

BOARD OF INTERNAL AUDITORS

Financial and economic performance of the Company is overseen by the Board of Internal Auditors, as stated by the Charter⁸⁸. The competence of the Board, as envisaged by the Charter⁸⁹, includes:

- validation of data presented in the Company's annual report, annual financial statements;
- analysis of Company's financial position, detection of reserves to improve Company's financial position and preparation of recommendations to Company's management bodies;
- arrangement and conduct of the audit, namely:
 - audit of financial, accounting, payment and other documents with regard to Company's financial and economic operations to evaluate compliance with laws of Russia, Company's charter, bylaws and other documents;
 - oversight whether property, plant and equipment are protected and used in a proper manner;
 - oversight whether bad debt writing-offs comply with the established procedure;
 - oversight whether Company's monetary resources are spent in a manner compliant with the approved business plan and budget of the Company;
 - oversight how Company's reserve fund and other funds are generated and used;
 - oversight whether dividends, bond interest, yield on other securities are calculated and paid in a proper manner;
 - oversight whether orders, issued earlier to eliminate exposed violations and problems, are executed;
 - other audit-related activities.

The Board's functionality:

- 1) Oversight of financial and economic performance of the Company;
- 2) Independent evaluation of authenticity of data presented in the Company's annual report and annual financial statements.

As stated by the Charter, the Board of Internal Auditors consists of 5 members. There were 2 compositions of the Board of Internal Auditors during 2021.

The present composition of the Board was elected by the Annual General Meeting⁵⁶:

Svetlana Nikolayevna Kovaleva

Born in 1980.

Graduated from Academy of Civil Aviation (Jurisprudence, 2002), FGBOU VO NIU MEI (Production and project management, 2019).

Working experience:

2017 – present day: Internal Audit Director, Head of Internal Audit Department at PAO FSK UES;

2020 – present day: Internal Audit Director, Head of Internal Audit Department at PAO Rosseti (as a second job).

Svetlana Mikhailovna Trishina

Born in 1979.

Graduated from Amur State University (Banking and Finance, 2001), International Academy of Expertise and Appraisal (professional retraining: Internal Audit and Control in Commercial Entities, 2018; skills upgrade: Internal Audit, 2021).

Working experience:

2017 – present day: Head of Financial Audit Section; Head of Financial Audit, Methodology and Reporting Section; Head of Corporate Audit and Control in SACs Section; Deputy Head of Internal Audit Department — Head of Corporate Audit and Control in SACs Section at PAO FSK UES;

2020 – present day: Deputy Head of Internal Audit Department — Head of Corporate Audit and Control in SACs Directorate of Internal Audit Department at PAO Rosseti (as a second job).

Viktor Vladimirovich Tsarkov

Born in 1977.

Graduated from Moscow Institute of Economics (Economist, 2005), Russian Presidential Academy of Public Service (State and Municipal Management, 2007).

Working experience:

2017 – present day: First Deputy Head of Internal Audit Department at PAO FSK UES;

2020 – present day: First Deputy Head of Internal Audit Department at PAO Rosseti (as a second job).

Natalya Aleksandrovna Tsyganova

Born in 1980.

Graduated from Moscow Academy of Entrepreneurship at the Government of Moscow (Jurisprudence, 2003).

Working experience:

2013 – present day: Chief expert of Corporate Audit and Control in SACs Directorate of Internal Audit Department at PAO FSK UES;

2020 – present day: Chief expert of Corporate Audit and Control in SACs Directorate of Internal Audit Department at PAO Rosseti (as a second job).

Andrey Ivanovich Yudin

Born in 1986.

Graduated from Tambov State University named after G.R. Derzhavin (Taxes and Taxation, 2008).

Working experience:

2018 – present day: Chief expert of Methodology and Reporting Section of Internal Audit Department at PAO FSK UES;

2020 – present day: Chief expert of Methodology and Reporting Section of Internal Audit Department at PAO Rosseti (as a second job).

The Board of Internal Auditors, serving between 29.05.2020 and 02.06.2021, was elected by the General Meeting of Stockholders⁹⁰:

Marina Alekseevna Lelekova

Born in 1961.

Graduated from Far East Institute of Soviet Trade (Economics, 1982).

Working experience:

2013–2020: Director of Utilization Review Department at PAO Rosseti.

Considered as a former member of the Board of Internal Auditors due to her written notice of resignation from the OAO IDGC of Urals' Board of Internal Auditors⁹¹.

Artem Nikolayevich Kirillov

Born in 1984

Graduated from Moscow Energy Institute (Engineer–Electrician, 2008).

Working experience:

2013 – present day: Head of Investment Audit Section of Utilization Review and Internal Audit Directorate of Internal Audit and Oversight Department, Deputy Head of Utilization Review Directorate of Utilization Review Department; chief expert of Internal Control and Risk Management Systems Directorate of Internal Control and Risk Management Department at PAO Rosseti.

Elena Aleksandrovna Kabizskina

Born in 1964

Graduated from Far East Institute of Fish Industry (Engineer - Economist, 1986).

Working experience:

2014 – present day: Deputy Head of Utilization Review Directorate of Utilization Review Department; chief expert of Corporate Audit and Control in SACs Directorate of Internal Audit Department at PAO Rosseti.

Lyudmila Stanislavovna Skrynnikova

Born in 1979

Graduated from Kyrgyz National University named after J. Balasagyna (Economics, 2002).

Working experience:

2017–2019: Head of Internal Audit and Control Sector at AO Technical Client Center

2019 – present day: chief expert of Supervision Directorate of Internal Control and Risk Management Department; chief expert of Corporate Audit and Control in SACs Directorate of Internal Audit Department at PAO Rosseti.

Svetlana Anatolyevna Kim

Born in 1981

Graduated from Moscow State University of Railway Engineering (Commerce, 2004).

Working experience:

2013 – present day: Head of Supervision and Internal Audit Directorate; Head of Supervision Directorate of Internal Control and Risk Management Department at PAO Rosseti.

Members of the Board of Internal Auditors do not have shares of OAO IDGC of Urals or its affiliates. There were no transactions between the Company and Board's members in 2021. The Company has not brought civil actions against Board's members. Based on the analysis of questionnaires completed by the Board's members, the Company deems that:

- Members of the Board of Internal Auditors do not have close family ties (spouses, parents, children, adoptive parents, adoptees, siblings, grandparents, grandchildren) with members of the Board of Directors, members of the collegiate executive body or entity serving (functioning) as the sole executive body of OAO IDGC of Urals;
- Members of the Board of Internal Auditors were not held administratively liable for infringements in finance, taxes and levies, insurance and securities market or criminally liable (or had previous criminal records) for economic crimes or crimes against state;
- Members of the Board of Internal Auditors have not occupied positions in the management bodies of commercial companies going bankrupt and/or undergoing one of bankruptcy proceedings stated by the Russian bankruptcy legislation⁹².



2021 progress report of the Board of Internal Auditors.

In 2021, the Board of Internal Auditors has conducted the audit of the Company's 2020 performance.

The audit included:

- evaluation of authenticity of the accounting (financial) statements prepared as of 31.12.2020;
- evaluation of authenticity of the FY2020 annual report;
- scrutiny of the Company's activities related to the arrangement of technological and price audits of investment program progress reports and measures to eliminate violations and weaknesses exposed in experts' reports that came out of the technological and price audits of investment program progress reports;
- evaluation of financial situation of OAO IDGC of Urals as of 31.12.2020;
- evaluation of authenticity of the 2020 report on the Company's related-party transactions,
- scrutiny of selected corporate governance practices of the Company;
- other issues exposed in the course of the audit.

The BOLA's report, approved by the Company's Board of Internal Auditors⁹³, expressed opinion on the authenticity of information contained in the FY2020 annual report, FY2020 accounting (financial) statements in all material respects. No evidence of misrepresentation of information contained in the 2020 report on related-party transactions has been found. The report was included into the list of materials to be disseminated among Company's shareholders during preparation of the Annual General Meeting in 2021.

Remuneration of the Board of Internal Auditors

The amount of remuneration due to the Board of Internal Auditors and payout procedure is stipulated by the Regulations on remunerations and compensations due to the Board of Internal Auditors⁹⁴. Remuneration is charged for a member's corporate year service, depending upon the degree of member's involvement in the Board's activities. Member's remuneration is based on the fixed component, set upon the annual RAS revenues. In 2021, the Board of Internal Auditors received RUB 626 thousand (incl. taxes) as remunerations and compensations.

EXTERNAL AUDITOR

In 2021, the Company's auditor was OOO Ernst&Young. PAO Rosseti has conducted an open tender for the right to conclude a contract on a mandatory annual audit of the FY2021 statements⁹⁵.

OOO Ernst&Young, leader of the joint tenderer, was acknowledged as the winner.

The auditor candidate for 2021 was approved by the general meeting of stockholders⁹⁶.

In 2021, the Company has paid a RUB 4,182 thousand remuneration to OOO Ernst&Young for the audit of the FY2021 statements.

In 2021, OOO Ernst&Young has not rendered non-audit services to the Company.

 **RUB 4,182 thous.**

PAID TO OOO ERNST&YOUNG FOR THE AUDIT IN 2021