

## EVALUATION OF CORPORATE MANAGEMENT EFFICIENCY

The Company approved and enacted Company standard CS 2.045/0 "Evaluation of Corporate Management Efficiency in PJSC IDGC of Siberia. Methodology" (hereinafter Methodology). This Methodology was designed on the basis of methods for self-estimation of corporate management quality in state-participated companies.<sup>1</sup>

This Methodology provides for estimation from the point of compliance with principles and recommendations of corporate management that are stated in the Corporate Management Code.<sup>2</sup>

In 2018 Company Department for internal audit evaluated efficiency of Company corporate management for 2017. Corporate management was evaluated at the level of 79%, i. e. assessed as "Efficient with Remarks" (corporate management is efficient, but with remarks, particular components or issues have to be improved).

### Evaluation of a corporate management compliance and efficiency level

Component name	Number of estimation criteria	Maximum possible amount of points	Internal audit estimation	Compliance level, %
Shareholders' rights	22	79	65	82
The Board of Directors	56	203	135	67
Executive management	5	40	33	83
Transparency and disclosure of information	15	135	110	81
Risk management, internal control and internal audit	16	63	61	97
Corporate social responsibility, business ethics	6	31	29	94
Total points:	120	551	433	79

### Results of self-evaluation of corporate management for compliance with principles and recommendations of the Corporate Management Code

Principles of corporate management	Observed	Partially observed	Not observed
Shareholders' rights	12	0	1
The Board of Directors	29	4	3
Corporate Secretary	2	0	0
Remuneration system for members of the Board of Directors, executive bodies and other key employees	9	0	1
Internal control and risk management system	6	0	0
Disclosure of information on the Company	6	1	0
Significant corporate events	4	1	0
Total	68	6	5

1. Approved by the Order of Rosimushchestvo No. 306 as of 22.08.2014

2. Recommended by the letter of the Bank of Russia No. 06-52/2463 as of 10.04.2014 "On the Corporate Management Code"