MINUTES
of the Meeting of the Executive Board of Rosseti South PJSC
Rostov-on-Don

14.08.2024 No. 586/2024

The meeting format: absentee (by poll)
The Executive Board members who participated in the absentee voting: Krainski D.V., Dokuchaeva M.A., Zarkhin V.Yu., Kazakov A.I., Klinkov O.Yu., Korotkova M.V., Kravchenko K.Yu., Nikitchanova E.V., Tikhonova M.G., Paramonova N.V., Ebzeev B.B.
Questionnaires not provided: none.
A quorum is present.
Date of the minutes: 16.08.2024

AGENDA

1. *On the independence of the members of the Board of Directors of Rosseti South PJSC.*
2. *On reviewing of the report on the implementation of activities provided for by the Program "Digital Transformation of Rosseti South PJSC, 2020 - 2030" for the year of 2023.*
3. *On spending funds on preparation and holding of the Annual General Meeting of Shareholders of Rosseti South PJSC.*
4. *On review of the progress report on the performance of the non-core asset register of Rosseti South PJSC for Q2 2024.*

ISSUE NO. 1: On the independence of the members of the Board of Directors of Rosseti South PJSC.
RESOLUTION:

1.1. In accordance with the assessment of compliance of Alexander Ivanovich Kazakov, member of the Company's Board of Directors, with the criteria for determining independence set forth in Appendix 4 of the Moscow Exchange Listing Rules approved by the decision of the Supervisory Board of Moscow Exchange PJSC dated 25.03.2024 (Minutes No. 23) (hereinafter referred to as the Rules), and recommendations of the Personnel and Remuneration Committee of the Board of Directors of Rosseti South PJSC (Minutes No. 156 dated April 17, 2024), to recognize A.I. Kazakov as an independent director despite the existence of formal criteria of affiliation:

1.1.1. with the Company (sub-item 2 of item 4 of Appendix 4 to the Rules):

- Kazakov A.I. holds the position of a member of the Board of Directors in organizations controlled by the entity controlling the Company (Rosseti PJSC) - Rosseti Center and Volga Region PJSC, Rosseti Kuban PJSC, Rosseti Volga PJSC;

1.1.2. with a significant shareholder of the Company (sub-item 3 of item 5 of Appendix 4 to the Rules):

- Kazakov A.I. holds the position of a member of the Board of Directors in more than two legal entities controlled by a significant shareholder of the Company (Rosseti PJSC), as well as under the indirect control of the Russian Federation - an entity controlling a significant shareholder of the Company - Rosseti South PJSC, Rosseti Center and Volga Region PJSC, Rosseti Kuban PJSC, Rosseti Volga PJSC.

1.1.3. with a significant counterparty of the Company (sub-item 1 of item 6 of Appendix 4 to the Rules):

- Kazakov A.I. holds the position of a member of the Board of Directors in Rosseti Center and Volga Region PJSC, Rosseti Kuban PJSC, Rosseti Volga PJSC, which are controlled organizations of a significant counterparty of the Company - Rosseti PJSC, the amount of obligations under contracts with which exceeds 2% of the book value of the Company's consolidated assets as of 31.12.2023 and 2% of the Company's consolidated revenues (income) as of 31.12.2023.

1.2. Note that no other criteria of association have been identified.

1.3. Recognize that such association with the Company, with a significant shareholder of the Company and a significant counterparty of the Company is formal and does not affect the independence of Kazakov A.I. in forming his position on the issues of the agenda of meetings of the Board of Directors of the Company, his ability to make objective, conscientious and independent from the influence of the executive bodies of Rosseti South PJSC, a significant shareholder and a significant counterparty of the Company, decisions based on the following:

1.3.1. Kazakov A.I. has no obligation to vote in accordance with the voting instructions and positions formed by a significant shareholder of the Company – Rosseti PJSC, as well as to vote in accordance with the directives or other position formed by the Russian Federation – the entity controlling the significant shareholder of the Company - Rosseti PJSC, since the Russian Federation exercises only indirect control over Rosseti South PJSC.

1.3.2. Kazakov A.I. was previously recognized by decisions of the Board of Directors of Rosseti South PJSC as an independent director (Minutes No. 461/2021 dated 24.12.2021, No. 493/2022 dated 08.08.2022), since October 2021 till present is a member of the Audit Committee of the Board of Directors of Rosseti South PJSC and takes active part in all meetings of the Board of Directors and the Audit Committee of the Board of Directors of the Company (100% participation).

1.3.3. Kazakov A.I. participates in the work of the Boards of Directors of the energy complex companies, including as an independent director, from May 2018 to May 2021 - in Rosseti Center PJSC, from May 2020 to May 2021 and from June 2022 - in Rosseti Volga PJSC, from June 2019 - in Rosseti Center and Volga Region PJSC, from June 2021 - in Rosseti Kuban PJSC.

The considerable experience of Kazakov A.I. in the fuel and energy complex not only speaks of a deep understanding of the specifics of the work of Rosseti South PJSC, but also allows Kazakov A.I. to effectively use them when considering issues related to the operating activities of the Company, positioning the Company on the electric power market. His position as a member of the Board of Directors of the Company during 2021-2024 was independent of the opinion of the majority shareholder of the Company, other members of the Board of Directors of the Company, the position of the executive bodies of Rosseti South PJSC, based on a comprehensive study of materials on the agenda of meetings of the Board of Directors of the Company.

The knowledge of professional competencies in the field of strategic management, finance and audit, the presence of leadership experience in energy companies, including as chairman of the boards of directors, make the experience of Kazakov A.I. indispensable for the Company.

1.3.4. A.I. Kazakov is a Russian statesman and politician, has a doctorate in economic sciences, has a generally recognized reputation, testifying to his ability to independently form an independent position.

1.3.5. A significant counterparty of the Company (Rosseti PJSC) does not and cannot influence both the decisions taken by management bodies of Rosseti South PJSC and the financial and economic activities of Rosseti South PJSC, based on the fact that the agreements between the Company and Rosseti PJSC on the provision of a loan to the Company by the latter are concluded in order to attract intra-group debt financing at lower rates, than borrowing rates available at the time of conclusion of the agreement in credit institutions, and for a longer period than the available bank lending terms. Accordingly, Rosseti Center and Volga Region PJSC, Rosseti Kuban PJSC, Rosseti Volga PJSC, being controlled entities by a significant counterparty of the Company - Rosseti PJSC, do not and cannot influence both the decisions made by management bodies of Rosseti South PJSC and the financial and economic activities of Rosseti South PJSC.

1.4. Note that the decision to recognize Kazakov A.I., a member of the Board of Directors, as an independent director is justified and motivated.

Voting results:

Krainski D.V.	-	**"IN FAVOR"**	Klinkov O. Yu.	-	**"IN FAVOR"**
Dokuchaeva M.A.	-	**"IN FAVOR"**	Kravchenko K.Yu.	-	**"IN FAVOR"**
Zarkhin V.Yu.	-	**"IN FAVOR"**	Nikitchanova E.V.	-	**"IN FAVOR"**
Korotkova M.V.	-	**"IN FAVOR"**	Tikhonova M.G.	-	**"IN FAVOR"**
Kazakov A.I.	-	**didn't vote**	Ebzeev B.B.	-	**"IN FAVOR"**
Paramonova N.V.	-	**"IN FAVOR"**			

The resolution was approved.

2.1. In accordance with the assessment of the compliance of the member of the Board of Directors of the Company Nikitchanova Ekaterina Vladimirovna with the criteria for determining independence set out in Appendix 4 of the Rules and the recommendations of the HR and Remuneration Committee of the Board of Directors of Rosseti South PJSC (Minutes No. 156 dated 17.04.2024), to recognize E.V. Nikitchanova as an independent director despite the existence of formal criteria of association:

2.1.1. with a significant shareholder of the Company (sub-item 3 of item 5 of Appendix 4 to the Rules):

- Nikitchanova E.V. holds the position of a member of the Board of Directors in more than two legal entities under the control of the Russian Federation - an entity controlling a significant shareholder of the Company (Rosseti PJSC) - Rosseti South PJSC (indirect control), Publishing House "Higher School" JSC, St. Petersburg Documentary Film Studio JSC and Russian Newspapers JSC (direct control).

2.2. Note that no other criteria of association have been identified.

2.3. Recognize that such association with a significant shareholder of the Company is formal and does not affect independence of Nikitchanova E.V. in forming her position on the issues of the agenda of meetings of the Board of Directors of the Company, her ability to make objective, conscientious and independent from the influence of the executive bodies of Rosseti South PJSC, a significant shareholder, decisions based on the following:

2.3.1. Nikitchanova E.V. has no obligation to vote in accordance with the voting instructions and positions formed by a significant shareholder of the Company – Rosseti PJSC, as well as to vote in accordance with the directives or other position formed by the Russian Federation – the entity controlling the significant shareholder of the Company - Rosseti PJSC, since the Russian Federation exercises only indirect control over Rosseti South PJSC.

2.3.2. E.V. Nikitchanova was previously recognized by resolutions of the Board of Directors of Rosseti South PJSC as an independent director (Minutes No. 461/2021 dated 24.12.2021, No. 493/2022 dated 08.08.2022, No. 546/2023 dated 06.10.2023); from October 2021 to July 2023, she was a member of the Audit Committee of the Board of Directors of Rosseti South PJSC; since August 2023, she has been a member of the Human Resources and Remuneration Committee of the Board of Directors of Rosseti South PJSC; she actively participates in all meetings of the Board of Directors (100% participation).

2.3.3. Professional experience and competencies of Nikitchanova E.V., including in the field of corporate governance (audit of corporate governance of large and medium-sized Russian companies, creation and implementation of systems for remuneration and evaluation of the Board of Directors performance), participation in the RID research projects, including those carried out jointly with the Higher School of Economics and the Russian School of Economics, participation as a top manager of the RID in the development and implementation of its development strategy, participation in the development of regulatory legal acts of the Federal Security Service of Russia/Federal Financial Service of Russia and a number of draft laws, experience in interaction with government agencies (the State Duma of the Federal Assembly of the Russian Federation, the Ministry of Economic Development of Russia, the Federal Property Management Agency, the Bank of Russia, various expert and public organizations) indicate a deep understanding of the specifics of the work and management decision-making in the corporation.

The position of E.V. Nikitchanova as a member of the Board of Directors of the Company during 2021-2024 was independent of the opinion of the majority shareholder of the Company, other members of the Board of Directors of the Company, the position of the executive bodies of Rosseti South PJSC, based on a comprehensive study of materials on the agenda of meetings of the Board of Directors of the Company.

2.4. Note that the decision to recognize Nikitchanova E.V., a member of the Board of Directors, as an independent director is justified and motivated.

Voting results:

Krainski D.V.	-	**"IN FAVOR"**	Klinkov O. Yu.	-	**"IN FAVOR"**
Dokuchaeva M.A.	-	**"IN FAVOR"**	Kravchenko K.Yu.	-	**"IN FAVOR"**
Zarkhin V.Yu.	-	**"IN FAVOR"**	Nikitchanova E.V.	-	**didn't vote**
Korotkova M.V.	-	**"IN FAVOR"**	Tikhonova M.G.	-	**"IN FAVOR"**
Kazakov A.I.	-	**"IN FAVOR"**	Ebzeev B.B.	-	**"IN FAVOR"**
Paramonova N.V.	-	**"IN FAVOR"**			

The resolution was approved.

3.1. In accordance with the assessment of the compliance of the member of the Board of Directors of the Company Zarkhin Vitaly Yuryevich with the criteria for determining independence set out in Appendix 4 of the Rules and the recommendations of the HR and Remuneration Committee of the Board of Directors of Rosseti South PJSC (Minutes No. 156 dated 17.04.2024), to recognize V.Y. Zarkhin as an independent director despite the existence of formal criteria of association:

3.1.1. with the Company (sub-item 2 of item 4 of Appendix 4 to the Rules):

- Zarkhin V.Yu. holds the position of a member of the Board of Directors in organizations controlled by the entity controlling the Company (Rosseti PJSC) – Rosseti Center PJSC, Rosseti Center and Volga Region PJSC;

3.1.2. with a significant shareholder of the Company (sub-item 3 of item 5 of Appendix 4 to the Rules):

- Zarkhin V.Yu. holds the position of a member of the Board of Directors in more than two legal entities controlled by a significant shareholder of the Company (Rosseti PJSC), as well as under the indirect control of the Russian Federation - an entity controlling a significant shareholder of the Company - Rosseti South PJSC, Rosseti Center PJSC, Rosseti Center and Volga Region PJSC.

3.1.3. with a significant counterparty of the Company (sub-item 1 of item 6 of Appendix 4 to the Rules):

- Zarkhin V.Yu. holds the position of a member of the Board of Directors in Rosseti Center PJSC, Rosseti Center and Volga Region PJSC, which are controlled organizations of a significant counterparty of the Company - Rosseti PJSC, the amount of obligations under contracts with which exceeds 2% of the book value of the Company's consolidated assets as of 31.12.2023 and 2% of the Company's consolidated revenues (income) as of 31.12.2023.

3.2. Note that no other criteria of association have been identified.

3.3. Recognize that such association with the Company, with a significant shareholder of the Company and a significant counterparty of the Company is formal and does not affect the independence of Zarkhin V.Yu. in forming his position on the issues of the agenda of meetings of the Board of Directors of the Company, his ability to make objective, conscientious and independent from the influence of the executive bodies of Rosseti South PJSC, a significant shareholder and a significant counterparty of the Company, decisions based on the following:

3.3.1. Zarkhin V.Yu. was nominated as a candidate for the Board of Directors of Rosseti South PJSC by a shareholder who is not the controlling shareholder of the Company (Prosperity Fundamental Value Fund, the share of voting shares of the Company – 2.93%). This shareholder is not a substantial shareholder of the Company, a person controlling Rosseti PJSC, or a person controlled by Rosseti PJSC. Zarkhin V.Yu. is an active representative of minority shareholders.

3.3.2. Zarkhin V.Yu. has no obligation to vote in accordance with the voting instructions and positions formed by a significant shareholder of the Company – Rosseti PJSC, as well as to vote in accordance with the directives or other position formed by the Russian Federation – the entity controlling the significant shareholder of the Company - Rosseti PJSC, since the Russian Federation exercises only indirect control over Rosseti South PJSC.

3.3.3. Zarkhin V.Yu. was previously recognized by the decision of the Board of Directors of Rosseti South PJSC as an independent director (Minutes No. 493/2022 dated 08.08.2022, No. 546/2023 dated 06.10.2023), from July 2019 to July 2020 was a member of the Audit Committee of the Board of Directors of the Company, from July 2020 to June 2023 - a member of the HR and Remuneration Committee of the Board of Directors of the Company, from July 2020 to August 2022 - a member of the Committee for Grid Connection of the Board of Directors of the Company, from July 2020 - a member of the Reliability Committee of the Board of Directors of the Company, from July 2019 - a member of the Strategy Committee of the Board of Directors of the Company and actively participates in all meetings of the Board of Directors and Committees of the Company's Board of Directors (100% participation).

During the preparation for the meetings of the Board of Directors and the Committees of the Board of Directors of the Company, Zarkhin V.Yu. requests additional information and clarifications, in particular cases gives separate opinions, which indicates the independence, self-reliance and use exclusively of his professional experience and knowledge, as well as expert judgments when making decisions aimed at the long-term interests of the Company.

3.3.4. Zarkhin V.Yu. participates in the work of the Boards of Directors of energy complex companies, including as an independent director, from June 2019 to June 2021 and from June to November 2022 – in EL5-Energo PJSC (formerly Enel Russia PJSC), from June 2021 to June 2023 – in Rosseti Siberia PJSC, from May 2019 – in Rosseti Center PJSC and from June 2019 – in Rosseti Center and Volga Region PJSC.

Knowledge of the specifics of work in the energy industry allows him to make conscientious judgments on the essence of issues considered by the Board of Directors of the Company. His position as a member of the Board of Directors of the Company during 2019-2024 was independent of the opinion of the majority shareholder of the Company, other members of the Board of Directors of the Company, the position of the executive bodies of Rosseti South PJSC, based on a comprehensive study of materials on the agenda of meetings of the Board of Directors.

3.3.5. A significant counterparty of the Company does not and cannot influence both the decisions taken by management bodies of Rosseti South PJSC and the financial and economic activities of Rosseti South PJSC, based on the fact that the agreements between the Company and Rosseti PJSC on the provision of a loan to the Company by the latter are concluded in order to attract intra-group debt financing at lower rates, than borrowing rates available at the time of conclusion of the agreement in credit institutions, and for a longer period than the available bank lending terms. Accordingly, Rosseti Center PJSC, Rosseti Center and Volga Region PJSC, being controlled entities by a significant counterparty of the Company - Rosseti PJSC, do not and cannot influence both the decisions made by management bodies of Rosseti South PJSC and the financial and economic activities of Rosseti South PJSC.

3.4. Note that the decision to recognize Zarkhin V.Yu., a member of the Board of Directors, as an independent director is justified and motivated.

Voting results:

Krainski D.V.	-	**"ABSTAIN"**	Klinkov O. Yu.	-	**"ABSTAIN"**
Dokuchaeva M.A.	-	**"ABSTAIN"**	Kravchenko K.Yu.	-	**"ABSTAIN"**
Zarkhin V.Yu.	-	**didn't vote**	Nikitchanova E.V.	-	**"IN FAVOR"**
Korotkova M.V.	-	**"ABSTAIN"**	Tikhonova M.G.	-	**"ABSTAIN"**
Kazakov A.I.	-	**"ABSTAIN"**	Ebzeev B.B.	-	**"ABSTAIN"**
Paramonova N.V.	-	**"ABSTAIN"**			

The resolution was approved.

ISSUE NO. 2: On reviewing of the report on the implementation of activities provided for by the Program "Digital Transformation of Rosseti South PJSC, 2020 - 2030" for the year of 2023.

RESOLUTION:

1. Approve the report for 2023 on the implementation of the Company's Digital Transformation Program, including the report on the implementation of the action plan for transition to the predominant use of domestic software and the report on the implementation of the plan for procurement and use of Russian radioelectronic products according to Appendix 1 to the present resolution of the Board of Directors of the Company.

2. Note non-achievement of 7 out of 20 planned performance indicators of the Company's digital transformation by the end of 2023 according to the report provided in the appendix to the present resolution of the Board of Directors of the Company.

3. Put in charge of the single executive body of the Company:

3.1. Increase the priority of the Program implementation, including the implementation of performance indicators and corresponding indicators of transition to the use of domestic software.

3.2. Ensure further implementation of the Program, including achievement of key performance indicators of digital transformation (targets), including indicators (indicators) of transition to the use of domestic software.

Voting results:

Krainski D.V.	-	**"IN FAVOR"**	Klinkov O. Yu.	-	**"IN FAVOR"**
Dokuchaeva M.A.	-	**"IN FAVOR"**	Kravchenko K.Yu.	-	**"IN FAVOR"**
Zarkhin V.Yu.	-	**"ABSTAIN"**	Nikitchanova E.V.	-	**"IN FAVOR"**
Korotkova M.V.	-	**"IN FAVOR"**	Tikhonova M.G.	-	**"IN FAVOR"**
Kazakov A.I.	-	**"IN FAVOR"**	Ebzeev B.B.	-	**"IN FAVOR"**
Paramonova N.V.	-	**"IN FAVOR"**			

The resolution was approved.

ISSUE NO. 3: On spending funds on preparation and holding of the Annual General Meeting of Shareholders of Rosseti South PJSC.

RESOLUTION:

Take in consideration the report on spending funds on preparation and holding of the Annual General Meeting of Shareholders of Rosseti South PJSC in accordance with Appendix 2 to this Resolution of the Board of Directors of the Company.

Voting results:

Krainski D.V.	-	**"IN FAVOR"**	Klinkov O. Yu.	-	**"IN FAVOR"**
Dokuchaeva M.A.	-	**"IN FAVOR"**	Kravchenko K.Yu.	-	**"IN FAVOR"**
Zarkhin V.Yu.	-	**"IN FAVOR"**	Nikitchanova E.V.	-	**"IN FAVOR"**
Korotkova M.V.	-	**"IN FAVOR"**	Tikhonova M.G.	-	**"IN FAVOR"**
Kazakov A.I.	-	**"IN FAVOR"**	Ebzeev B.B.	-	**"IN FAVOR"**
Paramonova N.V.	-	**"IN FAVOR"**			

The resolution was approved.

ISSUE NO. 4: On review of the progress report on the performance of the non-core asset

register of Rosseti South PJSC for Q2 2024.
RESOLUTION:

To take note of the progress report on the non-core asset register of Rosseti South PJSC for Q2 2024 in accordance with Appendix 3 to this resolution of the Board of Directors of the Company.

Voting results:

Krainski D.V.	-	**"IN FAVOR"**	Klinkov O. Yu.	-	**"IN FAVOR"**
Dokuchaeva M.A.	-	**"IN FAVOR"**	Kravchenko K.Yu.	-	**"IN FAVOR"**
Zarkhin V.Yu.	-	**"ABSTAIN"**	Nikitchanova E.V.	-	**"IN FAVOR"**
Korotkova M.V.	-	**"IN FAVOR"**	Tikhonova M.G.	-	**"IN FAVOR"**
Kazakov A.I.	-	**"IN FAVOR"**	Ebzeev B.B.	-	**"IN FAVOR"**
Paramonova N.V.	-	**"IN FAVOR"**			

The resolution was approved.

The Executive Board Chairman **D.V. Krainski**

Corporate Secretary **E.N. Pavlova**