

**EXPLANATORY NOTE
AND DRAFT RESOLUTION
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
ROSSETI SOUTH PJSC**

TOPIC 5: On appointment of the Company's audit organization.

Subject to Art. 47 of Federal Law On Joint-Stock Companies No. 208-FZ dd 26.12.1995 (hereinafter referred to as the Law), a company must hold an Annual General Meeting of Shareholders. The Annual General Meeting of Shareholders shall discuss the the topic of nomination of the Company's Audit Organization.

Subject to sub-cl. 4.1.3.3. cl. 4 of the Regulations on the Audit Committee of the Board of ROSSETI South, PJSC approved by resolution of the Company's Board on 11 March 2016 (Minutes No. 180/2016 dated 14.03.2016), participation in the development and approval of the terms and conditions of procurement procedures for selecting an external auditor, in particular, the determination of the range and significance of the assessment criteria for procurement participants and the assessment procedure of the bids by procurement participants, control over the external audit and selection of the auditor are referred to the Audit Committee of the Board of ROSSETI South, PJSC.

The Audit Committee of the Board on February 01, 2024 (Minutes No. 167) recommends the Company to perform procurement procedures for the right to conclude a contract to audit the RAS and IFRS financial statements of ROSSETI South, PJSC for 2024 by participating in a centralized electronic tender organized by ROSSETI South, PJSC.

ROSSETI PJSC, on behalf of the Company, organized an electronic tender on the electronic trading platform www.zakupki.gov.ru on behalf of the Company organized an electronic tender for the right to enter into a contract for the provision of services for the mandatory annual audit of RAS statements and audit of IFRS statements of ROSSETI's subsidiaries for 2024-2026, according to the results of which the following collective participant was declared the winner: Collective Participant Leader TsATR - Audit Services LLC, member of the collective participant Intercom-Audit LLC (Minutes of the meeting of the Tender Commission dated 14.03.2024 No. 4/2977634).

The leader of the collective member TsATR - Audit Services, LLC is a member of the Self-Regulated Organization Of Auditors Association – Sodruzhestvo, has the necessary experience and has a sufficient number of qualified personnel. The second member of the collective participant is Intercom-Audit LLC, which is a member of the Self-regulated organization of auditors Association "Sodruzhestvo".

The Audit Committee of the Company's Board on 08.05.2024 (minutes No. 173) resolved to recommend the annual General Meeting of Shareholders of ROSSETI South, PJSC propose a collective member of TsATR - Audit Services, LLC (leader of the collective member) and Intercom-Audit, LLC (participant of the collective member) as the Company's auditor.

The Board of ROSSETI South, PJSC reviewed the results of the contest for selecting the audit organization, of ROSSETI South, PJSC and based on the resolution of 14.05.2024 (Minutes No. 52/2024) proposed that the annual General Meeting of Shareholders of ROSSETI South, PJSC appoint a collective member of TsATR - Audit Services, LLC

(leader of the collective member) and Intercom-Audit, LLC (participant of the collective member) as the Company's auditor.

In accordance with cl. 10.4. Art. 10 of the Company's Charter, the resolution on this topic is adopted by a majority of votes of the shareholders owning voting shares of the Company and participating in the meeting.

Given these considerations, the Annual General Meeting of Shareholders of ROSSETI South, PJSC is proposed to make a decision on the said topic.

DRAFT RESOLUTION:

Appoint a collective member of TsATR - Audit Services, LLC (leader of the collective member) and Intercom-Audit, LLC (participant of the collective member) as the Company's auditor.