

Self-evaluation of corporate governance level

The Company conducts self-evaluation of corporate governance practices on an annual basis in compliance with the Methodology⁴⁹.

CY2020–2021 evaluation of efficiency of corporate governance in OAO IDGC of Urals*

Component	Number of criteria under evaluation	Largest possible score	Internal Audit's evaluation	Compliance, %	Evaluation of corporate governance
Shareholder rights	19	71	69	97%	Developed practices
Board of Directors**	51	185	128	69%	Good practices
Executive bodies	5	40	34	85%	Developed practices
Transparency and disclosures	15	135	111	82%	Developed practices
Risk management, internal control and internal audit	16	63	63	100%	Best practices
Corporate social responsibility, business ethics	6	31	31	100%	Best practices
Total score	112	525	436	83%	Developed practices

* Due to the spread of COVID-19 the score related to in-absentia form of meetings (Board of Directors, Committees, General Shareholder Meetings) was not downgraded.

** Pursuant to Federal Law dated 18.03.2020 No. 50-FZ and Federal Law dated 07.04.2020 No. 115-FZ, items 16, 18, 19 of the questionnaire are not taken into account in CY2020–2021 evaluation (particularly, in evaluation / maximum score of Section I).

Compliance with the principles of the Corporate Governance Code*

Aspects	Principles, recommended by the Code	Principles complied with in full	Principles complied with in part	Principles that are not complied with by the Company
Rights of stockholders and equal treatment of stockholders in the exercising of their rights	13	10	2	1
Board of Directors	36	26	9	1
Corporate Secretary	2	2	0	0
Remuneration system	10	8	2	0
Risk Management and Internal Control System	6	6	0	0
Information disclosure, information policy	7	6	1	0
Significant and important corporate actions and events	5	3	2	0
Total	79	61	16	2

* The statistical data is an aggregate from the report regarding Company's compliance with principles and recommendations of the Corporate Governance Code. In December 2021, Bank of Russia's memo dated 27.12.2021 No. IN-06-28/102 has revised the methodology of CGC compliance evaluation, therefore, there is no comparison with previous CGC compliance evaluations due to differences in evaluation criteria.

Examine the Appendix for more details on the Company's compliance with the principles and recommendations of the Corporate Governance Code.

GENERAL MEETINGS OF STOCKHOLDERS

General Meeting of Stockholders is the supreme governing body of OAO IDGC of Urals. The exhaustive list of the General Meeting's purview is described in the Federal Joint-Stock Companies' Law and Company's Charter⁵⁰. Aspects comprising the General Meeting's purview cannot be delegated to the Board of Directors, Executive Board and General Director of the Company. The General Meeting is not entitled to examine and decide on aspects that are not affirmed as its competence by the Federal Joint-Stock Companies' Law. The Federal Joint-Stock Companies' Law, Bank of Russia's Regulations on General Meetings of Stockholders, the Charter and Regulations on

Annual General Meeting of Shareholders

Meeting date: 03.06.2021

Form: Letter ballot

Quorum: 91.1331%

the General Meeting of Stockholders stipulate preparation and conduct of the general meetings of stockholders of OAO IDGC of Urals.

Guided by recommendations of the Corporate Governance Code, the Company strives to provide its stockholders with a large variety of materials during arrangement of the general meeting to enhance feasibility of their decisions, including but not limited to position of the Board of Directors with regard to the meeting agenda, charts and tables for comparison of the current versions and to-be-introduced revisions of the Company's bylaws. All materials are posted on the Company's

official web-site and Interfax newswire web-page (agency accredited by the Bank of Russia for disclosures on securities and other financial instruments).

The Regulations on the General Meeting of Stockholders stipulate, in an easy-to-understand manner, the mechanics of the meeting, with stockholders permitted to discuss the agenda items and address relevant questions. Votes regarding agenda items of the General Meeting are tallied by the counting board. Its functions are performed by the independent registrar of the Company.

Outcomes of the AGM in 2021

Agenda item	Distribution of votes	Voting results and status of decision implementation
1. Adoption of the Company's annual report	"In favor" – 95,7% "Against" – 0,2% "Abstention" – 4,1%	The Company's 2020 annual report was approved.
2. Approval of the Company's annual financial statements, incl. P&L statement	"In favor" – 99,8% "Against" – 0,2% "Abstention" – 0,0%	The Company's FY2020 accounting (financial) statements was approved.
3. Approval of FY2020 profit allocation, incl. dividend payout (announcement)	"In favor" – 67,9% "Against" – 4,3% "Abstention" – 27,8%	FY2020 profit allocation approved: shareholders decided to pay no FY2020 dividends and distribute RUB 19.3 million to enterprise development.
4. Election of the Company's Board of Directors	Cumulative voting	New Board of Directors was elected.
5. Election of the Company's Board of Internal Auditors	Polling	New Board of Internal Auditors was elected.
6. Approval of the Company's auditor	"In favor" – 9,8% "Against" – 0,0% "Abstention" – 0,2%	OOO Ernst & Young was approved as the Company's auditor.
7. Introduction of amendments into the Charter	"In favor" – 71,5% "Against" – 27,8% "Abstention" – 0,7%	The decision was not passed.
8. Adoption of the Amended and Restated Charter, requiring filing with the Ministry of Justice of an application on authorization of inclusion of the word, derived from the official name of the Russian Federation or Russia, into new corporate name of the Company	"In favor" – 71,5% "Against" – 27,8% "Abstention" – 0,2%	The decision was not passed.

The minutes of the 2020 AGM were disclosed on the official website at: www.rosseti-ural.ru/en/company/controls/gsm/. There were no EGMs during the reported period

Analysis of the AGM voting

The quorum of the 2020 AGM totaled 91.1331%, showing a considerable interest of shareholders. Shareholders supported the proposed resolution drafts on agenda items No. 1,2 and 6, the share of votes "Against" and "Abstention" was below 0.2% (except for agenda item No. 1, where the share of votes "Against" and "Abstention" was 4.2%). As for agenda item No. 3, 4.3% of shareholders voted against the proposed resolution, 27.8% of shareholders chose "Abstention" option. As for agenda items No. 7 and 8, minority shareholders did not support the proposed resolutions, the share of votes "Against" and "Abstention" was 28.5% and 28.0%, respectively.