

LIST OF KEY MEASURES AIMED AT IMPROVING THE RM&ICS TAKEN DURING THE REPORTING YEAR

With a view to developing and improving the RM&ICS, the Company's ordered to approve the RM&ICS Development Programme of Rosseti Kuban PJSC for 2023–2024.

In the reporting year, the Company implemented the following key activities aimed at the improvement of the RM&ICS:

- Regulatory and methodological documents on risk management and internal control were developed / updated:
 - Procedure for organising risk management and internal control

- Format of the report on the organisation, functioning and effectiveness of the risk management and internal control system, format of the risk management report
- Risk management and internal control system development programme
- Current control over the targeted and effective use of funds was exercised when approving documents for procurement procedures
- Control measures were carried out to assess the adequacy, effectiveness and efficiency of the RM&ICS, including

as part of comprehensive audits of the financial and economic activities of the Company's branches and audits of subsidiaries, when reviewing materials submitted for approval by collegial bodies, and during the analysis of information on audits conducted by external control (supervisory) bodies

- Financial stability was subject to monthly monitoring, counterparty liquidation and bankruptcy proceedings were supervised

Changes in the RM&ICS indicators for 2022–2024

Indicators	Period			
	2022	2023	2024	Δ 2024/2023 (%)
Number of control activities aimed at risk identification and minimisation ¹	2	4	4	0
Number of procurement materials (issues) reviewed	1,216	1,149	1,058	–7.9
Number of eliminated violations based on the results of inspections conducted by external control bodies	121/70	164/52	4 163/98	+ 25.4 times ² / +46 p.p. ³
Total amount of cancelled fines after appealing against the decision to impose administrative penalties (RUB million)	0	2.4	0.6	–75.0
Total amount of funds received by the Company from counterparties in bankruptcy and liquidation proceedings (RUB million)	12.9	25.2	0	–100.0
Total amount of cash saved by the Company due to acquisition of its own debt to debtors under bankruptcy proceedings at auctions (RUB million)	0	0	0	0

¹ The calculation of the indicator takes into account the initiation of and participation in official inspections/audits of financial and economic activities/control measures taken by risk owners to manage risks.

² The increase is attributable to growth in the number of inspections and violations identified in 2024.

³ The increase is driven by the timing of corrective measures approved by the Company's orders.

The 25.4-fold increase in the number of violations eliminated based on the results of inspections conducted by external control bodies is explained by the rise in the number of inspections and violations identified in 2024, as well as the deadlines for corrective measures approved by the Company's orders. The total amount of cancelled

fines imposed as a result of inspections by external control (supervisory) bodies decreased by 75% as a result of various approaches and interpretations by the FAS Russia authorities of the amended legislation regulating the procedure for calculating the cost of grid connection of consumers. In 2024, the Company did not receive any cash from counterparties

undergoing bankruptcy or liquidation proceedings due to the absence of assets held by these counterparties.

MAIN AREAS FOR IMPROVEMENT OF THE RM&ICS FOR THE NEXT YEAR

Main tasks for 2025 as to the improvement of the Company's RM&ICS:

- Decomposition and interconnection of corporate-level risks with business process risks
- Upgrading of the risk assessment and monitoring methodology

- Updating of risk matrices and control procedures
- Participation in control measures: audits, reviews, checks of the financial and economic activities of subsidiaries, service checks

- Participation in training events for employees of Rosseti Group PJSC on the organisation and functioning of the RM&ICS

