name	Total number of meetings / number of meetings attended by the Committee member	% of attendance
_____ <b>Chairperson</b>	11 / 10	90.9%
_____		

<sup>2</sup> Specify the Expert’s full name and position when engaged.

<b>Vice-Chairperson</b>		

\_\_ meetings of the Committee with agendas including \_\_ items were scheduled in the Committee's Plan. \_\_<sup>3</sup> meetings of the Audit Committee were actually held in corporate year 20\_\_-20\_\_, at which \_\_ items were reviewed. Items included in the Operating Plan were fully / partially<sup>4</sup> reviewed by the Audit Committee.

The number of scheduled meetings varies from the number of actually held meetings of the Audit Committee due to the following factors: \_\_\_\_\_.

### **Budget and Member Attendance Compensation**

The Regulations for Remuneration and Compensations Payable to the Members of the Committees of the Board of Directors of PJSC "Rosseti Lenenergo" approved by the Company's Board of Directors on April 02, 2015 (Minutes No. 30) and the Regulations for Remuneration and Compensations Payable to the Members of the Board of Directors of PJSC "Rosseti Lenenergo" approved by the Annual General Meeting of Shareholders on June 22, 2015 (Minutes No. 1/2015 of June 24, 2015) govern the Committee members' remuneration and compensation types, amounts and payment procedures.

The Committee's budget for 1H 20\_\_ and 2H 20\_\_ was preliminarily reviewed by the Committee (Minutes No. \_\_ of \_\_.\_\_.20\_\_, Minutes No. \_\_ of \_\_.\_\_.20\_\_). The Committee's budget was approved by the Board of Directors on \_\_\_\_ (Minutes No. \_\_ of \_\_\_\_, Minutes No. \_\_ of \_\_\_\_) as follows:

<b>Budget for (period)</b>	<b>Meeting</b>	<b>Budget, RUB thousand</b>
2H 20__	Minutes No. __ of ____	_____
1H 20__	Minutes No. __ of ____	_____

The budget performance outcomes for corporate year 20\_\_-20\_\_ are presented in the table below:

<b>Budget for (period)</b>	<b>Budget, RUB thou</b>		
	<b>Plan</b>	<b>Actual</b>	<b>Savings (-)/ overspending (+)</b>
2H 20__	_____	_____	_____
1H 20__	_____	_____	_____

The Committee's budget was fully / partially<sup>5</sup> implemented.

1. Savings/overspending<sup>6</sup> of the budget for \_\_H 20\_\_ was due to the following factors:

- smaller/bigger number of the Committee's meetings were held;
- smaller/bigger number of the Committee's in-person meetings were held;
- other.

2. Savings/overspending<sup>7</sup> of the budget for \_\_H 20\_\_ was due to the following factors:

- smaller/bigger number of the Committee's meetings were held;
- smaller/bigger number of the Committee's in-person meetings were held;
- other.

<sup>3</sup> The information is provided taking into account the Audit Committee's meeting where this report was reviewed.

<sup>4</sup> Select as appropriate.

<sup>5</sup> Select as appropriate.

<sup>6</sup> Select as appropriate.

<sup>7</sup> Select as appropriate.

### Key Focus Areas of the Audit Committee

In 20\_\_-20\_\_, the Committee held \_\_ meeting, reviewed \_\_ items.

Schedule of the Committee's meetings for corporate year 2013-2014:

	July	August	September	October	November	December	January	February	March	April	May	June
Meetings of the Committee												

The Committee has prepared recommendations to the Board of Directors regarding the following areas/topics:

1. Regarding ....  
—
2. Regarding ....  
—
3. With respect to ....  
—