

Opinion of the Board of ROSSETI South, PJSC on the agenda of the annual General Meeting of Shareholders of ROSSETI South, PJSC by the results of 2023

1. On approval of the annual report, annual accounting (financial) statements of the Company for 2023.

Opinion of the Board meeting of ROSSETI South, PJSC:

Subject to Art. 47 and subcl. 11 cl.1 Art. 48 of Federal Law No. 208-FZ dated 26.12.1995 On Joint-Stock Companies (hereinafter referred to as the Law), subcl.13 cl. 10.2 Art. 10.2(13) of the Company's Charter, the competence of the General Meeting of Shareholders includes approval of the annual report and the annual accounting (financial) statement of the Company.

The Company's annual report submitted to the AGM for approval must contain information stipulated by the Regulations of the Bank of Russia dated March 27, 2020 No. 714-P On Disclosure of Information by Issuers of Securities, by the Information letter of Bank of Russia dated December 27, 2021 No. IN-06-28/102 Disclosure in the annual report of a public joint-stock company of a report on compliance with the principles and recommendations of the Corporate Governance Code, by the Regulation of information policy of ROSSETI South, PJSC, approved by the Company's Board on March 16, 2022 (minutes of March 18, 2022 No. 470/2022).

The annual report of ROSSETI South, PJSC contains information about the joint-stock company that confirms to the regulations of the Russian Federation and summary information about the main production, financial, and investment results of ROSSETI South, PJSC.

The appendices to the annual report contain RAS financial statements of ROSSETI South, PJSC with a positive audit opinion on the accuracy of the financial statements, IFRS consolidated statements with a positive audit opinion on the accuracy of the consolidated financial statements, a report on compliance with the principles and recommendations of the Corporate Governance Code, a report on interested-party transactions performed by the Company in 2023 approved by the Company's Board subject to cl. 1.1. Art. 81 of the Law.

The reliability of data contained in the Company's annual report for 2023 was confirmed by the Inspection Commission of the Company (Minutes No. 4 dated 02.05.2024).

The Board of ROSSETI South, PJSC resolved on May 14, 2024 (Minutes No. 572/2024) about a preliminary approval of the Company's annual report for 2023.

The annual accounting (financial) statements of ROSSETI South, PJSC for 2023 were prepared in accordance with the accounting and reporting regulations applicable in the Russian Federation, in particular, the Federal Law dd 06.12. 2011 No. 402-FZ On Accountancy, the Regulations for Accounting and Reporting in the Russian Federation approved by Order of the Ministry of Finance of Russia No. 34n dated 29.07.1998 (as supplemented and amended), the Regulations for Accounting approved by the orders of the Ministry of Finance of Russia.

In the case of publication and providing with accounting (financial) statements, which are to be audited, such accounting (financial) statements shall be published and provided together with the auditor opinion.

The mandatory audit of ROSSETI South, PJSC for 2023 in accordance with the regulations of Federal Law of the Russian Federation No. 307-FZ dd December 30, 2008

On Audit Activities was conducted by the audit organization TsATR - Audit Services, LLC. A conclusion was made based on the results of the audit.

The Board of ROSSETI South, PJSC reviewed the auditor opinion on the results of the audit of the Company's annual accounting (financial) statements for 2023, in which the auditor's opinion on the reliability of the accounting statements was expressed.

The Board reviewed and took into account the opinion of the Audit Commission of ROSSETI South, PJSC based on the results of the audit of the Company's annual accounting (financial) statements for 2023, approved by resolution of the Audit Commission (Minutes No. 4 dated 02.05.2024).

Taking into account the above, the Board of ROSSETI South, PJSC by resolution on 14.05.2024 (Minutes No. 572/2024) recommended that the annual General Meeting of Shareholders of ROSSETI South, PJSC approve the annual report and the annual accounting (financial) statements of the Company for 2023.

Recommendation:

The Board of ROSSETI South, PJSC recommends that the Annual General Meeting of Shareholders of ROSSETI South, PJSC approve the annual report of the Company for 2023 and the annual accounting (financial) statements of the Company for 2023.

2. On distribution of income (including the payment (declaration) of dividends) and losses of the Company for 2023.

Opinion of the Board meeting of ROSSETI South, PJSC:

According to the results of 2023, the Company received net profit in the amount of 2,430,773 thousand rubles.

At the same time, in accordance with clause 1 of Article 43 of the Federal Law "On Joint-Stock Companies", the Company may not make a decision (declare) on payment of dividends on shares, if as of the date of making such a decision, the net asset value of the Company is less than its authorized capital, and the reserve fund, and the excess over the nominal value of the liquidation value of outstanding preferred shares determined by the Charter, or will become less than their amount as a result of making such a decision.

Subject to clause 8.1 Article 8 of the Charter of ROSSETI South, PJSC, the Company shall create a Reserve Fund equal to 5 percent of the Company's authorized capital stock. The amount of mandatory annual deductions to the Reserve Fund of the Company is 5 percent of the Company's net income until the Reserve Fund reaches the established amount.

As of 31.12.2023, the Company's authorized capital is 15,164,143 thousand rubles, Reserve capital (fund) - 342,652 thousand rubles, net asset value - 5,236,841 thousand rubles, which is lower than the Company's authorized capital by 9,927,302 thousand rubles. The Company did not issue any preferred shares.

At the time of the Annual General Meeting of Shareholders of the Company, this ratio of net asset value, reserve capital and authorized capital is maintained.

Given these considerations, the Board of ROSSETI South, PJSC at its meeting on May 14, 2024 (Minutes No. 572/2024) recommended the Annual General Meeting of Shareholders of ROSSETI South, PJSC resolve as follows:

1. Approve the following distribution of profit (losses) of ROSSETI South, PJSC received based on the results of 2023:

Name	(thousand rubles)
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Undistributed income (uncovered loss) of the reporting period:	2,430,773
To distribute for: Reserve fund	121,539
Profit for development	0
Dividends	0
Loss recovery of the past	2,309,234

2. Not to pay dividends on ordinary shares of ROSSETI South, PJSC based on the results of 2023.

Recommendation:

The Board of ROSSETI South, PJSC recommends the Annual General Meeting of Shareholders of ROSSETI South, PJSC:

1. Approve the following distribution of profit (losses) of ROSSETI South, PJSC received based on the results of 2023:

Name	(thousand rubles)
Undistributed income (uncovered loss) of the reporting period:	2,430,773
To distribute for: Reserve fund	121,539
Profit for development	0
Dividends	0
Loss recovery of the past	2,309,234

2. Not to pay dividends on ordinary shares of ROSSETI South, PJSC based on the results of 2023.

3. On election of members of the Directors Board of the Company.

Opinion of the Board meeting of ROSSETI South, PJSC:

According to subcl. 4 cl.1 Article 48 of the Federal Law On Joint-Stock Companies and cl.10.2 of the Charter of ROSSETI South, PJSC, the topic of defining the number of members of the Company's Board, election of their members and early termination of their powers are referred to the competence of the General Meeting of Shareholders.

Subject to clause 16.1 of the Charter of ROSSETI South, PJSC, the Company's Board consists of eleven (11) members.

Based on the cl. 13.1 of the Charter of ROSSETI South, PJSC, the cl. 1, Art. 53 of the Federal Law On Joint-Stock Companies, the Company's shareholders owning at least 2% of the Company's voting shares nominated candidates for the Company's Board.

The Board of ROSSETI South, PJSC reviewed the proposals of the Company's shareholders about the nomination of candidates to the Company's governing bodies and resolved on 05.03.2024 (Minutes No. 562/2024) to include the nominees proposed by the shareholders of ROSSETI South, PJSC on the list of nominees to be voted for election to the Board of ROSSETI South, PJSC.

Recommendation:

The Board of ROSSETI South, PJSC recommends that the Annual General Meeting of Shareholders of ROSSETI South, PJSC elect eleven members of the Board of ROSSETI South, PJSC from the number of nominees proposed by the shareholders of ROSSETI South, PJSC.

4. On election of members of the Inspection Commission of the Company.

Opinion of the Board meeting of ROSSETI South, PJSC:

According to the cl. 1 Art. 48 of Federal Law dd 26.12.1995 No. 208-FZ On Joint-Stock Companies, cl. 10.2 of the Charter of ROSSETI South, PJSC, the election of the members of the Company's Audit Commission falls within the competence of the General Meeting of Shareholders of the Company.

According to the cl. 24.1 of the Charter of ROSSETI South, PJSC, the Company's Audit Commission consisting of 5 members is elected annually by the General Meeting of Company's Shareholders.

The Board of ROSSETI South, PJSC reviewed the proposals of the Company's shareholders about the nomination of candidates to the Company's supervisory bodies and resolved on 05.03.2024 (Minutes No. 562/2024) to include the nominees proposed by the shareholders of ROSSETI South, PJSC on the list of nominees to be voted for election to the Inspection Commission of ROSSETI South, PJSC.

Recommendation:

The Board of ROSSETI South, PJSC recommends that the Annual General Meeting of Shareholders of ROSSETI South, PJSC elect five members of the Inspection Commission of ROSSETI South, PJSC from the number of nominees proposed by the shareholders of ROSSETI South, PJSC.

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

Opinion of the Board meeting of ROSSETI South, PJSC:

According to the subcl. 10 cl. 1 Article 48 and cl. 2 Article 86 of the Federal Law dated 26.12.1995 No. 208-FZ On Joint-Stock Companies, General Meeting of Shareholders to control and confirm the annual accounting (financial) statements of ROSSETI South, PJSC approves annually the audit organization of ROSSETI South, PJSC, who is unaffiliated with ROSSETI South, PJSC or its shareholders.

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.

Recommendation:

The Board of ROSSETI South, PJSC recommends 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.

6. On approval of the new version of the Company's Articles of Association.

The current version of the Company's Articles of Association was approved by the Annual General Meeting of Shareholders of the Company on 02.06.2021 (Minutes No. 23 dated 02.06.2021).

From the point of view of the convenience of practical use of the Articles of Association and taking into account the cost of making notarized copies, it seems most expedient to approve the Company's Articles of Association in a new version.

The draft of the Company's Articles of Association in a new version has been prepared in order to improve the quality of corporate governance, optimize the work of the Company's Board of Directors, and bring this document into compliance with the requirements of regulatory legal acts of the Russian Federation:

- Federal Law dated 26.12.1995 No. 208-FZ "Joint-Stock Companies";
- Federal Law of 22.04.1996 No. 39-FZ, "On the Securities Market".

Information on the proposed amendments is presented in the Company's draft revised Articles of Association and in the comparative table of amendments to the Company's Articles of Association with their justification.

Recommendation:

In view of the above, the Annual General Meeting of Shareholders of ROSSETI South, PJSC is proposed to approve a new version of the Company's Articles of Association.